European Work integration social enterprises: between social innovation and isomorphism[1]

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The persistence of structural unemployment among some groups, the difficulties that traditional active labour market policies face in integrating these groups and the need for more active integration policies have naturally raised questions as to the role that social enterprises can play in combating unemployment and fostering employment growth. Indeed, although the rate of employment varies greatly among European countries, with high rates of participation in the UK and Nordic countries and the lowest ones in Italy, all EU countries are characterised by low rates of employment for some groups, such as women, non-European workers, older people and/or low-skilled workers.

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[1] This article is based on Nyssens, M. (ed.) (2006) *Social Enterprise - At the Crossroads of Market, Public Policies and Civil Society*, London and New York: Routledge, and on an updated French-language version of this research conducted at the European level: Gardin, L., Laville, J.-L. and Nyssens, M. (2012) *Entreprise sociale et insertion*, Paris: Desclée De Brouwer. We refer the reader to these works for a fuller exposition of the central ideas of the present article.

Table 1 – Employment rate % (population 15 - 65 years)

Country	Employment rate	Women employment rate	Employment rate of people coming from outside the EU-27	Old people employment rate (55–64)	Youth employment rate (15–24)	Low qualified employment rate
Germany	71.1	66.1	47.7	57.7	46.2	45.4
Belgium	62	56.5	38.2	37.3	25.2	39.1
Denmark	73.4	71.1	54.8	57.6	58.1	58.3
France	64	59.9	45.9	39.7	30.8	45.1
Italy	56.9	46.1	60.8	36.6	20.5	43.6
Switzerland	78.6	66.5	63.9	68	62.5	62.7
United Kingdom	69.5	64.6	60.4	57.1	47.6	56.3
EU 27	64.2	58.2	55.2	46.3	34.1	45.1

Source: Labour force survey, 2010

"The major objective of 'work integration social enterprises' (WISEs) is to help disadvantaged unemployed people, who are at risk of permanent exclusion from the labour market. They integrate them back into work and society, in general through productive activity" (Nyssens 2006). The field of "work integration" is emblematic of the dynamics of social enterprises and constitutes a major sphere of their activity in Europe.

In this contribution, we will first analyse the dynamic of institutionalisation of work integration social enterprises in the landscape of public policies. Then we will explore how this process influences the identity of these social enterprises. Thirdly, we will explore the extent to which the hybrid nature of the logics mobilised by social enterprises constitutes a channel to fulfil their multiple-goal mission. Finally, we will envisage three directions that work integration might take, depending on the kind of public policies that are developed.

1. The institutionalisation of WISEs

Pioneering initiatives

In the European Union, the first WISE initiatives were launched at the turn of the 1970s, without any kind of public support. Most "pioneering" WISEs were founded by civil society actors: social workers, community activists, trade unionists… In a context of persistent unemployment, the social actors lacked adequate public policy measures to tackle the problem linked hereto. Consequently, initiatives emerged that emphasised the limitations of public intervention on behalf of persons excluded from the labour market: the long-term unemployed, persons lacking qualifications or with social problems. These first “work integration social enterprises” generally emerged in opposition to and independently from public authorities. They thus contributed to renewing public policy in the struggle against exclusion.

Most of these initiatives were launched by persons whose main objective was to help persons excluded from the labour market, i.e. they were created in a perspective of general interest. However, in countries with a strong cooperative tradition, pioneering initiatives were undertaken by workers themselves, by excluded persons, motivated by a dynamic of mutual aid. In some cases, the groups behind WISEs were in relation with public bodies, probably because of close pre-existing links between the third sector and the public sector. This was certainly the case in Germany and Denmark. Moreover, it was possible for different categories of promoters of these initiatives to co-exist in one and the same country. In France, for example, work integration enterprises (entreprises d’insertion) and intermediary associations (associations intermédiaires) were launched by groups consisting of social workers and community activists, while integrating enterprises (entreprises insérantes) were more of mutual-aid inspiration, and neighbourhood organisations (régies de quartier) relied on partnerships between the inhabitants and local public bodies.

Table 2 – Distribution of some types of WISEs in the European Union according to their categories of founders

Groups of citizens, in a perspective of general interest	**Excluded persons, in a self-help perspective**	**Partnership public – community**
Cooperativa sociale (Italy)	Sosiaalinen työosuuskunta (Finland)	=Lokalt orienterede sociale virksomheder som tilbyder uddannelse og midlertidig beskæftigelse (Denmark)
Entreprises de formation par le travail (Belgium)	Worker cooperatives (UK)	Kommunale Beschäftigungsgesellschaften (Germany)
Entreprises d’insertion (France)		Régies de quartier (France)
Beschäftigungsgesellschaften von lokalen, unabhängigen Initiativen (Germany)	Socialkooperativ (Sweden)	Social firms (UK)
Empresas de inserción (Spain)	Entreprises insérantes (France)	Community businesses (UK)
Local development work integration social enterprises (Ireland)		

Source : Nyssens (2006: p 280)

The key role of active labour market policies

Since the 1980s, countries have developed many different "active" public policies in relation to the labour market. Alongside so-called "passive" public policies, intended to provide the unemployed with an income, public authorities, faced with permanently high levels of unemployment, have devised policies geared to integrating the unemployed into the labour market through support and career guidance programmes, vocational training, subsidised employment and programmes to create jobs. The latter generally aim to fund socially useful jobs, reserved for the unemployed, in the public or third sector.

A second generation of work integration social enterprises has developed within this setting, open to dialogue with the public authorities, which, in many countries, have decided to recognise them. This legal recognition, by public authorities, of the mission of integration through work performed by WISEs allows, in most cases, a more stable access to public subsidies. It seems that WISEs have increasingly represented a tool for implementing these active labour market policies – in other words, they constituted a “conveyor belt” of active labour market policies. Indeed, they were pioneers in promoting the integration of excluded persons through a productive activity; it could even be considered that the first WISEs actually implemented active labour market policies before the latter came into institutional existence.

Three kinds of public framework have to be distinguished at this stage.

First, the initiatives have to adopt a legal form. The legal form adopted by WISEs varies from one country to another. In some cases, social enterprises adopt existing legal forms: association, cooperative, company limited by guarantee or other, country-specific forms (such as the Industrial & Provident Societies in the UK). Most social enterprises are associations or cooperatives; social enterprises are more commonly established as associations in those countries where the legal form of association allows a degree of freedom in selling goods and services on the open market, whereas in countries where associations are more limited in this regard, like in the Nordic countries, social enterprises are created, more often, under the legal form of cooperatives. Besides these traditional legal forms, a number of national governments have created new legal forms, specifically designed for social enterprises, with the goal of promoting their development (see the chapter by Defourny and Nyssens in this book).

Secondly, in some countries, WISEs are officially recognised through a specific public scheme, which supports their mission at the national or regional level. This support may vary from one scheme to another: long-term subsidy, temporary subsidy (start-up grants for example).

Thirdly, WISEs can have access to active labour policies, which are open to any kind of enterprise. Indeed, we have seen the development of a wide range of temporary subsidies, conditional on the hiring of persons belonging to groups who are “at risk” in the labour market. The objective of this kind of measures is to facilitate the transition between unemployment and the “first” labour market, through temporary subsidies aimed at helping the workers overcome their “temporary unemployability”. Activating labour market policies find their most significant expression in the different kinds of “integration contracts”; these are agreements between persons registered as unemployed and the Labour Offices. These contracts include an agreement on the rights and duties of both parties, with a view to ensuring the quickest possible integration into the first labour market, according to the profile of the unemployed person. If the unemployed person refuses to cooperate, for example by rejecting reasonable employment offers, the labour administrations can reduce social benefits. In some cases, this “active welfare state”, which suggests a return of the concept of responsibility in the field of social and employment policies, has fostered the co-operation with WISEs, especially at the local level. Indeed, we have to underline the increasing responsibility of local public authorities, whose autonomy to organise training and design and implement work-integration paths has increased. This seems to be especially the case in countries like Germany, Denmark or Sweden. In this framework, social enterprises, for-profit enterprises and public organisations are on an equal footing towards “integration contracts”.

These three channels are not necessarily mutually exclusive: in some cases, to be accredited, a WISE must first adopt a legal form appropriate to an enterprise pursuing a social mission. At the same time, it can be accredited through a specific scheme devoted to WISEs; and simultaneously, this WISE can hire people through general active labour policies. This is true, for example, of “entreprises d’insertion” in the Walloon region of Belgium.

Based on these different forms of public recognition, more than 50 different categories of initiatives have been identified throughout Europe2. These can be classified into four main groups, using criteria reflecting the ways in which their workers are integrated:

• The first group comprises work integration social enterprises providing employment supported by long-term subsidy. It consists mainly of the oldest forms of WISE: those set up for people with disabilities. Such organisations are found in most countries. They seek to make up for the gap between the productivity required by the conventional labour market and the actual capacities of disabled people. At present these organisations, most of which are recognised and subsidised by public authorities, offer open-ended employment contracts. This first group includes protected employment schemes in Ireland, Denmark and Portugal, adapted work enterprises in Belgium and Switzerland, and the Samhall network of protected workshops in Sweden. Finnish centres providing care through employment and Belgian social workshops also belong to this category. It is worth mentioning that these two types of WISE are virtually the only organisations in Europe offering protected employment to persons regarded as suffering from a social handicap, but not a mental or physical disability.

• A second group consists of types of WISE that offer self-financed permanent employment, i.e. jobs which are economically viable in the medium term, to vulnerable individuals. In the early stages, public subsidies may be granted to make up for the target group’s productivity deficit. Such subsidies are temporary and decrease over time. After the initial period, during which they benefit from public support, these WISEs must pay their workers out of their own resources, generated essentially by their commercial activity. Initiatives of this kind include community and social enterprises in the

[2] We were able to make an initial identification thanks to the ELEXIES project, conducted in cooperation with the European CECOP and ENSIE federations. This project’s purpose was to describe the main characteristics – legal frameworks, support and funding organisations, target groups, types of vocational training, etc. - of WISEs in 12 Member States of the European Union. This work was supplemented by the PERSE and UNDP-EMES project. The resulting inventory has already given rise to one publication (Davister *et al.* 2004). It has been updated by Gardin *et al.* (2012) for Belgium, France, Quebec and Switzerland.

United Kingdom, and certain types of German cooperative organisations. The profitability constraint is generally stronger in these enterprises than in any other type of WISE.

• A third large group consists of types of WISE whose main purpose is to (re)socialise people by means of productive activities. Pertinent examples would be centres that help people to adapt to active life in France, protected employment centres in Spain, and social cooperatives in Sweden. These WISEs aim to serve particularly vulnerable workers. The work they provide is "semi-informal", i.e. it is not regulated by a legal arrangement or employment contract, but nevertheless has protected status (e.g. the workers are fed and in most cases housed in return for their labour). Voluntary work is relatively important and market resources fairly limited.

• The fourth group – the largest in Europe in terms of number of enterprises – comprises social enterprises offering work experience ("transit" employment) or training through work. Even though these enterprises all share a common objective – to help their beneficiaries find a job in the conventional labour market – they differ considerably in the ways in which they pursue this goal. Belgian on–the-job training enterprises, for example, offer training leading to a qualification in the form of an internship, while French work integration enterprises provide a real job for a period of one year. This diversity is also reflected in the ways in which resources are mobilised. Some of these WISEs survive almost exclusively on subsidies. Others, on the other hand, are practically independent from any form of public subsidy. The importance of voluntary work is another significant variable. Most employment or training contracts are for a fixed term.

In this fourth group we can include working cooperatives (Finland), temporary work integration enterprises (France), organisations connected with the intermediate labour market (United Kingdom) and local community enterprises offering training courses and temporary work integration (Denmark). It would also include "stepping-stone" enterprises (Switzerland), which are set up specifically for persons in the social security system or those on unemployment benefit who are recognised as being fit for work; these enterprises are supported by active measures within the framework of the federal law on unemployment insurance.

Finally, it has to be pointed out that some types of WISE do not fit easily into one of these four main groups, because they simultaneously implement different modes of work integration. For example, B-type social cooperatives in Italy, neighbourhood organisations in France, work integration enterprises in Wallonia and work integration organisations in Switzerland pursue different work integration objectives for widely differing target groups.

WISEs and public policies: a typology

The analysis of the general patterns of labour market policy expenditures allows us to construct a typology, based on the Esping-Andersen's (1999) typology, of the countries surveyed in terms of public support to WISEs.

The first group includes Denmark and Sweden and is characterised by a high level of active labour market policies and of welfare expenditure in general. In these countries, no public schemes specific to WISEs have been developed, but there is an increasing collaboration between WISEs and public bodies to implement "active labour market policies" (ALMPs). As Stryjan (Stryjan 2004) stresses for Sweden, the current Swedish labour market is, to a significant extent, the product of active labour market policy. In this context, WISEs are not the result of a shortage of active labour market policies but are rather a response to the fact that such policies either cannot reach significant portions of the population, or are ineffective for certain groups. This is quite a new phenomenon for these countries, where the third sector is traditionally viewed as having an advocacy role, not a role of service provider. This first group corresponds to the “universalist” group of Esping-Andersen's typology – a group in which welfare has traditionally been delivered by the state (Esping -Andersen 1999). Finally, it has to be noted that even though there is no official accreditation for social enterprises in Sweden and Denmark, there is in these countries a tradition of a co-operative movement; it is thus not surprising to see that there is now a Swedish Minister of the Social Economy, rooted in this co-operative movement, and that there are linkages and lines of communication between the co-operative movement and new social enterprises.

The countries in the second group - Belgium, Germany, France and Ireland - also have relatively high levels of expenditure on active labour market policies, although these levels are lower than in the countries in the first group; and, within the field of active labour market policies, there exists in these countries a large “second labour market programme” offering intermediate forms of employment, within the non-profit sector, between employment policies and social policies. The implementation of these active labour programmes was based on the observation that, on the one hand, a number of unsatisfied social needs existed and, on the other hand, a large number of people were unemployed. These programmes thus tried to encourage the creation of new jobs in the non-profit sector, in areas where they could satisfy social needs, as a mean of both creating jobs for unemployed persons and curbing mainstream social spending.

The first WISEs in these countries relied heavily on these “second labour market” programmes. Examples of such programmes include the “Programmes for reducing unemployment” (Programmes de résorption du chômage) in Belgium, the “Contracts employment-solidarity” (Contrats emploi-solidarité, or CES) in France, the “Public programmes for financing time-limited work” (Arbeits Beschaffung Massnahmen, or ABM programmes) in Germany and the “Community programme” in Ireland.

All these countries, except Ireland, belong to the “Bismarckian” tradition or the “corporatist” group of countries, i.e. in these countries, intermediate bodies are important not only for the management of social insurance but also for the delivery of social services (Esping-Andersen 1999). Indeed these countries (Salomon 1999) are characterised by a significant presence of non-profit private organisations, mainly financed by public bodies, in the field of social services. Not surprisingly, it is in these countries that the “second labour market programmes” emerged; they relied on this kind of organisations. The inclusion of Ireland in this second group may seem rather odd as it does not belong to this Bismarckian tradition. Nevertheless, Ireland has one of the highest shares of employment in the non-profit sector, which relies heavily on public funding. Actually, some research has shown that Ireland is a borderline case between the “liberal” and the “corporatist” state (Hicks and Kenworthy 2003).

In the 1990s, the countries in this second group adopted public schemes specific to WISEs; the only exception is Germany – which probably reflects the decline of the co-operative movement in this country. In the other countries, the persistence of a social economy sector or a co-operative sector which still maintains some of its original features influences the environmental perception of WISEs and the building of organisational identities within this tradition (Bode et al. 2006).

A third group – bringing together Portugal, Spain and Italy - is characterised by a low level of expenditure on active labour market policies and by the (near) non-existence of a second labour market programme. Regarding the development of a public scheme specific to WISEs, Italy played a pioneering role in the European Union, thanks to the action of its strong co-operative movement. In Portugal and Spain, the situation is in rapid evolution, due among other factors to the increasing number of interactions – and probably a certain homogenisation – between European Union initiatives and national public policies. Indeed, the influence of the Commission can be felt in the development of National Action plans of employment, in which the role of ALMPs is largely recognised and which explicitly cite WISEs. Portugal has experimented an increase in their ALMPs, and public schemes specific to WISEs viewed as an ALMP tool have been adopted in these countries.

Finally, in the United Kingdom, the Blair government launched in 2002 a "Coalition for social enterprise" and created a "Social Enterprise Unit" to improve the knowledge of social enterprises and, above all, to promote social enterprises throughout the country. A weaker level of ALMPs characterises this liberal country and, although the debate regarding social enterprise is well developed, only a few policies support their development.

Support to WISEs through public contracts

Another central way for public authorities to support the mission of WISEs is through the contracting out of the provision of goods or services. Public bodies can organise their purchases in different ways: as traditional market purchases (when the bid with the lowest price, for the level of quality required, is chosen) or as purchases motivated by social criteria. "Socially motivated purchases" (Gardin 2006) take into account the social goals of WISEs. In Europe, below a certain threshold, these purchases can occur in a discretionary way: when they have to buy a product or service whose price does not exceed a certain amount, set by European law, public bodies (usually at the local level) may simply "privilege" WISEs they know in order to support them and their social mission. In the case of purchases whose value exceeds the threshold, when the public bodies have to issue public calls for tenders, some social dimensions can be included in the public procurement procedures, for example in the form of social clauses that take into account types of criteria other than market ones, such as the importance of integrating disadvantaged workers. These are ways – formalised or not through regulations – to support both the production and the work integration goals of WISEs.

Competing in the market with for-profit companies solely on the basis of financial criteria often appears difficult for WISEs, and some WISEs thus demand that public authorities take their social dimension into account when awarding public contracts. However, the practice of inserting social criteria in public contracts is not yet very extensive in the European Union. In this region, Italy provides the oldest case of introduction of a social dimension into public purchasing: in 1991 already, a law was passed in this country that reserved certain public markets to social co-operatives. But this law had to be re-examined, following objections from the European Commission (it is at the level of European legislation that the principal debate in this matter occurs today). This kind of legislation does not exist in countries such as Ireland, Portugal, the United Kingdom or Spain; legislation is evolving in other countries (such as Belgium and France), which begin to introduce social clauses into public tenders. Indeed, national and regional practices in this matter are relatively diverse across the European Union. The main debate concerns the evolution of the European legislation, and more specifically, the freedom left by European law to national and regional practices. Recently, the Commission (2011) published a guide on public tendering to explain the different channels to include social dimensions in these contracts.

2. MULTIPLE-GOAL WISES FACING INSTITUTIONALISATION[3]

Historical analysis shows that social enterprises have contributed to the development of public policies. Indeed, they were pioneers in promoting the integration of excluded persons through a productive activity. As we have seen, WISEs have increasingly represented, for public bodies in most European countries, a tool for implementing labour market policies.

However, dialogue has not always been smooth. Indeed, the accommodation between the views of WISEs and those of public bodies on the contested nature of WISEs' mission does not seem to be easy. This explains why some pioneering initiatives chose not to use WISE-specific public schemes; this is for example the case of the "local development" initiatives in Ireland, which did not adopt the "social economy" framework (0' Shaughnessy 2006). It should be noted too that, if public schemes have encouraged some initiatives, they have also excluded others. In France, for instance, the institutionalisation process recognised and favoured initiatives launched by professional and associative militant actors aiming at the integration through work of disadvantaged populations, whereas the initiatives originating from these populations themselves were in most cases neglected.

Social enterprises are usually viewed as multiple-goal organisations; they mix social goals, connected to their specific mission to benefit the community (for WISEs, the integration of people excluded from the labour market through productive activity); economic goals, related to their entrepreneurial nature; and socio-political goals, as social enterprises are often rooted in a "sector" traditionally involved in socio-political action.

The WISE-specific public schemes or the more general active labour market policies used by WISEs now shape (at least partially) their objectives and practices. But is the extent of this influence sufficient to speak of "isomorphism" on the part of WISEs – isomorphism being understood as a progressive loss of their inner characteristics under the pressure of legal frameworks or professional norms spilling over from the for-profit private or public sectors (Di Maggio and Powell 1983)? Bode et al. (2006) conclude that there is no overall tendency, among European WISEs, towards isomorphism understood as an evolution in which WISEs completely lose their initial identity. This being said, external pressures however generate strained relations between the different goals of WISEs. The simultaneous pursuit of these various goals often constitutes an essential challenge for these organisations.

The social objective

Where the social objective is concerned, pioneering social enterprises implemented an innovative philosophy. The aim was to develop the abilities (or "capabilities", according to Sen 1985) of the marginalised workers and to empower them. This philosophy implies not only providing work for people but also promoting specific values, for example the creation of democratically managed

[3] Empirical results of this section and of the next one are based on the PERSE project: Nyssens (2006) for the English version; Gardin *et al*. (2012) for the updated French version. The resutls are based on a sample of 162 work integration social enterprises, located in 11 European countries.

structures, in which disadvantaged workers are entrusted with a role, or the production of services that generate public benefits in the district in which the WISE operates. As explained by Defourny and Nyssens in this book, participative management often constitutes an important characteristic of social enterprises, in the tradition of the social economy. In many cases, one of the aims of social enterprises is to further democracy at the local level through economic activity.

Not all WISEs give priority to this work integration objective. A sub-group emphasised that their principal mission was to contribute to local development, particularly in disadvantaged communities, by providing a set of goods and services; creating training and employment opportunities for marginalised groups was a “by-product” of this main goal. In other words, for this sub-group, the "mission of integrating disadvantaged workers through productive activity", although important, is seen as secondary to their mission of promoting local development. This is the case, for example, of local development initiatives in Ireland, community businesses in the United Kingdom and “*régies de quartier*” in France.

Reintegrating workers into the "primary" labour market was therefore not the absolute priority of the first WISEs. But, over the years, gradual institutionalisation, as a result of public programmes more and more closely linked with active employment policies, has visibly built up pressure to integrate vulnerable workers into the primary labour market. In such a context, it has become difficult to reconcile the objective of restoring the capabilities of groups of marginalised people with that of integrating the beneficiaries into "normal" jobs for different reasons.

First of all, the type of integration performed by WISEs depends to a large extent on the way such integration is defined by the authorities responsible for the labour market. Public integration programmes generally consist in short-term public subsidies intended to make up for the "temporary unemployability" of disadvantaged workers. But it seems that these programmes are not sufficiently tailored to the real profile of the workers concerned. The temporary nature of the subsidies can therefore result in "creaming off". In other words, it encourages enterprises to recruit only the most "employable" workers for the duration of the project and retain only those who have achieved a certain level by the end of the subsidised period.

Secondly, although the pioneering initiatives gave considerable importance to the goal of strengthening workers’ capabilities through participatory decision-making, daily practice tends to be more influenced by other factors, such as enhancing the organisation’s professionalism and developing production methods along business lines. WISEs sell their products in markets where they are in competition with profit-making enterprises. They may consequently be led to adopt the standards of their competitors. Analysis of formal participation systems, such as membership of the board, shows, on the one hand, that the participation rate of the workers being integrated is low and, on the other hand, that managerial staff are one of the most influential categories on the board of the WISEs examined. This situation may be due to the process of "professionalisation", which tends to limit participation.

The production objective

Production is an integral part of the identity of WISEs, as a support to their work integration objective. It emerges clearly that, in most cases, the work integration and production objectives are closely intertwined and relatively well balanced, and this seems to be one of the distinguishing features of WISEs.

Where the production objective is concerned, the first challenge facing WISEs is to find a productive activity that corresponds to the capabilities of its workers while simultaneously allowing to train them as part of the production process. The identification of market niches has proved to be a good strategy in achieving this objective, but WISEs that manage to establish themselves in such niches sometimes discover, when the market tends to stabilise, that they have to contend with new competitors, which are less dependent on social concerns and constraints. Recycling services are a case in point. WISEs have played a pioneering role in this sector. Nowadays, it is a more profitable sector and, as a result, WISEs have to compete with new entrants from the for-profit sector. Moreover, WISEs sometimes have to make compromises between the type of production activity chosen and the profile of the participants concerned. For example, the data indicate that the construction and gardening sectors employ more poorly qualified workers, while those working in the social services and in education are more highly qualified.

Although most WISEs ascribe importance to their objective of producing goods and services because it enables them to pursue their integration mission, some also set themselves a production objective because they believe it to be of social importance, in that it generates various public benefits. These WISEs therefore have a twofold social objective: on the one hand, to integrate disadvantaged workers, who are in danger of being permanently excluded from the labour market; on the other hand, to produce quasi-public goods. The latter, despite their divisible character, generate collective benefits as well as individual ones. For example, childcare services produce private benefits for the child's parents but they also, at the same time, have a positive impact on the community by facilitating access to the labour market for women, strengthening social cohesion in depressed regions, etc. For these reasons, childcare services can be regarded as quasi-public. Other goods and services are quasi-public because of the type of consumers to which they are geared. For example, a restaurant which charges affordable prices to vulnerable customers is producing a quasi-public good. Eighteen percent of the WISEs in the sample are active in providing social services (childcare services, services for the elderly, second-hand shops for people in need, meals-on-wheels, transportation of people with reduced mobility, etc.). Three percent are active in the education sector and five percent in the cultural and leisure fields (community centres, theatres, leisure centres, tourism projects, etc.). Some of these services can be regarded as quasi-public goods. All in all, roughly a quarter of the WISEs in the sample produce quasi-public goods.

These WISEs are faced with another challenge when it comes to procuring the resources for their production activity. The fact is that, while specific schemes conceived for WISEs prioritise the production objective as the principal lever for integrating their beneficiaries into work, only a few of these schemes give WISEs the opportunity to produce quasi-public goods. Moreover, even when this is possible, this public dimension only rarely gives access to specific public funding, which makes it more difficult for these WISEs to combine the integration of disadvantaged workers with the production of quasi-public services.

The socio-political objective

Most WISEs attach importance to defending interests and lobbying through networking activities. However, the importance ascribed to this activity varies from one WISE to another. For some, the objectives of such lobbying are purely strategic: it aims to promote their social mission and secure resources for integrating disadvantaged workers, or to facilitate their production activities, i.e. to win contracts. For others, these practices are not only strategic but are also intended to demonstrate the unique contribution made by social enterprises, which differ from other active public policy instruments in the employment field in that they take into account the social exclusion of disadvantaged groups. They make efforts, for example, to develop more participatory decision-making processes.

Although WISEs have contributed to shaping public policies in the field of work integration, dialogue, as underlined above, has never been easy and has not resolved the issue of the controversial nature of WISEs. Public authorities and promoters of WISEs agree on the fact that the recruitment and vocational integration of disadvantaged workers lie at the heart of their mission but, as we have seen, there are disagreements as to how this integration should be understood. The dominant model tends to consider that WISEs produce only one kind of benefit: the integration of workers into the "ordinary" labour market. WISEs are encouraged to adopt this single objective, with the danger that they thereby abandon the multiple objectives that inspired them in the first place, and compromise their capacity for innovation.

3. SOCIAL ENTERPRISES AT THE CROSSROADS OF MARKET, PUBLIC POLICIES AND CIVIL SOCIETY

Social enterprises are often presented as hybrid organisations (Evers 2006); this hybrid nature is reflected particularly clearly in their mode of governance and sources of income. Does this hybrid character of social enterprises constitute a channel to fulfil their multiple-goal mission and therefore a bulwark against isomorphism, or is it rather a threat for their identity, embedded in different, contradictory logics?

WISEs' mode of governance could be seen as hybrid insofar as it relies on a dynamic of linking people with different backgrounds. Indeed, most WISEs were founded through a partnership among different kinds of civil society actors. Local public bodies were sometimes associated with this dynamic. Fifty-eight per cent of European WISEs have been described as involving more than one category of stakeholder on their board (Campi *et al.* 2006), and the data collected seem to indicate that "the participation of stakeholders in these WISEs leads to the exercise of a real influence within boards", thanks to the "balanced governance structure" (see table 3). These features highlight the collective and hybrid dynamic of social entrepreneurship and contrast with the emphasis that social entrepreneurship literature generally places on individual social entrepreneurs (see the chapter by Defourny and Nyssens in this book).

Table 3 – Influence of stakeholder categories in multi-stakeholder WISEs [4]

[4] In order to do so, managers were asked to evaluate the impact, in the decision-making process, of each category of stakeholder represented in the board of their WISE. The number of board members belonging to each category was also taken as an indicator of its relative importance. Combining both sources of information, percentages were computed to reflect, although with clear limits, the actual influence of the various categories of stakeholder.

Stakeholder category / Country	Users / Custom-ers	Volun-teers	Staff	Partici-pants	Business	Govern-ment	NPOs	Others (*)	Total
Belgium	1%	13%	24%	10%	9%	10%	19%	15%	*100%*
Denmark	9%	7%	17%	7%	13%	25%	18%	5%	*100%*
Finland	0%	6%	26%	21%	10%	10%	15%	13%	*100%*
France	10%	36%	10%	3%	10%	10%	13%	10%	*100%*
Germany	0%	25%	12%	18%	10%	18%	18%	0%	*100%*
Italy	4%	29%	55%	1%	3%	0%	1%	6%	*100%*
Spain	0%	44%	28%	0%	4%	0%	15%	9%	*100%*
Sweden	12%	6%	24%	24%	9%	15%	3%	8%	*100%*
United Kingdom	3%	13%	4%	0%	25%	19%	19%	17%	*100%*
EU (average)	*5%*	*20%*	*21%*	*7%*	*10%*	*13%*	*14%*	*10%*	*100%*

(*) This category includes: private individuals (other than consumers), local community representatives, private financing bodies, experts, etc.

Source: Campi *et al.* (2006): 40.

These characteristics – the participatory nature of WISEs and the fact that most of them have been founded as partnerships – enhance trust among different types of stakeholder. We can consider this networking from the point of view of the production of social capital, the mobilisation of mutual aid translating into networks, which in turn facilitate coordination and cooperation. Indeed, the social-capital approach emphasises complex bonding relationships between persons sharing a common identity and bridging relationships whereby mediators or go-betweens are able to build bridges between previously isolated worlds.

However, although the sharing of ownership among various stakeholders may be a good way of managing structures with multiple objectives, it is not the only one: single-stakeholder WISEs have also found ways of managing their multiple goals. A structure with multiple stakeholders does not seem to be essential for managing a plurality of objectives. It should be stressed, however, that the mode of governance of social enterprises is here analysed only through their ownership structure and the dynamic of their boards is apprehended by questioning their directors. But the data gathered suggests that social enterprises also entertain relations with external partners (local community, customers, beneficiaries, public authorities, etc.) through informal channels, without these being officially represented on their boards.

Hybridity is also reflected by the resource mix mobilised by European WISEs (Gardin 2006): they sell goods and services on the open market; they generally receive public funding deriving from taxation; and they can call on charitable and voluntary contributions. Following Polanyi (1944) and his "substantive approach" to economics – which proposes an extensive concept of the economy whereby all actions deriving from the interaction, if not dependency, between the individual, his fellows and the natural world are qualified as economic –, it could be said that social enterprises combine the economic principles of the market, redistribution and reciprocity.

Indeed, it appears that WISEs do not rely only on a mix of market- and redistribution-based resources; they are the scene of a more complex hybridisation, built upon four types of economic relationship: the market and redistribution, but also the socially motivated purchases (see above) and reciprocity (an example of a reciprocity-based resource is provided by volunteering). The sales of goods and services represent on average, at the European level, 53 per cent of WISEs' resources – of these 53 per cent, one third are socially motivated sales. Redistribution resources (direct and indirect subsidies) account for 38.5 per cent of resources. Voluntary resources, which are most probably undervalued, represent on average 8.5 per cent of total resources. This last kind of resource reflects the degree of embeddedness of WISEs in civic networks; social enterprises which are more strongly embedded in civic networks are usually better able to mobilise volunteer resources than social enterprises launched by public bodies. It finally has to be noted that this resource mix varies from one type of WISE to another, in accordance with their specific social mission.

Public schemes, though, usually do not recognise this hybrid character of social enterprises. Indeed, one of the most visible effects of the institutionalisation of WISEs in the different European countries is that it pushes them to reduce the variety of their resources mix and to position themselves, most of the time, either in the "market economy" or, when they employ very disadvantaged workers, in the "redistributive economy"; as to the role of voluntary resources, it is in neither case recognised. This puts social enterprises in "boxes", denying one of their fundamental characteristics – namely the fact that they are located in an intermediate space between the market, the state and civil society.

The presence of various stakeholders constitutes a channel for developing links and trust among different types of stakeholders and can consequently enhance the development of bridging social capital. Analysis tends to show that this multi-stakeholder nature can in turn be a resource for WISEs to pursue their complex set of objectives. The reliance on a variety of resources - differing both in terms of their origin (e.g. resources from private customers, from the private sector, from the public sector, from the third sector) and in terms of their type of allocation (e.g. the sale of services, public subsidies, gifts and volunteering) - also appears to be a key element for WISES to fulfil their multiple-goal mission. Managing hybridity constitutes a daily challenge for social enterprises, but this character also appears to be a part of their identity, linked to their multiple-goal mission.

4. Directions of public policy

As mentioned by Defourny *et al.* (1998), it is possible to envisage three directions which work integration might take.

• The formation of an intermediate economy: in this case, work integration organisations provide employment and training opportunities for a limited period, thereby enabling their workers to find permanent work.

• The constitution of a protected employment sector: this option recognises the fact that some groups are effectively excluded from employment and aims to reserve long-term jobs for them in certain fields of activity.

• The building of new relationships between WISE and local districts: this option recognises the need, if work integration is to be fully accepted, to replace targeted approaches with a transversal one, whereby work integration becomes a component in an approach based on the development of local potentialities.

Public policies have hitherto given priority to the formation of an intermediate economy, making it the vocation of work integration social enterprises to prepare disadvantaged persons for recruitment into other enterprises. But two limitations of this approach have now become apparent.

First, the results of our research show that WISEs are trying to serve an extremely diverse clientele, which can be divided into a number of sub-groups. The circumstances of vulnerable workers are very diverse and the problems some of them have to resolve go beyond a mere "temporary unemployability". Lack of qualifications, mental disabilities and social problems may have long-term effects on the workers' productivity. This being the case, the idea of a "springboard for work integration" (i.e. temporary public aid to compensate for periods of "temporary unemployability", prior to integration into the primary labour market) may not be a suitable solution for some groups of workers in particularly difficult circumstances. One way of taking into account the specific nature of the different groups targeted by WISEs might be to differentiate work integration subsidies according to the profiles of their beneficiaries, and allow some beneficiaries to remain in their WISE for longer periods. This has been tried in several countries, such as Italy, where social cooperatives have demonstrated the effectiveness of prolonging work integration subsidies in proportion to the severity of the workers' disability. Another example is Sweden, where the integration of a worker into a WISE is the result of official or unofficial procedures between the WISE and the public authorities responsible for monitoring the worker's progress. In Belgium, the federal subsidy (SINE) for integrating the most vulnerable workers may in certain cases be granted for an unlimited period. Whatever the case may be, the generally accepted diversity of the workers concerned should encourage public authorities to develop, as part of their employment policy, a whole range of integration arrangements to enable WISEs to cater for workers presenting different profiles.

In this intermediate economy approach, the development of new activities at the local level tends to be neglected, despite the fact that it is a way of responding to the lack of local jobs – another cause of difficulties in social integration, which cannot be explained solely in terms of the problems of the disadvantaged workers. All in all, the positive discrimination that public authorities have practised in favour of the intermediate economy has been severely tested by the persistence of the "crisis". The relevance of the two other options – the protected employment sector and the development of new relationships between WISE and local districts – cannot therefore be discarded.

A good example of protected employment can be found in Flanders (Belgium), where social workshops have been developed. This may be an extension of work integration practices for the disabled. These WISE recruit poorly, qualified persons for simple tasks (packaging, for example), most of the time through sub-contracting with the private sector.

Protected employment may also be of social utility in two related ways: not only through the creation of jobs for particularly disadvantaged groups but also through the goods and services produced, which are of public interest. This is undoubtedly the philosophy that underlies "reserved" markets, which are permitted by European directives "when the majority of the workers concerned are persons who, because of the nature or severity of their disabilities, cannot exercise a professional activity in normal conditions". Associative experiments continue to plead for a solution of this type, to ensure that employment is not inaccessible to the most disadvantaged. The criticisms advanced by trade unions, and also some work integration organisations, relate to the risk of the beneficiaries concerned becoming imprisoned in a sector disconnected from the rest of the economy and to the stigmatisation this may entail.

The building of new relationships between WISEs and local districts is based on the possibility of forming alliances between enterprises that are still well rooted in the local community and local authorities. Far from being subservient to the capitalist dynamic, this scenario is embedded in the prospect of a pluralist economy, which has room for the different forms of entrepreneurship: profit-making, public and social. And in this case economic pluralism can be matched by democratic pluralism. The social enterprises concerned can draw strength from the views of their participants, regarded as citizens, and not merely as "clients". The development of new jobs also depends on recognition of the public dimension of the productive activities of certain WISEs, for example environmental protection, improvement of people's environment, social services… When the productive activity of a WISE is focused on this public dimension, which market forces are not able to cater for, it should be supported in part by public funding or by voluntary work.

When WISEs provide quasi-collective services, they should be entitled to funding supporting the pursuit of this mission, which is of benefit to the community as a whole, in addition to the aid they receive for implementing work integration programmes. Let us remember the importance, for social enterprises, of socially motivated purchases concluded with the public authorities that are concerned, at least in some cases, with the supply of these quasi-public services. This brings us back to the broader debate about public contracts and the organisation of social services of general interest, which are crucial for many social enterprises. Social enterprises, now seen mainly as work integration organisations, are only rarely recognised by the public authorities as viable vehicles in other fields of activity.

Indeed, public funding is on the whole directed only to achieving the objective of integrating disadvantaged workers. Moreover although WISEs are obviously entitled to subsidies aiming to support their work-integration mission, even these might be somehow jeopardised; indeed, the legal context at the European level is unsure. The fact is that, in the future, if member states of the European Union wish to provide special public support for WISEs in recognition of their work integration mission, they will have to adopt appropriate commissioning techniques and request derogations from measures prohibiting state aid.

The European Commission's communication (SEC(2011) 1278 final) concerning social entrepreneurship initiatives, which advocates the construction of a favourable environment for social enterprises at the heart of the economy and social innovation, may be seen as a sign of such recognition. With the service sector, and in particular the personal service sector, now really taking off, analysis of the specific characteristics of social enterprises needs to look beyond the field of work integration. Of course, many operators, organised in different ways and with different forms of governance, provide personal services (profit-making enterprises, traditional associations, social enterprises, public sector enterprises). Moreover, the development of these services generates hopes based on what they may contribute to the community (in terms of meeting important needs, but also of creating quality jobs). It is therefore important that the question of the value added by the social enterprise model – which is driven by the explicit desire to meet community needs – be studied in greater depth.

Is the development of social enterprise a sign that the state is withdrawing from its protective role? Or, by contrast, does it herald a new form of governance of common good, as posited by Elinor Ostrom? The answer must be carefully qualified. If public authorities limit their role to developing quasi-market policies, offering the same kind of contracts without taking into account the corollary public benefits, the innovatory role of social enterprises will be diminished – as, very probably, will their ability to resolve collective problems. If, on the contrary, public authorities recognise the characteristics of social enterprises and encourage their development, the latter will probably then be able to contribute, in their own way, to the common good.

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