WISEs contribution
ENSIE – WISEs contribution

A collection of position and practices on work integration of vulnerable groups and promoting a favourable ecosystem for Work Integration Social Enterprises across Europe

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ABOUT ENSIE

ENSIE, the European Network of Social Integration Enterprises, unites national and regional networks of Work Integration Social Enterprises (WISEs).

These networks are made up by enterprises of which identifying principles are:

- The social and professional integration of individuals who due to their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional handicaps.

- Enterprises at the core of the economic system, frequently one of the major factors in the phenomenon of exclusion.

- Enterprises with a strong pedagogical dimension. The Work Integration Social Enterprises initiate training and educational programs designed on the basis of existing potential of the target group and develop this individual potential (at professional level and in its participation in society) within the enterprise.

At the moment ENSIE is recognised as key European level networks active in promoting social inclusion by the DG Employment, Social Affairs and Inclusion of the European Commission.

The network gathers 27 national and regional networks, representing 19 countries of the European Union (Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovenia, Spain, Sweden and United Kingdom), Serbia, and Switzerland. All these networks pursue, in a manner adapted to local constraints, objectives of social integration of disfavoured publics. Together, they totalise some 3,170 Social Integration Enterprises, and more than 270,000 salaried persons.
WISES - FIGHTING AGAINST POVERTY AND SOCIAL EXCLUSION

NEETs

Contribution of ENSIE on the recommendations on promoting social inclusion and shared values through formal and non-formal learning – August 2014

ENSIE, the European Network of Social Integration Enterprises represents regional and national networks of Work Integration Social Enterprises (WISE). The aim of these enterprises is the social and professional integration of people with very low qualification, disadvantaged persons and people suffering from social handicaps and with difficulties in getting a job on the labour market. Young people and in NEETS (Not in Education, Employment, or Training), are also a target group of WISEs. The work integration social enterprise organises a socio-pedagogical path and it is a springboard towards stable and quality employment.

These initiatives are part of the general sector of social economy in order to promote solidarity and a more inclusive and participatory society.

**The pedagogical dimension in the centre of work integration social enterprises**

WISEs are characterized by 3 identifying principles:

- The social and professional integration of individuals who due to their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional handicaps;

- The choice to carry out their activities at the core of the economic system, frequently one of the major factors in the phenomenon of exclusion;

- A strong pedagogical dimension in particular by implementing within the enterprise training and educational programmes to develop the individual potential (at professional level and in its participation in society).

They implement educational programmes using the existing potentials of the enterprise itself:

- **Education of socialisation** based on one side on the rights and duties of the employees governed by the labour laws and the collective agreements and on the other side by the human business community, the self-management skills and the building of relationships.

- **Education through formal learning** based on the actual working situation where the professional know-how is grasped, initiated and acquired through work experience.

- **Education through the integration pathway** based on one side on the requirement to tackle the obstacles and on the other side by managing the integration through a job opportunity.

- **Education of civil rights** based on information and learning about the role of an employee in everyday life and in the management an enterprise, how to exercise economic democracy, a basic feature for young people to find their place in society.

- **Education of empowerment** in order to value the people allowing them in certain countries to get official certifications and thus access to jobs with higher responsibilities.
Work Integration Social Enterprises as an answer for learning opportunities for young people

In recent years WISEs address more and more the problems of integrating young people especially those among them who have difficulties in finding a job on the traditional labour market.

WISEs create a learning environment specially adapted for young people. The educational programmes are designed and tailor-made to reveal the potential of each person.

WISEs implement different activities aiming at improving the integration of young people on the labour market:

- Providing information on the individual and collective prospects and about the labour market,
- Implementing learning opportunities and traineeships within the enterprise in order to get working experience,
- Training and upgrading of skills to get working know-how,
- Professional coaching in order to give orientation to young people on integration into the labour market,
- Social support for the young people and their families to strengthen their individual capacities,
- Integration into special WISEs that serve as a springboard for the traditional labour market,
- Creating partnerships with private enterprises to ensure the integration into the traditional labour market.

Social support is offered to assure a good orientation for young people and to give them the necessary skills for integrating into the traditional labour market and into society as a whole. Emphasis is on learning the know-how necessary to get a job.

Our recommendations for the EU

In recent years numerous initiatives have been taken in favour of learning opportunities and inclusion of young people.

It is essential that the EU continues in this direction and that still more awareness-raising of member states takes place emphasising the topic and the contribution of WISEs in integrating young people.

The Exchange of good practice examples between the different European realities is most important to assure the best integration of young people, in particular of the most disadvantaged ones. Furthermore, awareness-raising and promotion of work integration social enterprises in all of Europe is necessary to ensure the implementation in integrations measures for vulnerable target groups and especially in the Eastern European countries where at present work integration social enterprises are only little or not at all developed.

For a better integration of young people WISEs need in particular,

- To support national policies and frameworks to adapt better to the problem;
- To give state aides for promoting economic activities to comply with the objectives of integrating disadvantaged persons and to offer adequate support for people in difficulties;
- To develop measures for acknowledging informal and non-formal learnings received in a WISE.
NEETS Integration and work integration social enterprises – December 2014

In 2014, ENSIE the European Network of Social Integration Enterprises, decided to reflect and go through an emerging problem that Europe is facing about NEETs unemployment and integration. Some researches and a meeting were organised with representatives from 6 European countries: Belgium, Cyprus, Italy, Macedonia, Spain and Romania to discuss the topic.

In this period of crises, characterized by a high young unemployment rate, NEETs – young person who is Not in Education, Employment or Training - are one of the most vulnerable groups among the others due to the lack of education, work, job culture and value that brings them to be socially excluded both from labour market and social life. Work Integration Social Enterprises are social enterprises whose identifying principles are: the social and professional integration of disadvantaged groups, enterprises at the core of the economic system and carrying a strong pedagogical dimension.

Lately, work integration social enterprises have been more and more facing the issue of youth integration with those that cannot integrate the traditional labour market.

During this year some common features of the NEETs integrated through WISEs were identified:

- young people aged between 14 to 30 depending on the countries;
- specific situation of people aged 40 who never had a job;
- unemployed usually with low education;
- marginalised as facing other social and health difficulties;
- strong lack of job culture and values.

In order to mitigate this problem specific methodologies are implemented by WISEs. The first step is to coordinate flexible projects that involve youth and that allow the definition of objectives at short, middle and long term with clear and quantifiable results. Specific attention must be put on social accompaniment, trying to involve youth and their families with information and orientation activities in close cooperation with other organisations working with the target group. Tailored trainings within the enterprise are also quite important with adapted systems of recognition and certification of competencies at regional and national levels. Moreover, strong collaboration with private companies is required to facilitate the pathway from the work integration social enterprises to the labour market with a focus on raising awareness about stigma.

Different activities are run by WISEs in order to better integrate young people on the labour market:

- orientation on individual and collective perspective to give relevant information on the job market;
- apprenticeships and internships within the enterprise to gain relevant experience on the job place;
- training and capacity-building to learn soft skills related to the job place;
- job coaching as a process to follow young people from their orientation to the integration on the labour market;
- social accompaniment with youth and their families to achieve empowerment of individuals;
- integration within specific WISEs as springboard to the traditional labour market;
- matching and mediation with private companies to ensure the integration on the traditional labour market.

The integration of NEETs is an important issue that Work Integration Social Enterprises have to manage all around Europe. The European Commission has been taken different interesting initiatives on youth since 2010. To be able to give adapted support to this specific target group, WISEs had to adapt their methodologies and activities. Better adapted national framework dedicated to the topic as well as supported staff and more specific information and concrete training would help to tackle the issue together with the implementation of the EU initiatives in the different Member States.
ENSIE's contribution about members’ activities on the refugee crisis – October 2015 and update in June 2017

ENSIE, the European Network of Social Integration Enterprises, represents European national and regional networks of Work Integration Social Enterprises – WISEs. These enterprises aim to integrate disadvantaged people in the labour market through both economic activity and a pedagogic approach that enables their social and professional inclusion.

Apart from the emergency response that is given to refugees by ENSIE members’ organizations, what will be a key role of the Work Integration Social Enterprises in the long run, in the network’s opinion, is the provision of both employment and training that leads to social inclusion. In fact, the RICE Report by the UNHCR reveals that the key concerns of refugees are housing and employment, including training and re-training. The need of both employment and education could be met by WISEs as well as the social accompaniment, which means providing social support to find solutions to any other social problems such as housing, childcare, health, mobility…

The main challenge for WISEs will be linked to financing, as the target group is increasing, and thus put a financial challenge that the Members States have to take over1.

Concrete examples from our members:

Regarding the refugee crisis, in Croatia, one of the most affected regions, our member Act Group is active in the North West on different levels:

- It coordinates local volunteer groups that cover two border crossings: 2 groups of 15-20 volunteers
- In partnership with the local Red Cross it collects and distributes food, clothes and other goods needed by the refugees
- One the enterprises they represent, the social cooperative Humana Nova collects, sorts and distributes clothes and blankets
- They are in contact with some donors to scale their support to refugees.

Act Group is developing a project, called OKUS DOMA / TASTE OF HOME, that is a culinary-cultural-research project that introduces the culture, customs and countries of origin of refugees and migrants in Croatia. This is an experiment in sharing life stories and culinary skills of refugees and people from Croatia. By preparing the food they grew up with, refugees are evoking memories and creating new friendships and experiences in their new home. In the same time, they are building on skills that will help them find employment and integrate in the new society. Collectively “Taste of Home” gathers around 30 refugees and volunteers/activists.

IDC Serbia, one of the enterprises represented by our member SENS in Serbia, has been extremely active in the response to the crisis. Since the beginning of September 2015, IDC Serbia has started implementing a program of activities designed primarily for children refugees living in the park near the Belgrade bus station and the Faculty of Economics. These activities involved primarily the distribution of food and water, but they were also devoted to provide people with information and leisure in their native language: translators and people from the Faculty of Philology of the University of Belgrade talked to the refugees, amused children and let them watch cartoons in their native language.

IDC has also carried out a project, funded by a Spanish humanitarian organization for the refugees crossing the borders in the North, where they stop between 1 and 2 days on their way to the European Union. This project was focused on straightening of socio-economic capacities of the refugees and internally displaced persons in the Republic of Serbia and facilitating their access to justice. Apart from provision of free legal aid, the important component of the project was strengthening the economic capacity of the long-term unemployed refugees and IDP’s and social inclusion of this particular vulnerable population, through provision of vocational trainings for vocations demanded on labour market, free 5-6 months courses, apprenticeship and practical work. This project could certainly serve as a model for improvement of socio-economic status of long-term unemployed people in general (not only refugees and IDPs) in Serbia, but also all over Europe, as it implies simple logarithm that is applicable to all countries regardless of the special economic, social, cultural or other circumstances: investigate what labour market needs, explore your own capacities and learn as much as you can to meet those needs, and just work hard.

The Serbian network we represent is also deeply engaged in the advocacy for asylum seekers and migrants, aiming to an improved migration policy in line with the European standards. Our member IDC is the coordinator of a network of NGOs (Save the Children, Group 484, Red Cross Serbia …) operating to respond to the crisis, especially in terms of activities devoted to children.

1 There are three existing funds that apply specifically to refugees: AMIF (Asylum, Migration and Integration Fund), FEAD (Fund for European Aid to the most Deprived) and ESF (European Social Fund).
Slovenia is another country that is crucially affected by the refugees’ crisis. Our member ŠENT has responded to it helping humanitarian organizations (Slovenian Philanthropy, Red Cross, Caritas, …) with the provision of resources for the people in need. Of course, many individuals are involved as volunteers in the refugees’ crisis. ŠENT has also dedicated a specific discussion to this issue during the event “Days of the social economy” they organised.

Inside ŠENT network, ŠENTPRIMA and Dobrovia d.o.o., with Cene Štupar, are taking part in the national pilot project of migrants’ integration. In this pilot project different Public Institutes, NGOs and employers are participating in different cities in Slovenia.

In Italy, our member EVT Network provided us with evidence of emergency response that is given to migrants by the VET centre linked to one of its associations, C.E.F.A.L. Emilia Romagna (linked to Social Cooperative It2), who is active in the North East of the country, given that this country is affected as a whole and not only in the Southern regions. CEFAL recently won an Erasmus+ KA2 Strategic partnership project, called MILAR, that has as primary objective those to offer innovative training and job opportunities for refugees, characterized by different levels of competence and different migratory origins, in Italy, Sweden, Germany, UK. The aim is therefore to investigate and reach the goal of inclusion of refugees in innovative contexts of social economy, expressed by local communities, with experimental work inspired by the Italian model of social enterprise of community. The process of inclusion in these realities aims to mitigate the differences of skill/knowledge/abilities of refugees, linking them within a larger project, involving the community, where every person can find their own work space. To achieve that, all project outputs.

In Sweden, our member SKOOPI informs that Work Integration Social Enterprises already have a consolidated experience with migrants. At the outbreak of the current humanitarian crisis, some of their social enterprises have engaged themselves in welcoming activities, to give a first aid to people arriving to Sweden by train. For example, in Gothenburg one of their member enterprises supports refugees with food and clothes that were previously collected in the local community. In addition to this, the social enterprises that belong to the Swedish Red Cross movement or to the Salvation Army (often second-hand business) support refugees with food, toys and other goods at many of the welcome centers for asylum seekers that are run by the migration authorities. Institutions have invited NGOs to discuss the situation at national, regional and local level, to better address the crisis. It is also remarkable the agreement that the Swedish government has reached with some of the political parties in the opposition to include in the budget for the work integration of long-term unemployed people also the costs for the work integration of the newly arrived refugees. This is an emergency measure that brings also a financial challenge for WISEs that decided to prepare themselves absorbing more private financing to meet the needs of a bigger target group.

Another good practice we may provide is the one from Austria, Magdas Hotel (member of Arbeit plus), which employs refugees who usually have to wait several years before getting access to the labour market and even then they suffer from very limited job opportunities.

The Austrian member developed also the “Stuetzpunkt”: a support point office in Enns, founded in 2008. Its activities address recognized refugees and people granted subsidiary protection, who receive a needs-based minimum income. Men and women from various countries are offered a temporary employment. They come from various countries like Afghanistan, Syria, Ira, Iraq, Somalia, and Cameroon. Most of the people having had a temporary job in this project find a job afterwards. Since 2010 this service also runs a social market, because a lot of refugees want to work as retail sales persons. Here they are taught who to calculate a price, how to operate a cash desk and how to deal with customers.

This activity also has other fields of activities like renovating houses and flats, a cleaning service for private households or companies. They have a special task: they clean the city tower of Enns, for this task they are commissioned by the municipality of Enns.

Inside the Austrian network, the Viennese Public Employment Service contracted abz*austria with a competence check for the target group of Farsi speaking women (mostly) from Afghanistan and Iran. The pilot project (September – December 2015) as well as the second one (January – May 2016) provided counselling and information for approx. 170 participants each. The third project (April 2016 – May 2017) will be carried out in cooperation with two other organisations and provide courses and counseling for almost 2,000 in Farsi/Dari, Arabic and other languages. The experience is as follows: to assess the competences of people from other countries is a complex but rewarding process and needs not only counsellors/trainers with the relevant professional know-how, but it is also absolutely necessary to know the cultural surroundings and their mother tongue. Furthermore, it needs sufficient time as shown in the testimonial below.

Our Catalan member FEICAT is working, since 2014, with the Municipality of Barcelona, to create within 2 years, 49 jobs for people at risk of social exclusion and get some of the illegal migrants to regularize their situation thanks to full time employment. This project has been implemented thanks also to the Office of the Plan of Irregular Settlements (Opai) of the city and to the Foundation “la Caixa”, opening a new form of cooperation between work integration social enterprises, private foundations and public administration bodies that can be replicated in other settings of the fight against social exclusion.

The 45% of people employed thank to this project is of Senegalese origin. The second nationality has been involved is Ghana (13%) and the third of Nigeria (8%). Overall, 82% of those hired came from a sub-Saharan country, but they have also hired people from North African, Latin American and EU (Spain and Romania):
To develop the “Project of employment for vulnerable people in the city,” City Council had tried to get insertions through various existing resources in the city, such as Barcelona Activa, and the program INCORPORA of La Caixa. The success rate of these experiences led the City of Barcelona to reflect on the need for a specific instrument aimed at the group of people living in settlements.

Considering the numbers, the agreement was signed for a total amount of € 810,000.00, with contributions in three equal parts of € 270,000.00. The 49 contracts, of varying durations, have involved a total of 510 months, which represents an average monthly cost per person of € 1,588.23 and € 529.41 in total for Barcelona City Council.

It is also interesting to consider that, in addition to the 49 people hired, the project has had an impact on at least 75 people, who participated in interviews and processes of selection.

In France, the Fédération des entreprises d’insertion, which represents 500 work integration social enterprises throughout the country, has identified some innovative experiences to facilitate the integration of refugees and migrants.

For example, the temporary employment enterprise Humando has developed a partnership with the Ile de France prefecture, the AFPA (adult training agency), the FAF.TT (training organization for the professional branch of temporary work) and Pôle Emploi (State’s administration) in order to better welcome asylum seekers and refugees and to encourage their integration into the labour market. The experimentation has begun in mid-October 2016, with 100 refugees. The partners proposed them a course of 1,120 hours, over 8 months, combining French learning with social and civic accompaniment, through modules whose objective is the acquisition of labour social rules, the civic training, the Republic institutions, the secularism, and finally the support for job research. The temporary employment enterprise Humando is engaged in the work integration and it carries out social and professional accompaniment and the employment placement after training through their agencies.

Another example, driven by the institutional bureaux in each French region, focusing on an interesting case in the “Hauts de France” (northern France, Lille region - http://www.groupevitaminet.com/integrer-professionnellement-Refugies-janus/) is represented by the experimental program “Pilott”, worked with Janus (interim agency of insertion): about forty people having obtained political asylum, or the protection of France, because of the war situation in their country, have been integrated into a program, carried out by the Northern Prefecture, the AFPA, the FAF.TT (temporary training organization) and several temporary employment agencies. These people first took French courses at AFPA, before being oriented to training courses for several weeks. Several companies of the group (Envie 2e, Le Grenier, Vit’Inser, Les Serres des Prêts) hosted around 15 refugees and Janus partner companies. Next step for Janus: find them temporary contracts with clients to broaden their professional experience and allow them to achieve their best integration in France.

There are also numerous projects carried out by the SINGA association, in particular « Favoriser l’accès à l’entrepreneuriat pour les personnes réfugiées »: https://www.singafrance.com/singa-project, born from a citizen movement, SINGA creates opportunities for commitment and collaboration between refugees and their host society. SINGA now has a community of more than 20,000 members. It is above all a community of professionals, entrepreneurs, artists, athletes, dancers, singers, students, who meet to take part in welcoming refugees and enrich the repertoire of asylum through innovation.
Disadvantaged people/workers

Work Integration Social Enterprises: the empowerment of people through social enterprise for a stronger society – June 2017

**WHO?**

Work Integration Social Enterprises are independent economic entities characterized by three identifying principles:

- The social and professional integration of individuals who due to their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional handicaps.

- Enterprises at the core of the economic system, frequently one of the major factors in the phenomenon of exclusion.

- Enterprises with a strong pedagogical dimension. The Work Integration Social Enterprises initiate training and educational programs designed on the basis of existing potential of the target group and develop this individual potential (at professional level and in its participation in society) within the enterprise.

They vary a lot from one country to another. Those economic entities can be organised by different legal status: commercial, association, foundation, cooperatives and others created especially for implementing activities with the aim of inclusion. The models for integrating disadvantaged workers vary also: springboard model (e.g. France, Spain), permanent models (e.g. Belgium) or a mix between the two models (e.g. Italy); the same applies to the target group who is defined on national level. There are also differences in the classification of the workers (work contract versus trainee).

**The big differences in the organisation of work integration social enterprises in Europe is due to the historical development, the culture and the rules that vary from one country to the other, but they are located in all kinds of regions creating local jobs and committed to social inclusion and development.**

**About ENSIE**

At the moment, ENSIE gathers 28 national and regional networks, representing 19 EU member states (Germany, Austria, Belgium, Croatia, Denmark, Spain, France, Luxemburg, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovenia, Sweden) and also Switzerland and Serbia. All these networks aim at social inclusion of disadvantaged people, adapted to local conditions. In total there are 3,170 enterprises employing more than 270,000 people.

- 28 national and regional networks
- 19 EU Member States + Serbia and Switzerland
- 3170 enterprises
- 270,000 salaried persons
**HOW?**

**With economic efficiency**

A sample of 807 work integration social enterprises, representing 9 EU member states and 10 ENSIE member networks of different levels have participated in the study ‘IMPACT WISEs 2015’ show a total turnover of 727 782 035,60 euro resulting in an average turnover of 901 836,48 euro.

Work integration social enterprises are involved in many different sectors, but they act as pioneers in the fields related to waste processing, temporary employment and green care.

With a social aim

Work integration social enterprises offer new opportunities to people who suffer from social and professional handicaps caused by their exclusion and their marginal role in society. The definition of the target groups is made on national level and can include long-term unemployed, people with very low qualification, people over 50 years, young people, minorities …

In the total of 51 876 workers of the study, 67% are men and 33% are women.

In 2015 the results for the 12 954 disadvantaged workers leaving the 807 work integration social enterprises interviewed and representing 9 EU member states were as follows:

- 48,5% found a job in the same or another work integration enterprise or on the first labour market;
- 16,5% became self-employed or started an educational programme
- and 35% have left and are again unemployed, sic, have died …
In the framework of the 3rd Annual Convention of the European Platform Against Poverty and Social Exclusion, ENSIE, EAPN and EASPD organized a side event on In work poverty. This exchange meeting lead to the following key messages:

- Quality of jobs and employment is a right, as well as a fundamental tool to sustainably exit the crisis. “Recovery” measures, in the form of austerity, including reduction in decent wages, only undermine it. The EU plays a fundamental role in coordinating and issuing Country-Specific Recommendations on the employment policy of Member States, in the context of Europe 2020 and the Semester. CSRs should require progress towards quality jobs which ensure decent lives, whilst countering in-work poverty.

- A comprehensive EU strategy to fight in-work poverty is badly needed – in-work poverty was named a “trend to watch” in the 2013 SPC report. The European Commission is invited to put forward such a strategy, within an overarching strategy to fight poverty and social exclusion for all groups, with an implementation roadmap attached, developed in full consultation with relevant stakeholders, including civil society organisations and people experiencing poverty.

- Despite the fact that the EU has, in many occasions, highlighted the potential of the health care sector, there is no strategic investment in the sector, in order to create quality jobs and improve its attractiveness, while the jobs in the healthcare and social services sector presents difficult working conditions for staff (in particular front-line), including in-work poverty.

- Social economy, especially work integration social enterprises, are at the forefront of the professional and social integration of people facing multiple obstacles and disadvantages, yet they need to be better supported and their role better recognized, in order to be able to remain sustainable, thus ensuring decent wages and quality workplaces.
WISES – EMPLOYMENT OPPORTUNITIES

WISEEs as Active Labour Measures

Survey on Social and Solidarity based enterprises - European Parliament – June 2017

ENSIE, with the contribution of some of its members (RES, Belgium; All Ears, Denmark; Consorzio EVT, Italy; RISE, Romania; Galileo Progetti, Hungary and ULESS, Luxemburg) answered to the European Parliament consultation process on the Social and Solidarity based enterprises.

Questionnaire

1. How does your organization understand and define a social and/or solidarity-based enterprise (SSBE)? What, in your opinion, are the distinguishing features of SSBEs that make those enterprises different from other types of organizations?

ENSIE, as a European Network representing the interest of WISES, recognizes its members as part of social enterprises and respects the three principals of the European Commission Social Business Initiative, which define social enterprises as:

- Those for who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation.
- Those where profits are mainly reinvested with a view to achieving this social objective.
- Those where the method of organisation or ownership system reflects the enterprise’s mission, using democratic or participatory principles or focusing on social justice.

ENSIE brings the attention on the fact that the term “social and solidarity-based enterprise” (SSBE) is not EU agreed language.

2. What are the main business models/strategies that your organization or organizations that you represent use to achieve their aims? If possible, please provide examples of the business models that you consider to be the most successful and why?

Many social enterprises (SE) operate in the form of social cooperatives, some are registered as private companies limited by guarantee, some are mutual, and a lot of them are no-profit-distributing organisations like provident societies, associations, voluntary organisations, charities or foundations.

The Work Integration Social Enterprises’ purpose is to fully get integrated into economy, ideally thanks to an external support which allows them to handle their social mission and counters the distortion of competition it creates. Therefore, there is no specific economic sector in which WISEs should evolve.

3. How are the activities of your organization primarily financed (i.e. business activities, membership fees, national public contributions, EU funding)?

ENSIE is primarily financed EU funds, membership fees and national projects.

In most cases, business activities represent the main source of funding for SE. Public contributions as well as EU funding, as primary source of finance, are not enough for SE to develop their activities.

SE tends to grow like normal SMEs on the market. Nevertheless, their social goal should be better considered by public authorities. Some States or local authorities intervene but they usually only finance up to 20% of the revenues of SE. Those subsidies help to counterbalance the lack of productivity from the recipients but are unfortunately not enough.

4. Has your organization applied for and/or already received EU funding? If yes, what type of EU financial instruments has your organization applied for and/or received or is planning to apply for in the future?

At the moment, ENSIE has signed a multi-annual framework partnership agreement with the DG Employment, Social Affairs and Inclusion of the European Commission as a key European level network active in promoting social inclusion.

5. If you have received EU funding, how did it help your organization to develop and grow? If possible, provide an estimation of the percentage or amount of your organization’s financing of deriving from EU funding.

For the past two years, EU funding represent more or less 60% of ENSIE’s financing.

6. In the opinion of your organization, how do SSBEs already contribute or potentially could contribute to the Europe-
SE, and especially WISEs, already actively contribute to the European sustainable and inclusive jobs and growth agenda through many actions:

- Job creation in innovative sectors
- The Employment of low-skilled persons far from the labour market
- The inclusion of an educational component which reinforces skills and social cohesion
- The use of participatory democracy in the professional environment, which strengthens the feeling of justice and citizenship.

Nevertheless, at national level, in some European Countries, the lack of information and knowledge about WISEs, social enterprises and more in general about social economy is a real obstacle that limits the development of cross-border projects.

7. In which socio-economic sectors (at national or EU level) do you think SSBEs have or potentially could have significant impacts? If possible, please provide examples on the achievements and socio-economic impacts of your organisation or of any SSBE you consider successful in achieving social goals.

In Europe, WISEs are mainly positioned on recycling and green jobs. Manufacturing industry, which requires a lot of labour, is also a privileged sector for WISEs. Other sectors, as such as social agriculture or computing, are developing.

8. Based on the experience of your organization, what are today the five major challenges preventing social enterprises from further developing and growing in the EU?

ENSIE identifies the following challenges:

- The lack of clear national status for social enterprise
- The lack of funding from public authorities
- The need to have taxation measures for social enterprises
- The need to have sustainable public procurement, in particular social clauses and reserved contracts
- The need to develop cooperation and partnerships within the sector

9. Can the challenges identified in the previous questions be addressed, totally or partially, through action at EU level? If yes, what form of action (for example, legally binding law, facilitation of the exchange of best practices, certification or labelling system) and which type of policy intervention (for example, introducing EU legal status of the SSBE, quality standards, EU label) at national or EU level could be the most beneficial in the opinion of your organization?

EU actions can address the challenges SE has to cope with. Non-legal forms as such as the facilitation of the exchanges of good practices for social enterprises could be beneficial to WISEs. The introduction of a EU law and legal status, if flexible, would encourage Member States to start establishing national legislations (this part will be discussed in the next questions).

10. Based on your experience, do you consider that the absence of specific EU legislation relating to SSBEs is an obstacle to further growth of this sector in the EU economy, in general, and, more specifically, to some activities of your organization (or members you represent)? If yes, why is it an obstacle?

The analysis of national contexts is the key to understand the consequence of the absence of EU legislation on SE and WISEs.

In Europe, there are many trends according to the degree of involvement of the State, regarding WISEs.

On the one hand, in countries from Eastern Europe, like Romania or Hungary, our members are asking for an EU legislation because there is no, or few, national laws and the sector faces difficulties to be represented. Even if the governments are sometimes interested by the WISEs, they do not have experience and usually do not refer to European good practices to make their system evolve.

On the other hand, some countries, like Luxemburg, which already have a national legislation on social enterprises, are not interested and do not support a restrictive law ordering a common definition with mandatory criteria for social enterprise.
11. What direct or indirect impacts or consequences does the absence of specific legislation have on the operation and possible development of your organization or of members thereof?

The impact of the absence of specific legislation on ENSIE’s members is multiple and slows the growth of WISEs. Access to public procurements is tough because, in some countries, they don’t use social considerations and reserved contracts; the reserved contracts sometimes don’t exist. The small-size of non-profit businesses prevent them from developing on the market, by the impossibility to respond to call to tenders for instance. Access to finance is also complicated because of the lack of incentive measures.

The EU must raise awareness among Member States, so that WISEs can develop across Europe.

12. If your organization supports, in principle, further EU action specifically related to SSBEs, what do you think of the following proposals?

- Adoption of EU law establishing common criteria for the definition of SSBEs that will be recognized in all EU Member States?
- A system of European label dedicated to SSBEs?

ENSIE supports an EU law which considers the specificity of each Member States. The criteria which will define SE should be practicable at the EU scale.

ENSIE is favourable to the building of guidelines and quality standards to shape the WISEs. The network suggests the development of main frameworks that highlights successful integration models in different European Countries.

Following the feedbacks from its members, ENSIE identifies two trends regarding the adoption of a EU law:

- Countries that already have a national status for SE (Luxemburg) and that, therefore, do not consider the issue as a priority.
- On the contrary, those which do not have national laws (Hungary) or that fear that the status will disappear (Belgium) are strongly interested by the initiative.

ENSIE is not favourable to a label for SE because of its stiff structure which is not relevant regarding the sector’s diversity.

13. In your opinion, could those proposals benefit the sector and activities of your organization and/or members you are representing? If yes, why and how do you think it would be helpful for the development and growth of the sector and of your organization.

ENSIE believes that those proposals could really benefit the Work Integration Social Enterprises in many States where there is a lack of reference systems. This would indeed improve the communication and the understanding amongst Member States and all stakeholders. It would represent an important drive, provided that the legal status includes relevant frameworks concerning taxation policies and public procurements. ENSIE is available to discuss with the different competent services in order to give inputs.
The active labour market measures designed to work integration social enterprises are efficient to integrate disadvantaged people on the labour market. Indeed, they enable the disadvantaged persons to find a job or a vocational training while favouring the increase of self-esteem and confidence throughout a tailored integration pathway. By choosing the work integration social enterprise model, public authorities change the costs linked to the disadvantaged person into a real investment generating an economic and social return.

The study based on the 'Impact WISEs' tool of ENSIE and presented on November 17th, 2016 at the European Parliament, with the support of the Member of the European Parliament, Jens Nilsson, underlines two important results:

1. The work integration social enterprises are active at the very core of the economic system, in several sectors of activity and according to the industry agreements of these sectors;
2. The work integration social enterprises have a success rate of 65% of people who have positive outcome after their pathway to integration.

In 2015, in the 807 work integration social enterprises (WISEs) interviewed, present in 9 countries of the European Union and among the 12,954 disadvantaged workers:

- 48.5% found a job in the same WISE, in another WISE or in the classic labour market;
- 16.5% became self-entrepreneurs or found a professional training;
- and 35% have other outcomes such as unemployment, illness or death.

These figures demonstrate well the efficiency of work integration social enterprises and their success rate, in particular in the framework of active labour market measures implemented by public authorities to develop this type of enterprises and favour the integration of people the most excluded from the labour market and society.

More information concerning the sectors of activity or human resources of work integration social enterprises are available in the framework of this study on our page dedicated to the measurement of the social and economic impact of our enterprises.
Social investment

The Social Business Initiative: Promoting Social Investment Funds – September 2011

ENSIE and its members answered to specific questions of the European Commission consultation ‘The Social Business Initiative: Promoting Social Investments Funds’, aiming to seek feedback on possible options for aiding social businesses by means of investments from private individuals channelled through investment funds.

ENSIE groups together, on one side, social integration enterprises which support the social and professional integration of disadvantaged people through an employment contract of limited duration and a training program that serves as a bridge towards the employment market, and, on the other side, social enterprises which generate permanent employment with contract of unlimited duration.

The fight against poverty and social exclusion is also and especially to find a secure and quality job. It must allow people to find again valuable relationships and a decent salary. Unfortunately, the recent economic and financial crisis makes rare the accessible jobs for this type of workers. The ENSIE’s enterprises have demonstrated their relevance in the concrete answers to the local social and economic problems. They are active inclusion tools.

In the Europe 2020 strategy, the European Union mentions as priority: « inclusive growth - fostering a high-employment economy delivering social and territorial cohesion ».

Since its foundation ENSIE has supported this priority of inclusive growth creating quality job for all, included disadvantaged people, and fighting the phenomenon of « poor workers ».

ENSIE underlines that the work social integration enterprises are whole company, producer of goods or various and varied services (often very innovative). For this reason the enterprises represented by ENSIE are really very interested in this debate and want to be listened by the Commission in order to create useful and usable financial instruments.

- Defining social business

Social enterprises share a common ambition: to put their entrepreneurial project to serve human development. Thus, they combine the economic project with their social purpose. For them making a profit is not an end in itself but a means to their social project.

Like the various career profiles and professional paths of social entrepreneurs, social enterprises take many forms, in terms of statutes (associations, cooperatives, mutual societies, foundations, As, Ltd), sectors (from the most classic to the most innovative: services to businesses and individuals, new technologies ...), sizes (neighbourhood boards to major players such as ‘Bretagne Workshops’ or ‘Cheque Déjeuner Group’ in France ...).

The social enterprises combine three key dimensions with different proportions:

- **An economic project**, within the market: risk-taking, production of goods and services, sustainable business model, a response to the wealth creation and employment demand,

- **A social purpose**: to fight against exclusion (unemployment, poverty, disability ...), to create or maintain sustainable and quality employment, value territory, heritage or environment, ensuring a fair return to producers, to develop social ties, etc.

- **Participatory governance**: involvement / participation of stakeholders, decision-making not based on capital ownership, limited remuneration of capital, benefits invested into the project, autonomous management, etc.

They share with the ‘classic’ companies the economic aspect and the need to generate benefits, but they differ definitely in their purpose: the benefits are not an end but a means in order to serve a social project.

Included in the sphere of social entrepreneurship and social economy, the work social integration enterprises (WISE) grouped within the European Network of Social Integration Enterprises (ENSIE) combine economic viability and social value-added in order to promote access to sustainable employment for people facing social and professional difficulties. The work integration social enterprises, whose social purpose is to fight against social exclusion, allow to accelerate the return to employment of people excluded from the labour market by increasing their employability and to create activity and local employment by strengthening social cohesion in the regions.

- Difficulties in the access to funding

One of the main barriers is the access to funding actions with proper funds. The economic capacity of work social integration enterprises, the self-financing capacity is at the service of the social project. Without sufficient capitalization, companies are turning to permanent capital contributions and require external support. In their efforts to search for financial partners, work social integration enterprises often have to explain their widely unknown model. In finding financing leverage, the other success factors are similar to traditional businesses: a dependence on the activity of the sector, possible banking tensions or the financial condition of the company.
It is also important to not restrict access to solidarity investment funds to SMEs as many qualified social enterprises exceed the size criterion for SMEs. In fact, you cannot "punish" the enterprises which invest in order to create new employments (incurring the risk to exceed the SME criteria). Their growth is the key to success in their goals.

Another difficulty for the work integration social enterprises: some States (as Belgium) limit the distribution of benefits to 6%. They don't put attention to the fact that, at the beginning (about 3 years), social enterprises rarely make a profit so shareholders will receive nothing. It would be important to offset these losses by increasing the possibility of redistribution of profits (eg 10%) during the first 3 years in which the company will make a profit finally.

- **Difference between the action of an investment funds and a philanthropic funds**

The investments, in particular the solidarity funds, accompany the enterprise project as a whole: design, strategy, recovery, social project. The actions of the foundations are related to specific actions and the funded projects are often realized by an investment (capital) or actions easily replicable.

- **Renunciation to greater financial returns on investment**

The framework should also provide the opportunity for social enterprises to access the subordinated loans which can also be a good solution for financing social enterprises.

- **Agenda**

The monthly reimbursement seems the most appropriate and also the establishment of a delay from 0 to 6 months at the discretion of the company. This financial technique releases time for the company to enable the financial leverage: equipment purchase, reorganization of the company, ...

- **Risk diversification**

The rate of 100% of investments in social enterprises for a social investment fund does not seem restrictive: the social economy is represented in various sectors and forms. Following the French model: Nef, it is possible to issue a priority on areas of intervention: for example, cultural, ecological and social purposes.


- **Financial assessment**

The social investment fund should allow the constitution of a neutral capital. The increasing of the active/assets, due to the investments and their value-added, should not be shared among the company shareholders but remain as a tool in its heritage. In case of company dissolution, this increase in assets will be distributed to another initiative with the same social goals.

- **Social assessment and reporting**

The social investment funds should research on social returns. In Europe the national/regional federations of WISEs have often studied some tools which could assure social returns.

These tools serve as a guarantee of quality on the social returns sought by the social investment funds.

In France, the law of 29 July 1998 on the fight against exclusion sets the legal framework of the Work Integration intervention and registered it in the Labour Code. It creates a general legal framework. The law of January 18, 2005 programming social cohesion reaffirms the role of the Work Integration Social Enterprises as a real player in the fight against exclusion and unemployment.

To be recognized as work social integration enterprise (which is not a legal status of enterprise), the enterprise must obtain an agreement from the State. At the creation of the work integration social enterprise, the company creates a document in which it presents its draft economic and social project, according to the sustainability of both economic and social projects, the state decides whether to award the agreement or not.

The new terms of agreement establish performance requirements (effective employment of workers in integration at the end of temporary contracts), from which follow obligations of means (implementation of the accompanying path, technical support, etc.).

The convention is established for one year, with a limitation of three years, the renewal of the agreement is granted according to the consistency and the results of the company on economic, financial and integration criteria. Each year, the work integration social enterprise can lose its agreement.

In addition, to guaranteeing and promoting the social practices of integration enterprises, the CNEI (one of the French members
of ENSIE) sets up with the French Association of Normalization (AFNOR) a certification system of social practices of integration enterprises. The WISEs are audited by an independent body on their compliance with the criteria of the frame of reference and this AFAQ certification enables the integration enterprises to gain recognition from their economic, financial, social and public partners, on the quality of their social practices in the framework of the integration of people far from the labour market.

- Improving transparency and clarity

Whatever the option adopted by the Social Investment Fund, the environmental, social and governance issues should be analysed and/or noted. The approach could favour one or more of these types of issues in relation to other.

The subscriber must be able to understand the funds extra-financial characteristics and their impact on product management. To do this, managers must rely on compliance with the Code of transparency, Eurosif, which must be clearly accessible on the management companies’ website - section SRI (Sustainable and Responsible Investment) and pages dedicated to the fund. The composition of the portfolio must be published at least twice-yearly and with a good legibility. A certification for the Social Investment Fund will give more visibility to SRI investments. The expected “Label effect” will also assure a greater transparency of management companies and their SRI management process.
Towards the implementation of the European Directive on public procurement - ENSIE analysis on the transposition of the directive - December 2016

ENSIE, the European Network of Social Integration Enterprises, represents national and regional networks of Work Integration Social Enterprises – WISEs. These enterprises aim to integrate disadvantaged people in the labour market through both economic activity and a pedagogic approach that enables their social and professional inclusion.


Currently ENSIE and its members are analysing the transposition process and the results of the transposition. Indeed, at European level, the Directive offers new important possibilities to facilitate the development of work integration social enterprises, mainly through the updates related to the use of social considerations and reserved contracts.

From a first analysis, mainly among the countries where ENSIE has a member, there are 11 Member States which have transposed the directive: Czech Republic; France; Hungary; Ireland; Italy; Netherlands; Romania; Slovakia; Slovenia; Spain; and Sweden.

The United Kingdom also did the exercise at the very beginning of the process.

There are 5 Member States where the national law is waiting for the Parliament approval: Austria; Belgium; Croatia; Luxembourg; and Portugal.

ENSIE’s members then evaluated the possibilities included in the national laws.

In all national laws, there is the possibility to include social considerations for the integration of disadvantaged groups.

Concerning article 20 about reserved contracts, the 2014 directive includes disadvantaged and disabled persons in the scope of this type of contracts and only requires 30% of employees to fall into these two categories, rather than 50% called for by the 2004 version of the Directive.

From ENSIE’s members’ analysis it appears that the two novelties of article 20, namely the reference to disadvantaged persons and the decrease percentage are included in almost all Member States analysed.

There are two exceptions: Czech Republic and Slovakia. These Member States haven’t added the two new possibilities of the reserved contracts article in their national law and thus does not include the new possibility for work integration social enterprises, working with disadvantaged groups.

In some countries, civil society organisations and public authorities are willing to go further and ensure an efficient implementation of the European Directive. Interesting initiatives concerning the follow-up of the transposition are thus emerging.

1. **Croatia**

ENSIE’s Croatian member, ACT grupa, is preparing a working plan in partnership with the national public administration in order to organize trainings on responsible public procurement in 2017. Within this working plan ACT grupa foresees the creation of a manual of good practices providing examples of best practices from other EU countries.

ACT grupa also foresees the creation of a template document to be used as a model of call for tender to illustrate the reserved contracts possibility.

2. **Romania**

Civil society organisations, ENSIE’s Romanian member RISE Romania included, are working in partnership with national public administration in building recommendations in order to efficiently inform public authorities on tendering social services. RISE Romania is also trying to do a similar exercise concerning the reserved contracts possibilities.

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4 The European Commission doesn’t consider the directive transposed in Spain and Sweden. This could mean different things: these Member States have transposed just the part of the directive concerning reserved contracts or the Members States transferred only part of the information.
3. **Spain**

ENSIE’s Spanish member, FAEDEI, created a handbook with the new possibilities offered for WISEs, including the reserved contracts. FAEDEI also provides to public authorities a template document to be used as a model for call for tender including reserved contracts so that each contracting authority could use the template and adapt it according to its specificities (location, services, etc). FAEDEI is organizing several meetings at regional level to support and convince public authorities to use reserved contracts.

4. **Luxembourg**

ENSIE’s future Luxembourg member ULESS has produced a proposal to accompany one or more municipality in Luxembourg in the establishment of specifications based on social criteria. This proposal is addressed to public institutions and municipalities that would be interested in the inclusion of social considerations in their public contracts in the context of procedures selecting the most economically advantageous offer.

The transposition of the EU Directive on public procurement is thus still currently ongoing. Nevertheless, even if the new possibilities open to work integration social enterprises remain possibilities rather than obligations, several initiatives show the importance and the awareness in facilitating the development of WISEs in Europe.
- Ensure that social services are only awarded to external parties on the basis of the best-quality ratio that includes quality criteria, rather than simply the lowest cost. The best-quality ratio allows the contracting authority to include specific quality criteria that are essential in the delivery of social services, e.g. the services procured should be accessible and affordable, and promote the involvement and empowerment of users.

- Develop in all member states support mechanisms, such as the one presented by SAW-B in Belgium, to accompany local authorities, social economy enterprises and businesses to make the most of the opportunities for social objectives in the implementation of the directive.

Following the side event, the organisers released the following statement:

“The new directive provides opportunities to public authorities to achieve sustainable development objectives – including on social policy ones – when they buy goods, services and works from external parties. It is now up to member states not to close a window opened by EU legislators when they implement the directive in national laws. Reserved contracts, more emphasis on quality rather than price in the assessment of bids, and more opportunities to include social considerations in the procedures are considerable achievements for the social sector, social economy organisations and society in general. We encourage member states, regional and local authorities to work in partnership with civil society organisations and social economy enterprises to maximize the impact of the directive.”

Access by work integration social enterprises to public procurement in Europe – September 2014

ENSIE contributed to the publication of AVISE on the access by WISEs in public procurement in Europe. You can find the English version of the entire publication here, on AVISE website.

Application of the directives in various EU countries

The European Network of Social Integration Enterprises ENSIE has already had the opportunity of working on the issue of access to public procurement by social organisations in various EU countries.

In 2011, it produced a summary of existing legislation. It also contributed to the consultation of the Commission on the modernisation of the EU policy on public procurement. Patrizia Bussi, coordinator in the ENSIE network, sums up as follows: “the public authorities can use different kinds of social clauses – which differ from one country to another - in their procurement contracts. For example, it is now possible for each EU state to restrict an opportunity to sheltered workshops or sheltered employment programmes. The clause may also be considered a subject-matter of the public contract, a condition for execution or even a technical specification connected with award criteria for this market - depending on the national legal framework. France, which uses these four opportunities, may be considered a good example to follow. There are other examples of good practice in Belgium, in Italy and in Spain, in particular. Interesting experiments have also been conducted in Luxemburg, Portugal, and Austria carried out its first experiment two years ago. In the UK, “social value” is referred to for public procurement opportunities”.

Open letter to the Council, the European Parliament and the European Commission concerning the negotiations on reserved contracts in the new Directive proposal on public procurement – March 2013

In March 2013, ENSIE published an open letter to the Council, the European Parliament and the European Commission concerning the negotiations on reserved contracts in the new Directive proposal on public procurement. Different civil society organisations supported this position: Social Platform, Social Economy Europe, REVES, Social Firms Europe – CEFEC, CECOP, RREUSE, EASPD, P’actes Européens, IFSW Europe.

This open letter aimed to the deletion of the second paragraph suggested by the Council within the article 17 on reserved contracts that foresee the introduction of reserved contracts for organisations whose main aim is the integration of former employees of public authorities into the private sector.

“Dear Madam, Dear Sir,

In December 2011 the Commission published a proposal for a directive on public procurement which includes a revision of the provision on reserved contracts (art. 17). Giving public authorities the possibility to restrict tendering procedures to enterprises that pursue the aim of the social and professional integration of persons with disabilities and disadvantaged persons is a very good example of how public procurement can be used to achieve social policy goals.”
We welcome the Commission's proposal on this article. At the same time we are extremely concerned about the proposal from the Council to enlarge the scope of the Commission's text. We call for the deletion of the second paragraph suggested by the Council, as we deplore the introduction of “reserved contracts” for organisations whose main aim is the integration of former employees of public authorities into the private sector.

Why?

- The proposal from the Council, following the UK government's demand, does not pursue the original aim of reserved contracts, which is the social and professional integration of persons with disabilities and disadvantaged persons and may even create obstacles to the maintenance and development of the social enterprises that help the most excluded and marginalized persons.

- Extending the use of reserved contracts to enterprises whose aim is the integration of former employees of public authorities can only happen when public entities are privatized. Therefore, this new paragraph suggested by the Council implicitly encourages the privatization of public services and public entities, which is in contradiction with recital (3a) adopted by the Council and recital (3b) adopted by the IMCO Committee: the public procurement directive does not deal with liberalization of services of general economic interest and with privatization of public entities providing services.

Therefore we strongly encourage you to consider our concerns during negotiations and to delete the second paragraph introduced by the Council.”

Position paper on the revision of the Public Procurement Directive – March 2012

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on public procurement

1. ENSIE welcomes this proposal for a directive that can be seen as an opportunity for the European Commission, European Parliament and the Council to state more clearly the direction that Europe wants to take towards sustainable development.

2. Advances on the simplification of social service rules, for easy access of SMEs to public procurement, the promotion of social integration clauses and the more open reserved contracts are, indeed, in the right direction.

3. Anyway, ENSIE regrets that some proposals are designed to “allow” rather than “require” the Member States to take various measures. This effectively means that some of the arrangements for the work integration social enterprises cannot be applied in all Member States of the Union. This is going to weaken considerably the potential positive impact that the Directive could have increasing social and environmental value in public procurement.

4. Page 23 : (39)
   It is of utmost importance to fully exploit the potential of public procurement to achieve the objectives of the Europe 2020 Strategy for sustainable growth. Member states should consider this guidance and use advantage of social clauses that refer to the 2020 targets, as regards more specifically the active inclusion of vulnerable groups in the labour market.

Page 24-25: (41) & (43) Technical specifications, award criteria and performance conditions must be put into the various national markets code as a lever for the professional integration of persons excluded from employment. Nevertheless, the fact to weigh on performance conditions with social aspects, the link to the subject-matter of the contract, must be well interpretation. E.g.: a French administrative court recently denounced the lack of connection between a criterion for awarding the contract based on candidates' performance in terms of socio-professional integration of persons excluded from employment and building works. Attention also to any CSR measures which are not related to the production processes that will be considered as integration clauses or insert performance.

5. Page 38 : Art. 4 (Thresholds amounts)
   De minimis threshold is still under discussion, they speak of € 500,000 over three years, which is not a huge step forward, but different actors (including ENSIE and Collectif SSIG) are pushing for an increase totalling around € 800,000 per year over three years.
6. Page 47 : Art. 17 (Reserved contracts)

ENSIE welcomes the opening of this article which can now include work integration social enterprises. ENSIE nevertheless requests a reduction in the percentage of disadvantaged people within the company. The objective here is to get out of outmoded models of “sheltered employment” for more integrated models in the workplace. This approach is indeed more in line with the ambitions of the EU 2020 targets on social inclusion as “sheltered employment” that perpetuate the exclusion from the general society.

7. Page 76 : Art. 44 (Division of contracts into lots)

1. Public contracts may be subdivided into homogenous or heterogeneous lots. For contracts with a value equal to or greater than the thresholds provided for in Article 4 but not less than EUR 500,000, determined in accordance with Article 5, where the contracting authority does not deem it appropriate to split into lots, it shall provide in the contract notice or in the invitation to confirm interest a specific explanation of its reasons.

Strong proposal to put forward, but it will be necessary to check its implementation in member states and its application. The obligation to state reasons for the refusal of the contracting authority, must be opposable (= possibility of requesting the reasons for refusal) to the administration by third parties. Proposal for lobbying work at Member State level: Can we think that when the market can be divided into lots of more or less equal shares, part of lots, 1/4 or 1/3 can be reserved for a work integration social enterprise at the same economic conditions as the average of other prizes awarded?

8. Page 105 : Art. 87 (Assistance to contracting authorities and businesses)

In the case of countries that have no experience on the implementation of social/environmental clauses and special procurement, it would be necessary for local authorities to consult a committee formed by networks, NGOs with extensive and recognized experience in the social and environmental fields in order to develop local standards for the award of contracts for social services and other specific services.

The work integration and public procurement

This new proposal foresees different possibilities for work integration social enterprises in order to access the public markets: the reserved contracts and the integration of social considerations in public procurement and in the most economically advantageous tender. ENSIE requests that Member States can also identify this type of business: WISEs as operators which can execute a market in normal market conditions.

Market duration

It is important that a service contract can be renewed for a sufficient number of years in order to amortize the capital investment, the research and development and the implementation of the necessary skills. Moreover, it is easier for WISEs to commit themselves to long-term actions, often necessary when working with people far from the labour market! ENSIE fully supports the position of the informal network for sustainable development in public procurement (Lowest Price / Lowest cost / most economically advantageous tender; Life-cycle costing; Production characteristics; Governance and Control).
WISES ADDRESSING EU POLICIES AND INITIATIVES

EU pillar of social rights

Consultation on the European Pillar of Social Rights – August 2016

On the social situation and EU social “acquis”

1. What do you see as most pressing employment and social priorities?

- Growing gap between education and the economic purchasing power of people
- Securing stable and decent employment of people, including for the disadvantaged ones
- Lack of minimum income guarantee for the people who are not able to work
- Challenges linked to immigration
- Challenges linked to an aging population
- Challenges linked to the increased number of people at risk of poverty
- Equal opportunities in education and lifelong learning, starting from childhood

2. How can we account for different employment and social situations across Europe?

There are no common social standards in the EU and there are little or no efforts to harmonize the different systems in the Member States. The financial and economic crisis has led to severe cuts and savings in social expenditure aggravating the situation for all disadvantaged groups. Only a dramatic change in the economic and social policy by leaving the strict austerity policy in public spending can alleviate the situation.

The arrival of over 1 million refugees in the EU in 2015 is used to even downgrade already achieved standards.

Example in Austria: the needs-based minimum income should only be paid to people that have lived in Austria for at least five years and the amount paid to refuges should only be about 2/3 of the regular amount.

The use of the structural and investment funds, especially the funds dedicated to social inclusion varies a lot according to the different Member States and in some countries, there is a misuse of these funds which does not help in reducing poverty and social exclusion challenges.

3. Is the EU “acquis” up to date and do you see scope for further EU action?

The Europe 2020 strategy contains different social goals, but until now there is no real commitment of Member States to take action in achieving these goals, especially “inclusive growth with a strong emphasis on job creation and poverty reduction”.

The European Semester only refers to economic indicators and does not include any social indicators yet. An evaluation of Member States improvement in social policies is crucial in building a strong social Europe.

The vocational and educational training systems should be improved to facilitate its access to disadvantaged groups and the recognition of competences.

Moreover, the EU should push Member States to rapidly ratify the Revised European Social Charter and its collective complaint mechanism.

On the future of work and welfare systems

4. What trends would you see as most transformative?

- Inequalities
- Technological changes
- Demographic trends (migration between EU-Member States, refugees, ageing population)

5. What would be the main risks and opportunities linked to such trends?

The strong trend to put again more emphasis on national solutions instead of common ways to tackle the challenges jeopardizes the EU principles. Inequalities are therefore growing instead of finding a common more harmonized approach.

The risk of increasing the exclusion of disadvantaged people who have no access to a training adapted to the labour market is important. This would relegate a big proportion of vulnerable people to jobs with low incomes, without possibilities of transition or improvement of their employability.

Also, the technological changes asking for better professional education and training and the new ways of work risk excluding still more people with low skills. Some adapted workplaces must be created in order to give them the opportunity to start again their inclusion in the society.

The risk linked to the demographic trend is that the increasing population target groups risk to become more and more excluded. Some new human resources systems must be thought within the classic labour market. Work Integration Social Enterprises, which are used to work with disadvantaged groups, can share with the other enterprises their knowledge, skills and expertise in the human resources' management based on more individualised approaches.

An opportunity of the demographic trend is to develop innovative responses, new strategies and tools to a more inclusive labour market.

6. Are there policies, institutions or firm practices – existing or emerging – which you would recommend as references?
The Youth Guarantee is definitely a positive example and should be implemented in all Member States with great effort. But it should also include all youth living in a country and not exclude refugees and asylum seekers from a professional training (like it is currently the case in Austria for example).

The Work Integration Social Enterprises (WISEs) model which jobs to disadvantaged people as well as an adapted on the job training and a tailored social accompaniment. WISEs create employment opportunities and economic and social development of the territory.

The active labour market measures designed to work integration social enterprises are efficient to integrate disadvantaged people on the labour market. Indeed, they enable the disadvantaged persons to find a job or a professional training while favouring the increase of self-esteem and confidence throughout a tailored integration pathway. By choosing the work integration social enterprise model, public authorities change the costs linked to the disadvantaged person into a real investment generating an economic and social return.

The study based on the ‘Impact WISEs’ tool of ENSIE and presented on November 17th, 2016 at the European Parliament, with the support of the Member of the European Parliament, Jens Nilsson, underlines two important results:

1. The work integration social enterprises are active at the very core of the economic system, in several sectors of activity and according to the industry agreements of these sectors;
2. The work integration social enterprises have a success rate of 66% of people who have positive exit after their integration pathway.

The use of social considerations and reserved contracts to foster the access of Work Integration Social Enterprises to public procurement.

The method of intervention in the supply and demand of employment is a strategy of mediation work between companies - notably micro and small enterprises which enables the matching between jobs demand and competencies instead of employability of people.

On the European Pillar of Social Rights

7. Do you agree with the approach outlined here for the establishment of a European Pillar of Social Rights?

Yes, a European Pillar of Social Rights is necessary, but it should also contain obligations of Member States to implement the suggested measures.

8. Do you agree with the scope of the Pillar, domains and principles proposed here? Are there aspects that are not adequately expressed or covered so far?

ENSIE agrees with the scope of the Pillar that covers all important aspects.

The traditional form of employment (full-time, without interruption until retirement age) is decreasing rapidly, leaving large groups of people with small entitlements from the social security system.
Due to the fact that unfortunately, a big part of social benefits are linked to employment, this has also an impact on the support to unemployed people. People who did not have an employment pathway have no access to social benefits, this also crucial when talking about pension benefits and risk of poverty after retirement.

At the same time there is an excessive focus on employment and employability of people, including on issues related to gender equality and equal opportunities. However, while employment remains an important vehicle of social inclusion, it is not the panacea to social problems, nor it is enough to protect people from hardship. On the one hand, there are people in our societies who cannot work or cannot work for part of their lives. On the other, earning a wage is not always sufficient to protect employed people from experiencing poverty and social exclusion.

Finally, migrants who are not legally residing in an EU country currently fall outside the scope of the Pillar, causing susceptibility to exploitation in employment and discrimination and unequal access to goods, justice and services. Instead, all people, regardless of their status and in the whole EU and not the euro area only, should be covered by the Pillar.

9. What domains and principles would be most important as part of a renewed convergence for the euro area?

- Skills, education and life-long learning
- Active support for employment
- Integrated social benefits and services
- Social dialogue and involvement of workers
- Equal opportunities

A change of the baseline measurement for all social security benefits would be necessary to take into account considering that the work environment is constantly changing.

10. How should these be expressed and made operational? In particular, do you see the scope and added value of minimum standards or reference benchmarks in certain areas and if so, which ones?

Social policy should not be dominated by economic aspects. It is the welfare of the people that should be the guiding principle. As long as social spending is regarded only as a cost factor and not as an investment in the well-being and development of people the economic considerations will prevail.

A new, cross-cutting approach that relies on the expertise of civil society organisations and other stakeholders is necessary to properly safeguard social rights and ensure complementarity between economic and social policies, and more broadly across the whole policy spectrum (taxation, trade, competition, education, health etc.).

Several instruments should be used to make the Pillar operational. Legislation should be prioritised when a legal basis exists, for example in the field of employment, equal treatment and social security coordination. In other domains benchmarks should be developed and integrated into existing governance frameworks, and particularly the European Semester. To be effective, these benchmarks should rely on measurable and comparable indicators - under the control of policy-makers - provide guidance and support to MS, and facilitate the exchange of best practices.
There is also a need to ensure better implementation of existing relevant policy frameworks, such as the Europe 2020 Strategy, the Sustainable Development Goals, the Social Investment Package or the Active Inclusion Recommendation. The Commission should also guide MS in a more effective use of ESIF.

**Detailed comments by domain**

1. **Skills, education and life-long learning**

The children and young people from disadvantaged backgrounds do not have the social and family context to support them in having the competencies required for a successful school career. It is thus important to provide them with adapted tools to support their scholar pathway.

It is also crucial to train the teachers and trainers to get specific competencies to face the challenges of supporting disadvantaged young people (competencies on multiculturality, inclusive education, methodologies adapted to work with people from minorities, etc).

The importance of non-formal education alongside formal education should also be recognised and the validation and certification of skills acquired through non-formal education should be enhanced. The key role civil society organisations and Work Integration Social Enterprises play in the provision of education and lifelong-learning services should also be better recognised and supported.

2. **Active support to employment**

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 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 the support of 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.
It is important to develop these kinds of measures in all the Member States to support the integration of disadvantaged groups and create more sustainable and quality jobs (see also results highlighted in question 6).

3. Social dialogue and involvement of workers

Social dialogue is an important component of social and industrial relations. However, in many countries, social dialogue structures have been undermined since the onset of the crisis.

This is particularly true in the sector of social services.

We would also like to draw attention to the need to promote the social economy enterprises and their participative principle as possible alternative forms of businesses that promote the full involvement of workers who actively participate in setting their policies and decision-making.

In accordance with Article 11 of the Treaty on the European Union, a point dedicated to “civil dialogue and involvement of citizens” should be added alongside “social dialogue and the involvement of workers”. Civil society organisations represent groups that are not necessarily represented by trade unions and have important contributions to make in the implementation and design of social policies. This is the case, for example, for disability or patients’ organisations, organisations of informal carers, organisations representing people experiencing poverty, including homelessness, organisations fighting discrimination on all grounds, or organisations representing older people. As the Pillar of Social Rights must endorse a comprehensive view on social questions that is not only focused on employment, the involvement of civil society organisations is essential.

4. Integrated social benefits and services

Better integration of benefits and services, and between different types of services (e.g. social, health, education, employment services, housing), is very important to improve access to them and their effectiveness. It is essential that the Commission guides MS in the design and delivery of individualised approaches to integrated social benefits, services and active labour market policies, in dialogue with regional and local authorities, service providers and users’ organisations.

On service provision, the outline overlooks two equally important dimensions: quality and users’ participation. The SPC voluntary European Quality Framework for social services should be used as a reference for MS in the setting up of quality frameworks. The focus on users’ participation is essential to promote a person-centred provision of services that is tailor-made to the specific needs of each user.

5. Equal opportunities

Non-discrimination should be applied as an overarching principle. Moreover, alongside discrimination based on gender or gender identity, racial or ethnic origin, religion or belief, disability, age, sexual orientation, discrimination based on socio-economic background also deserves specific attention. Furthermore, migrants should be covered by protection against discrimination.

Barriers to equal opportunities extend well beyond discrimination in the workplace, and include systems of structural inequality and racism in European societies. Migrants, ethnic, racial and religious minorities are not only restricted in access to the workplace, but are overrepresented in low-skill, low-pay and flexible work and face barriers in access to education and other services.

The EU must ensure that the principle of non-discrimination is properly implemented, with steps to sanction Member States when EU equality law on employment and race is not implemented. Several reports have indeed demonstrated that discrimination in employment, occupation and vocational training is still widespread in the EU.
ETU solidarity corps

Contribution about the European Solidarity Corps - November 2016

ENSIE, the European Network of Social Integration Enterprises, represents European national and regional networks of Work Integration Social Enterprises – WISEs. These enterprises aim to integrate disadvantaged people in the labour market through both economic activity and a pedagogic approach that enables their social and professional inclusion.

ENSIE welcomes the opportunities provided by the European Solidarity Corps for the young people but also for the Work Integration Social Enterprises (WISEs). This Corps can help in promoting solidarity, one principle at the basis of WISEs and social economy, and in strengthening the skills of young people in Europe today. ENSIE very much appreciates the Corps in its voluntary strand but is concerned about the implementation of the occupational strand.

Here below some contributions from ENSIE’s members concerning:

The European Solidarity Corps and the conditions for a success

To be successful the organisations receiving people have to be carefully chosen and a good coordination is needed. It is necessary to accredit the structures that are available to welcome placements such as the European Volunteering Scheme (EVS).

The tasks that can be fulfilled by young people have to be clearly described: what is the purpose of the placement, how the young person will be supervised during the placement? An advice concerning the tasks which will be implemented and preferable skills needed must be formulated before recruitment takes place. A person within the organisation is needed as responsible for guiding and supporting the volunteers.

There must be a financial basis for the youth: accommodation and subsistence costs and also some financial contributions depending on the statute of the person.

If we talk about the occupational strand, a salary or allowance is needed (depending on the statute of the young person. E.g.: work contract, apprenticeship…), if we talk about the voluntary strand, pocket money is needed.

It could work with a similar system of the EVS: promoting organisations, hosting organisations and their role especially in the framework of the publicity and diffusion of the possibility among young people from different backgrounds, especially concerning international actions. The Corps must be inclusive, including youth with disadvantaged background.

The Corps added values and its fields of activities within WISEs

This Corps will for sure be an added value for social enterprises and Work Integration Social Enterprises which could easily be the recipient of this Corps as they all implement solidarity in their daily activities. Within the Corps a large variety of profiles will be available and WISEs can benefit from this in order to develop and consolidate themselves.

There is definitely a wide field of activities that could be taken up by the Corps within WISEs.

The Corps might be used for example for organizing fundraising or in all welfare activities of the enterprises to support the integration pathways of disadvantaged people or in market analyses, reinforcing the administrative or operational staff, and even to bring social innovation with new ideas of activities development.

An important question for the voluntary strand: it seems to be similar to EVS but in the case of EVS voluntaries, they cannot replace the workers. In this case, can they be part of a team or staff? If yes, it is much more useful, in particular for small NGOs enabling more inclusion of disadvantaged youth.

For the occupational strand, if they have a work contract, this is clear. If they are apprenticeship, what will happen? Could they replace a worker?

The occupational strand of the Corps

Concerning the occupational strand, it is important to consider who is going to assume the salary or allowance of the young people working under an apprenticeship or a work contract. Attention must be paid in not increasing the costs of WISEs participating in the programme.

Unfortunately, the experiences with EVS and other European programs already showed that WISEs sometimes refused to host young foreign people almost for free within their structure because of lack of time and human resources in order to give relevant guidance to the person. The situation would be worse if the young people from the Corps must be paid as all the other workers.

Why a WISE should prefer employing one young person from the Corps and not one external?
An answer can be that a new European service will be created that can be an easy, single-point access to information, placement and recruitment services.

Furthermore, as all young people registered in the Corps will need to declare their commitment to the mission of the Corps and demonstrate their motivation, a WISE will be able to more easily and quickly pre-select the ones that best fit the culture of their organisation and their specific needs.

Another answer can be to find a way to pay, at least, a part of the salary/allowance.

Another problem will be that the young people from the Corps will be in competition with all the other young jobseekers.

Talking in general, placement is not easy and requires proper guidance and attention. That is not always quick to realize inside (small) companies. Some organizations find it quite nice, others a burden (as explained before).

In order to simplify it, maybe it is possible to ask a few people of the Corps to work together to provide a service to several WISEs.

For sure social enterprises and WISEs are clearly an occasion for youth to enter into contact with the labour market but also with the social aspects conveyed by WISEs such as solidarity, empowerment or citizenship.

This could be a good occasion to discover, grow up in the personal and professional life and to acquire certified competences and experiences and a reinforcement of the participation of youth in active citizenship.

The participation at the European Solidarity Corps

The participation of young people must be on a voluntary basis, they have to be able to choose through a catalogue of availabilities and answer the minimum criteria required by the WISE.

Concerning disadvantaged young persons, there are a lot of organisations dealing with disadvantaged people; their involvement and the use of their knowhow are crucial. ENSIE with its members is such an organisation and is certainly willing to share experiences and best practice examples (the ENSIE position paper “NEETs Integration and Work Integration social enterprises” is attached).

In the case of international experience (such as EVS) a strong burden is the lack of language competences. Some courses should be provided through peer learning.

The lack of language competences is a major obstacle for the disadvantaged youth in accessing international opportunities, even Erasmus +, EVS or Youth exchange.

For the disabled one, it is important to have economic support and a tailored accompaniment.
Work Integration Social Enterprises (WISEs) have always played an important and active role in Circular Economy, notably by creating employment for disadvantaged people in the field of collection and recycling of waste.

As far as the production phase is concerned, the organizations agree that it is necessary to minimize the environmental impacts of the life cycle of products, providing new interventions at the European level that may be more effective than simple voluntary programs for enterprises, such as the creation of a Lansink ladder-inspired juridical framework on durability. The European legislation may, in fact, elaborate some durability criteria, promote the cooperation in the field of waste management through value chains and stimulate the exchange of best practices. The experience of ENSIE’s Members in this last area will give a significant contribution to its actual realization.

The sectors in which the European Union’s intervention seems more urgent are those of household appliances, electronic devices and food, where we find also the fundamental presence of consumers. All the organizations agree on the pressing issue of the consumers’ awareness, who face a big lack of information on products durability. ENSIE’s Members also share the same opinion on the necessity of an intervention on the secondary raw materials market, especially in the industries of construction (presence of rare earths and fragility of the deposits) and food (food waste management). Regarding the issue of the production surplus, this is often a direct consequence of fiscal policies, which may be managed at the European Union level. Finally, it is clearly important to foresee an adequate intervention in the field of natural resources (energy and water).

As far as recycling and waste management are concerned, WISEs have been pioneers in this field and have created thousands of jobs in the collecting, recycling and reuse of waste in Europe. Several best practices on the cooperation between stakeholders and WISEs show the creation of jobs for disadvantaged people in the industries of waste management, textile and repair of various equipment.

The fear is that, behind the cover of circular economy, multinational companies set up mechanisms awarding them de facto products they have placed on the market that are at the end of their lifecycle.

This would deprive WISEs active in the collection, reuse and recycling of waste of their raw materials, threatening their business. Partnership with WISEs will have to be privileged.

Finally, ENSIE would like to add that it is necessary to include the social dimension in the Circular Economy, because it is essential for the survival of this new economic paradigm.

What are the three most important political demands and aspects (at institutional level and more broadly) which you consider that the European Parliament should include in its report on Green Employment with regards to fully exploiting the job potential of the green - and socially just - transition of our economies?

1- We strongly support the use of sustainable (green and social) clauses for responsible purchasing. The correct and proactive transposition of Directive 2014/24/EU on public procurement can bring to significant results in order to develop the social and green economy. Also the possibility to reserve a percentage of these markets for reuse and recycling to social economy enterprises, integrating at least 30 % of disabled or disadvantaged persons, can be exploited in a positive way especially within the Member States where the sustainable clauses are not well developed.

2- We recommend supporting the mutual learning exchange, the good practices exchange among the Member States and in particular among already existing good practice of circular economy and Member States where the sector is less developed.

3- We recommend to do an efficient use of the European Structural and Investment Funds - in particular the European Social Fund, the European Regional Development Fund and the funds for agriculture and fisheries - and innovation instruments such Horizon 2020, COSME and LIFE, especially to support skills provision and job creation in the social enterprises.
ENSIE asbl, the European Network of Social Integration Enterprises, unites national and regional networks of the work integration social enterprises (WISEs). These networks are made up of work integration social enterprises which whose identifying principles are:

- The social and professional integration of individuals who, due to their exclusion and their relegation to a marginal role in society, have fallen victim to increasing social and professional handicaps.
- Enterprises at the core of the economic system: social integration enterprises have decided to carry on their activities at the very core of what is most frequently a major factor in contributing to exclusion: the economic system.
- Enterprises of a strong pedagogical dimension. The social integration enterprises initiate training and educational programs designed on the basis of existing potential and develop this individual potential within the enterprise.

The work social integration enterprises play an important role in the social market economy. **Their social objective instead of profit** brings them a significant added-value in the building of a sustainable and inclusive growth. They **favour the employment of vulnerable groups** and fight against social exclusion and poverty by proposing perennial employment or social and professional training with a strong citizenship dimension as a springboard to the traditional labour market.

They are also **constant sources of innovation** through the economic niches they develop as well as through their will to associate social, environmental and economic pillars in the implementation of their activities.

**The way of governance of the work integration social enterprises** is also original as it ensures transparency and democratic management within the enterprise, where the workers are considered as essential actors for the social and economic life of the structure.

**The WISEs are also defined by a mix of their financial resources coming from both their economic activity and their social mission.** Indeed, they are full economic actors providing goods and services linked or not to their social objective and for which the possible profits are directly reinvested. While they are recognized by a national legal framework, they usually benefit from different types of financial resources justified by their mission of community service: the **social and professional integration of vulnerable groups**.

Despite these common characteristics, **a variety of models** linked to the work integration social enterprises exists in Europe, depending of the cultural particularities of the countries. This diversity is shown **both in the chosen schemes of integration (permanent or springboard) as in the legal statutes adopted by this type of enterprises or even by their recognition in the different Member States.** Indeed, in some States, as for example in Spain or France, where social economy is recognized and translated into national legislation, WISEs benefit of some legitimacy because of their importance for the social and professional integration of disadvantaged people. In others, as in Romania or in the United Kingdom, there is no legal framework favouring WISEs or the social economy.

ENSIE thus welcomes very positively the European Commission Communication on social entrepreneurship. ENSIE finds it vital to highlight the importance of this type of entrepreneurship in the building of an economy answering to the Europe 2020 Strategy requirements. ENSIE is delighted to read on page 3 of the Communication the recognition of work integration social enterprises.

Thus: - businesses providing social services and/or goods and services to vulnerable persons (access to housing, health care, assistance for elderly or disabled persons, inclusion of vulnerable groups, childcare, access to employment and training, dependency management, etc.); and/or - businesses with a method of production of goods or services with a social objective (social and professional integration via access to employment for people disadvantaged in particular by insufficient qualifications or social or professional problems leading to exclusion and marginalisation) but whose activity may be outside the real aim of the provision of social goods or services.

Moreover, this Communication supports the Single Market Act and the creation of a real social market economy in Europe.
General remarks

The present crisis framework in Europe shows the need of an economy that would not even be ‘highly competitive’ but above all more responsible at social and ethical levels: a more sustainable economy for all.

The European Commission Social Business Initiative reflects this as it is based on the capacity of social economy enterprises [……] to provide innovative responses to the current economic, social and, in some cases, environmental challenges by developing sustainable, largely non-exportable jobs, social inclusion, improvement of local social services, territorial cohesion, etc. [……]. ENSIE encourages this recent interest of European Commission for the social economy sector, convinced of the necessity to support the third sector more effectively in all the Member countries of the European Union.

In its Communication, the Commission decided to adopt a large definition of the ‘social enterprise concept’ in order to respect the different national cultures in this matter. The Commission will thus have to ensure that this broad definition will not mean that traditional enterprises pursuing a social aim only are not considered equivalent to those achieving other social economy criteria. The objective is indeed to reinforce the sector and not to open it to enterprises that do not respect, or by far, its historical specificities. The democratic and solidarity principles, the primacy of the individual and the reinvestment of profits into the social objective of the enterprise are fundamentals values of the social economy.

Again, ENSIE highlights the necessity of a stronger recognition of the sector, in particular of work integration social enterprises in Europe, especially in the several Member States where it is still not the case, because of the role they play in the fight against social exclusion and poverty and in the building of a sustainable and inclusive growth. It is thus inevitable to associate the WISEs in the discussions linked to the issues of fight against poverty, innovation, small and medium enterprises, employment or sustainable development in the European Union.

Recommendations on the action plan proposed by the European Commission to support social entrepreneurship in Europe

1. Access to funding to social enterprises

Although the objective of work integration social enterprises is precisely not to compete with multinationals in terms of development, the lack of financial possibilities for WISEs drive them in general to a marginal place in the economy. WISEs are actually facing several recurrent problems.

As the self-financing capacity of work integration social enterprises is above all for the social objective of the enterprise, WISEs usually need external support. Furthermore, in their efforts to search for financial partners, work integration social enterprises often have to face additional communication work on their particularities, usually unknown. The promotion of the sector is thus linked to a better understanding of its specificities.

The creation of a European legal framework on social investment funds is of course supported by ENSIE, as it was expressed during the public consultation relative to this financial tool. Some precise points have to be underlined in this framework.

It is important not to restrict access to solidarity investment funds to small and medium enterprises (SMEs) as many qualified social enterprises exceed the size criterion for SMEs. In fact, you cannot “punish” the enterprises which invest in order to create new employments (incurring the risk to exceed the SME criteria) and of which the growth is the key to success in their goals.

The implementation of a European financial tool of which Key Action n°3 of the Communication defined the objective would also allow solving some peculiar difficulties of the work integration social enterprises. A harmonization of this fund at the national policies level would be furthermore beneficial due to the difficulties encountered in the field. For example, some States (as Belgium) limit the distribution of profits to 6%. They don’t consider the fact that, at the beginning (about 3 years), social enterprises rarely make a profit so shareholders will receive nothing. It would be important to offset these losses by increasing the possibility of redistribution of profits (e.g. 10%) during the first 3 years in which the company will finally make a profit. FEDER and FSE tools would bring themselves more potential to develop the sector if they include a ‘social enterprise’ priority.

Other recommendations on financing work integration social enterprises are available in the ENSIE answer to the consultation on the promotion of a social investment Funds in the framework of the social business initiative.

2. Visibility of social entrepreneurship

Increasing the visibility of work integration social enterprises and of the social economy in general is an absolute priority at the European level and in particular in the different Member States of the European Union. ENSIE welcomes thus the Commission initiative aiming to develop the recognition of the sector.

Exchanges of good practices are a real tradition in the field; ENSIE and its members constantly develop knowledge and experience exchanges between European countries through different projects or events in order to increase each other’s knowledge on issues related to work integration social enterprises. It would thus be appropriate for the Commission to benefit from the several existent practices.
A mapping of work integration social enterprises is currently ongoing in the framework of the Progress project of ENSIE. This database will allow a better visibility of WISEs, will facilitate the contacts and collaborations between enterprises and could be also useful for public authorities willing to contribute to an economic and social development more sustainable in the European Union. It would be thus beneficial for the Commission to coordinate its Key Action n°5 of the present Communication with the directly concerned actors.

Furthermore, this mapping of the sector ordered by the Commission could participate to the achievement of the Key Action n°8 concerning the networking of the different concerned actors.

In the same direction, studies analyzing the ‘social return on investment’ (SROI) or using qualitative criteria (as well-being criteria: SPIRAL methodology elaborated by the Council of Europe) and implemented on work integration social enterprises proved the social added-value of this type of entrepreneurship. A larger use of this kind of analyses would be beneficial in order to further promote the WISEs in the Member States and to reinforce the national and regional authorities and administrations’ knowledge.

Similarly, concerning labels and certifications, ENSIE’s members, national and regional networks of work integration social enterprises, have already such an experience. It would be thus interesting to emphasize the existing labels in the framework of this public data base foreseen in the Key Action n°6 of the Communication.

Work integration social enterprises are full enterprises, competitive on the traditional market and providing goods and services as well as any other capitalistic enterprise. Their specificity exclusively lies in the vision they have about profit: a mean to achieve the social goal of the enterprise and not a goal itself. It is thus pertinent to work together to the training of entrepreneurs, in particular in the countries where WISEs are less known and developed. The training of young people is evidently a decisive factor for the future development of the social economy sector and to counteract the present challenges of the employment market. Specific tools should be offered to young people coming from disadvantaged groups.

3. Legal framework

The development of European legal framework concerning the statutes of cooperatives, foundations and mutual societies should facilitate the action of these organizations. It would be also essential to promote the legal frameworks within the European Union Members countries themselves.

The creation of a European statute for associations would also be an asset for their development in Europe.

Finally, ENSIE would be in favour for the creation of a European social enterprise statute. A European statute would bring a strong recognition of the sector. Nevertheless, the definition of the concept and the implementation modalities of social entrepreneurship are different by the cultural traditions of Member States. It would be thus very complex to implement.

Regarding public procurement, it is really vital to include social considerations into all the phases of the procurement in order to contribute to the Union strategy aiming a smart, sustainable and inclusive growth.

Given the differences existing in the recognition of work integration social enterprises in Europe, national policies of public procurement are very different themselves. A harmonization of the framework at the European level would be very beneficial.

The enlargement of the article 17 field in the new proposition of the European Commission Directive on public procurement to the disadvantaged workers, as defined in the General Block Exemption Regulation of the 6 August 2008, and the possibility for the Member States to choose WISEs in the public procurement are welcome by ENSIE and its members. The possibility of contract reservation to work integration social enterprises is actually crucial to favour their participation to public procurement in the countries where the legislative framework of WISEs is less or not developed.

Other specific considerations are available in ENSIE answer to the public consultation relative to the ‘Green Paper on the modernization of EU public procurement policy –Towards a more efficient European procurement market’.

Concerning State Aids, ENSIE welcomes the Commission proposition foreseen at Key Action n°11 to simplify the application of regulations in social and local services.

Other ideas to debate in the framework of this social entrepreneurship Communication

The Commission also proposes other propositions beside the priority actions that were discussed here above. ENSIE welcomes these additional ideas.

In particular, the proposition to include new aids categories for the revision of the General Block Exemption Regulation could include ENSIE’s different inputs in the field of State Aids.

ENSIE recommends other amendments to the definition of ‘disadvantaged worker’.

It would be from one side, to complete the general definition of ‘disadvantaged worker’ by a –g-category that would stipulate ‘any person in situation of social exclusion certified by the public social services.’
On the other hand, the creation of a new category in the definition, the one of ‘several disadvantaged worker’ as ‘worker that cumulates two categories of the disadvantaged worker definition’ would better reflect reality. This new category, ‘several disadvantaged worker’ would be treated the same as the one reserved to the disabled worker. Indeed, within the work integration social enterprises, most of the workers actually cumulate several social and/or professional handicaps. Their situation requires thus a particular attention, as it is already the case for disabled people at European level.

Finally, **ENSIE proposes an amendment to the definition of Small and Medium Enterprises (SME)** foreseen in the Annex I on the definition of SMEs of the General Block Exemption Regulation. In this article 3, it would be important to add a –'e'- category at point 2 concerning partner enterprises, that would be the definition of the present Communication ‘businesses with a method of production of goods or services with a social objective (social and professional integration via access to employment for people disadvantaged in particular by insufficient qualifications or social or professional problems leading to exclusion and marginalisation) but whose activity may be outside the real aim of the provision of social goods or services’ in order to avoid the systematic eviction of work integration social enterprises that would not fulfil the SME criteria but ensure, in the sense of this Regulation, a precious support to the disadvantaged workers.

**ENSIE also thanks the Commission for the implementation of a consultative multi-stakeholders group specific to social entrepreneurship in which it will be represented by its coordinator Patrizia Bussi.**
General remarks

The present crisis framework in Europe shows the need of an economy that would not even be ‘highly competitive’ but above all more responsible at social and ethical levels: a more sustainable economy for all.

Again, ENSIE highlights the necessity of a stronger recognition of the social economy sector, in particular of work integration social enterprises in Europe, especially in the several Member States where it is still not the case, because of the role they play in the fight against social exclusion and poverty and in the building of a sustainable and inclusive growth. It is thus inevitable to associate the WISEs in the discussions linked to the issues of fight against poverty, innovation, small and medium enterprises, employment or sustainable development in the European Union.

Recommendations on the EU2020 flagship on Industrial Policy

1. Improving framework conditions on industry

1.1. Competitiveness-proofing and implementing smart regulation

Small Business Act review

We point out that several integration and fighting against exclusion enterprises are started and carried by associations, sometimes big associations, and other social enterprises which reinvest their profits in order to create workplaces for disadvantaged persons. Generally, in accordance to the European regulation, the aids given to the social enterprises by the public authorities are limited to SME – SE. This restriction integrates the « financial independence » clause which limits the size and the amounts brought in by potential investors.

This stops the creation of social integration enterprises emanate from these structures. In fact, this clause attests that the capital of a SME – SE cannot contain more than 25% brought in by another enterprise which has not the same size. This criterion causes a second problem. This foresees that the staff and the turnover of these enterprises linked by this clause are cumulated; and this put them outside the field of SME.

This clause is comprehensible because it assures that a multinational company doesn't create many small enterprises just to mis-appropriate aids for SME, SM and VSE.

However this clause stops the development of social economy enterprises. In fact, big associations, whose aim is the fight against exclusion and poverty using social and economic activities, very often, create social integration enterprises as companies with social purpose, in order to respect the competition rules. The « financial independence » clause forbids them to invest more than 25% of their capital despite the social objectives. Is it normal to “punish” the initiatives of development when they are efficient and they create many jobs for disadvantaged people? Europe had better to foresee that in the field of social integration enterprises due to the fact that they reinvest their results in order to create jobs.

Solution suggested

In the definition of SME – SE, the European regulation already foresees some exceptions. For example, if we talk about public agencies for local development, universities or research centres, the limit imposed by the “financial independence” clause disappears.

We ask to extend this exception to « the associations and the enterprises which have integrated the fight against exclusion and poverty as main goal in their statutes ». 
1.2. Improving access to finance for businesses

**European financial instruments review**

Although the objective of work integration social enterprises is precisely not to compete with multinationals in terms of development, the lack of financial possibilities for WISEs drive them in general to a marginal place in the economy. WISEs are actually facing several recurrent problems.

As the self-financing capacity of work integration social enterprises is above all for the social objective of the enterprise, WISEs usually need external support. Furthermore, in their efforts to search for financial partners, work integration social enterprises often have to face additional communication work on their particularities, usually unknown. The promotion of the sector is thus linked to a better understanding of its specificities.

It is important not to restrict access to solidarity investment funds to small and medium enterprises (SMEs) as many qualified social enterprises exceed the size criterion for SMEs. In fact, you cannot “punish” the enterprises which invest in order to create new employment (incurring the risk to exceed the SME criteria) and of which the growth is the key to success in their goals, as underlined above.

In order to favour the financing of work integration social enterprises and innovation, a harmonization of the European financial instruments at the national policies level would be furthermore beneficial due to the difficulties encountered in the field. For example, some States (as Belgium) limit the distribution of profits to 6%. They don't consider the fact that, at the beginning (about 3 years), social enterprises rarely make a profit so shareholders will receive nothing. It would be important to offset these losses by increasing the possibility of redistribution of profits (e.g. 10%) during the first 3 years in which the company will finally make a profit.

The European financial instruments would bring themselves more potential to develop the sector if they include a ‘social enterprise’ priority.

Other recommendations on financing work integration social enterprises are available in the ENSIE answer to the consultation on the promotion of a social investment Funds in the framework of the social business initiative.

2. A new industrial innovation policy

2.1. Skills base

**Recognition of skills and training**

Work integration social enterprises are full enterprises, competitive on the traditional market and providing goods and services as well as any other capitalistic enterprise. Their specificity exclusively lies in the vision they have about profit: a mean to achieve the social goal of the enterprise and not a goal itself. It is thus pertinent to work together to the training of entrepreneurs, in particular in the countries where WISEs are less known and developed. The training of young people is evidently a decisive factor for the future development of the social economy sector and to counteract the present challenges of the employment market. Specific tools should be offered to young people coming from disadvantaged groups.

ENSIE supports the promotion and recognition of lifelong learning in order to favour a better matching of workers’ skills on the labour market. Different recommendations were proposed by ENSIE in its answer to the consultation ‘Future action to support the promotion and validation of non-formal and informal learning’ and following its expertise in the field in the framework of the SYSCOM project, focused on the lifelong learning processes.

These trainings aim firstly to the reinforcement of the workers’ skills but also to their empowerment. The result of such policy is the regaining of citizenship and an increased co-responsibility for a sustainable growth. It is thus necessary to have a further democratization of the enterprise that favours the participative management of the workers. Indeed, why increasing the worker’s empowerment if not for letting them the ability of using it?
3. Promoting industrial modernisation

3.1. Building on corporate social responsibility

ENSIE supports the European Commission assertion which says ‘European companies need to take into account their contribution to sustainable growth and job creation and consider the interests of the employees and citizens affected by business decisions.’

We would like to underline the fundamental principles of work integration social enterprises which clearly fulfil the Commission’s expectations:

- The social and professional integration of individuals who due to their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional handicaps – jobs creation for people usually excluded from the labour market;

- Enterprises at the core of the economic system: work integration social enterprises have decided to carry on their activities at the very core of what is most frequently a major factor in the phenomenon of exclusion: the economic system – contribution to a sustainable growth through socially and environmentally responsible economic activities;

- Enterprises of a strong pedagogical dimension. The work integration social enterprises initiate training and educational programs designed on the basis of existing potential and develop this individual potential within the enterprise – taking into account the interests of workers and citizens through a participative and democratic management of the enterprise.

4. Tackling social challenges

Since their beginnings, the work integration social enterprises have showed their capacity to face social challenges in a sustainable and responsible way, in the construction and bio products sectors or even in the recycling or services areas. Their resilience to the crisis has already been proven. It would thus be appropriate to benefit from the several existent practices in the different innovative sectors developed by this type of enterprises.