



JOB CREATION THROUGH THE SOCIAL ECONOMY AND SOCIAL ENTREPRENEURSHIP

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INTRODUCTION

The social economy has received increasing policy attention in recent decades, particularly with regard to its contribution to employment. Much has been written about the potential role of the social economy as a solution to unemployment. It has been estimated that social economy organisations (SEOs) broadly defined as co-operatives, mutuals, associations and foundations, together account for 6.5% of aggregate employment in the European Union (Monzon and Chavez, 2012). However recent policy attention has more narrowly focused on the role of SEOs in work integration for vulnerable groups (such as the long term unemployed, or those with physical or mental health issues). At the same time, little is known about working conditions within SEOs, particularly for these vulnerable individuals.

This report examines the role of SEOs in the provision of employment, and how they have fared during the recent period of economic turbulence. Attention was also paid to SEOs working with vulnerable individuals, either as direct providers of jobs, or providers of training and services designed to help vulnerable individuals into the mainstream labour market. In particular, the research sought to gain greater understanding of working conditions within these SEOs, and the challenges they faced in providing high quality employment while having to keep costs low in order to operate in competitive markets.

The report has in two distinct parts. The first part, whose structure is outlined below, situates the focus of the research within the wider literatures and explores the data from a survey undertaken in eight countries. The second part of the report provides a short overview of the social economy within the surveyed territories and the survey results from those territories.

Part One comprises seven chapters. In chapter one the overlapping concepts of the social economy and social enterprise are explored and particular attention is paid to the different ways the concepts are understood (and may have developed) in different countries. The activities of social economy organisations and the different ways in which they are funded are also considered. In chapter two, the existing literature is utilised in order to explore how the role of the social economy in job creation has been understood. Much of this literature paints a positive picture of the social economy as a major employer creating meaningful high quality employment. However a cautionary note is adopted by some authors who suggest that work integration initiatives may only prepare individuals for low skill and low wage jobs. It would appear that coordinated approaches involving states and communities may also be necessary to integrate socially excluded individuals into the labour market. Finally, in chapter two, the (rather minimal) literature concerning employment conditions within social economy organisations is examined. This suggests that in contrast to some of the claims made in policy literature, employment within the social economy may often actually be precarious and low paid.

Chapter three outlines how the issues arising from the literature review were explored. This methodology chapter explains the choice of international survey method, and outlines some of the problems faced in sampling SEOs. It should be emphasised that the study is exploratory and provides a flavour of difficulties faced by these SEOs in providing high quality jobs in different territories, and

how these difficulties might be alleviated through policy. Chapter four provides an overview of the organisations surveyed, with a particular emphasis on how they were funded, which sectors they operated in, how long they had been established, and the number of jobs they provided.

Employment creation by the SEOs is the main focus of chapter five. The aggregate changes in employment during 2011 are outlined, followed by an examination of the factors influencing employment creation as specified by respondents. In chapter six the focus is more specifically on SEOs working with vulnerable groups. Three ways in which the SEOs work with vulnerable groups are considered: as training providers, as employment providers, or as support providers to those furthest from the labour market. Measures of success of those SEOs working with vulnerable groups during 2011 are then explored.

In chapter seven employment quality within the SEOs is examined, including the perceptions amongst respondents as to how important the different aspects of employment quality are to paid staff. Challenges in delivering these aspects of employment quality are then considered. Chapter eight outlines respondents' suggested policy interventions to support SEOs' roles in employment creation and sustenance, their work with vulnerable individuals and ways in which the quality of jobs provided might be improved. The final section of chapter eight links these policy interventions to the data presented in this report to suggest ways in which policy makers might facilitate the contribution of the social economy to delivering high quality employment

PART 1

**JOB CREATION THROUGH THE SOCIAL ECONOMY AND SOCIAL
ENTREPRENEURSHIP**

THE SOCIAL ECONOMY

Defining the social economy

The social economy is something of a contested concept, and intra-national differences in terminology and usage make it difficult to derive a consistent definition. There is however some consensus, particularly among continental European countries, that the social economy includes co-operatives, associations, mutuals and foundations. This derives from the French legalistic approach to defining the social economy, first employed in the 1970s (Monzon and Chavez, 2012). A recent International Labour Organization (ILO) report (Fonteneau *et al.*, 2011, p. vi) described the social and solidarity economy as “a concept that refers to enterprises and organisations, in particular co-operatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity.” Notably, the European Commission (2010) have defined the social economy as including co-operatives, mutual societies, non-profit associations, foundations and social enterprises.

There seems to be some consensus that it is the principles by which the social economy operates – rather than its activities *per se* – that identify its constituent organisations. Moulaert and Nussbaumer (2005), for instance, point to the importance of democratic co-operation, reciprocity and equality as key principles within the social economy. Fonteneau *et al.* (2011) meanwhile suggest that some of the operating principles common to this sector are: participation, whereby members or users have a role in ownership and/or decision-making; solidarity or inclusion; innovation, which arises from their responsiveness to continually changing needs; voluntary involvement and autonomy; and a collective dimension, involving people coming together to address identified needs. The OECD publication, *The social economy: building inclusive economies* suggests that “what is critical about the idea of the social economy is that it seeks to capture both the social element as well as the economic element, inherent in those organisations which inhabit the space between the market and the state” (Noya and Clarence, 2007, p. 10). The publication went on to state that ‘the main difference between SEOs and for-profit enterprises is the overall aim of their activities, which in the case of SEOs has an explicit social dimension, rather than simply the pursuit of profit, and its distribution to owners, being the ultimate goal’ (Borzaga and Tortia, 2007, p. 31).

A normative definition of the social economy that has been widely adopted in academic and policy spheres is that offered by Defourny and Delveterre (1999, p. 16; see also CIRIEC, 2000, p. 11) who posit that the social economy:

“includes all economic activities conducted by enterprises, primarily co-operatives, associations and mutual benefit societies, whose ethics convey the following principles:

1. Placing services to its members or to the community ahead of profit
2. Autonomous management
3. A democratic decision-making process
4. The primacy of people and work over capital in the distribution of revenues.”

It should be noted that the normative approach does not map easily onto the legalistic definition. In some countries associations and foundations in particular have no democratic decision-making process (Smith and Teasdale, 2012). For the purposes of this report the more legalistic definition of the social economy employed in previous OECD publications was adopted. With regard to organisational form, the social economy was said to be comprised of associations, co-operatives, mutual organisations and foundations (Noya and Clarence, 2007), and as such, these are the types of organisations included in the current study.

A note on social enterprise

The social economy concept, however, has been further complicated by the increasing usage of the term ‘social enterprise’ since the 1990s (Smith and Teasdale, 2012). Defining social enterprise is itself problematic (see for example Teasdale, 2012) and definitions – and indeed the nature – of social enterprise vary within and between countries (Kerlin, 2010). Noya and Clarence (2007) suggest that social enterprise refers to:

any private activity conducted in the public interest, organised with an entrepreneurial strategy and whose main purpose is not the maximisation of profit, but the attainment of certain economic and social goals, and which, through the production of goods and services, brings innovative solutions to problems such as social exclusion and unemployment (p. 248).

A more recent OECD publication describes social enterprises as “a new innovative business model that meets both social and economic objectives contributing to labour market integration, social inclusion and economic development” (Mendell and Nogales, 2009, p. 93). They offer the following definition of social enterprise, based on the work of the EMES European Research Network in Europe:

a social enterprise is a private and autonomous organisation providing goods or services with an explicit aim to benefit the community, owned or managed by a group of citizens in which the material interest of investors is subject to limits. Attention to a broad or distributed democratic governance structure and multi-stakeholder participation is also important. (Mendell and Nogales, 2009, p. 94)

These authors also point out that the social enterprise concept has become broader over time, and now incorporates co-operatives, non-profit and community-based businesses (Mendell and Nogales, 2009). For our purposes in this report, social enterprises are considered to be part of the social economy, but it is important to emphasise that the social economy also encompasses a wide range of other organisational forms.

International comparative studies of the social economy and social enterprise

Whilst this report is concerned primarily with the role of SEOs in job creation, it is worth considering some of the insights into the nature of the social economy – and the challenges involved in researching it – that can be gleaned from existing international studies.

As the previous section noted, delimiting the social economy and defining social enterprise are somewhat problematic, even within national contexts: at the international level this complexity is compounded by intra-national differences in legal structures, political contexts, business cultures, welfare provision arrangements, community norms, discourses about the social economy, and other factors. Some such differences were highlighted by Monzon and Chavez (2012) in their study of the European social economy, which showed for instance that the level of acceptance, or recognition and understanding of the social economy differed between European Countries. Of the OECD countries

represented in this report, France and Belgium were both listed among the countries in which the concept of social economy was widely accepted, whereas Luxembourg, Sweden and Italy were categorised as having a medium level of acceptance of the social economy concept (Monzon and Chavez, 2012). Monzon and Chavez (2012) provided data about the types of organisations typically conceived of as part of the social economy in different European countries, and concluded this varied significantly between countries. They also noted that in some countries there were competing and divergent understandings of the social economy: for instance in Italy and Spain, a narrow business orientated conceptualisation of the social economy (comprised mainly of co-operatives) co-existed alongside a broader conceptualisation (also including voluntary non-profit associations which do not necessarily engage in trading).

A recent more geographically extensive exploration of the social enterprise concept by Galera and Borzaga (2009) also highlighted the significant degree of variation between countries; however, these authors suggest that two main approaches to social enterprise can be discerned from the international literature. The first, they propose, is associated with the 'rediscovery' of non-profit organisations' role in service delivery and work integration as well as heightened concerns for community on the part of co-operatives: the result of this has been the popularisation of a way of doing business that differs from both the public sector and for-profit market sectors. The second stream, which is more rooted in the American context, emphasises revenue generation, and reflects the fact that social enterprise activity often arises when non-profit organisations' funding is cut, requiring them to generate income through commercial activity, which may or may not be related to their social mission. The differing legal forms adopted by social enterprises and other SEOs are discussed in detail by Galera and Borzaga (2009) and by Cafaggi and Iamiceli (2009).

Activities of social economy organisations

As was alluded to above, SEOs are identified as such primarily because of their principles and modes of operation, or by their legal form. However the activities in which they are engaged vary considerably. Defourny and Nyssens (2008) suggest that work integration social enterprises (WISEs), which help low-qualified unemployed people who may otherwise be excluded from the labour markets, are one dominant type of social enterprise in some European countries. Indeed they argue that in some contexts this type of activity has become systematically associated with social enterprise. As they point out, work integration activities are often associated with or funded by public programmes relating to active labour market policies. It is important to emphasise, however, that work integration is not the objective of all SEOs, and there has been an expansion of social enterprise activity in other areas such as the provision of social and personal services in fields such as mental health, housing, health care and training (Defourny and Nyssens, 2008). Such activities are likely to generate employment, but this is not necessarily the main purpose of the organisations undertaking them.

Funding sources of social economy organisations

The composition of SEOs' income sources varies considerably both between and within countries. Nevertheless, international research on non-profit organisations identifies three main revenue sources: income generating activities (including fees for services, sales, membership fees, rents, investments, business ventures, etc.); government funding; and philanthropy (including financial donations and in-kind support (Salamon, Sokolowski and List, 2003). In research focussing on central and eastern European countries, Hadzi-Miceva and Bullain (2007) observe that certain sources are more important in some countries than others, but suggest that it may be advantageous for countries to develop a legal environment that enables SEOs to access the whole range of revenue sources. This not only allows organisations to develop more diverse and more sustainable resource bases, but also facilitates complementarity between different income sources; for instance where higher revenue from

income generating activities can enable organisations to leverage, and make more effective use of, government funding (Hadzi-Miceva and Bullain, 2007). Engaging in income generating activities also gives SEOs the possibility of delivering services that could not be funded through existing programmes or other funding streams. Importantly though, strategies to support SEOs in accessing particular types of revenue need to take into account the stage of development of the sector, and the policy and funding situation, in the specific country or context concerned.

Income sources also vary by SEOs' fields of operation, with some service types (such as health and social services) tending to receive higher proportions of government funding, for example (Hadzi-Miceva and Bullain, 2007). Government funding may consist of directly allocated resources or indirect benefits. The former can take the forms of grants, subsidies, fees or contractual (procurement) income, and may come from central or local government. Grant income is typically awarded for a specific project that is identified as being in line with government objectives, whereas subsidies tend to be allocated to organisations in order to support their activities more generally. Procurement usually involves organisations being required to bid for contracts to deliver particular services, which are then allocated on a competitive basis. In some contexts, social clauses are increasingly being included in procurement processes, and these may favour SEOs, enabling them to leverage greater funding from government sources. Fee income from the state may take the form of voucher schemes, in which the government (as a third party) pays for individuals' use of a particular service (this is more common in health and education services, such as nursery school places).

Tax benefits are the most common form of indirect government funding, and these may include exemptions from taxes on profits or on donations, for instance. Some countries, such as Romania, also have a 'percentage mechanism', which allows taxpayers to allocate a proportion of the tax they pay to specific organisations.

Finally, philanthropy is an important income source for some SEOs. Whilst this accounts for a relatively small proportion of the non-profit sector's income globally (12%, according to the John Hopkins study), Hadzi-Miceva and Bullain (2007) suggest that it is much more important in transition societies and for organisations whose activities are less likely to attract state funding. Many governments use tax incentives to encourage private giving, but as well as financial donations, philanthropy also includes the donation of time and other in kind resources, for instance through voluntary work. When this is taken into account, the contribution that philanthropy makes to non-profit sector income increases to 30% (Salamon, Sokolowski and List, 2003).

SEOs are sometimes conceived of as hybrid organisations, operating in a domain between the markets and state (Defourny and Nyssens, 2008), and this is (as shown above) frequently reflected in their income composition. A study of European work integration social enterprises (Bidet and Spear, 2003) highlighted that these organisations often had a diverse mix of funding sources, and that managing the different logics and requirements associated with these was often a challenge for organisations. For instance, research in the UK found that organisations that received income from both donors and government contracts had to ensure compliance with the monitoring requirements and client eligibility criteria associated with state contracts, whilst also demonstrating that they were continuing to pursue the social mission that their donors wished to support (Buckingham, 2012). However, Bidet and Spear (2003) also note that where organisations were very reliant on single income sources, such as government income or market resources, this could lead to a loss of autonomy and, in the case of more commercialised WISEs, could cause them to become more similar to private for-profit businesses.

THE CONTRIBUTION OF THE SOCIAL ECONOMY TO EMPLOYMENT

According to Evans and Syrett (2007, p. 60), “there is strong evidence that the social economy is an important and growing contributor to the overall economy of Europe”. Meanwhile, Noya and Clarence (2007) suggest that SEOs can play an important part in fostering social inclusion. Job creation is one means by which this can be achieved. It is worth noting though that a significant proportion of the work undertaken in SEOs is unpaid labour (Westerdahl and Westlund, 1998; Salamon, Sokolowski and List, 2003). Moreover, drawing on data collected in 2002-3, Monzon and Chavez (2008, p. 569) report that the social economy in Europe employed over 11 million people, equating to 6.7% of the EU’s wage earning population. When repeating their analysis using more recent data from 2010 where possible, they found that the social economy in Europe employed over 14 million people. However the population of the EU also increased over the period such that the 14 million people equates to a slightly reduced 6.5% of the EU’s wage earning population in 2010 (Monzon and Chavez, 2012, p. 30). Monzon and Chavez (2012) are careful to highlight that differences in the way that data are collected within countries and at different points in time mean their statistics (and particularly comparison between the two points in time) should be treated with caution. Nonetheless it would seem that the social economy makes a sizeable contribution to aggregate employment in the EU.

The work integration dimension of the social economy

It has been suggested that with their combined social and economic goals, social enterprises and other SEOs should be well placed to contribute to improved work opportunities and conditions. Aiken suggests that social enterprises’ ability to reach disadvantaged groups within communities arises from the fact that they are “uniquely placed as mission-driven organisations with a commitment to a specific disadvantaged group” (2007, p. 5). The ILO reader, *Social and Solidarity Economy: Our common road towards Decent Work*, suggests that SEOs have an important role to play in “creating greater income and employment opportunities for all” (Fonteneau *et al.*, 2011, p.89), stating that “social enterprises have emerged as innovative institutional solutions for supported employment favouring those workers who are discriminated against by conventional enterprises” (Fonteneau *et al.*, 2011), p. 90). Fonteneau *et al.* (2011) argue that the entrepreneurial character of social enterprises empowers vulnerable workers, improves productivity and supports decent working conditions, and suggest that the use of inclusive models of governance fosters greater participation and ‘social dialogue’, one of the ILO’s four pillars of decent work. In particular, SEOs are often seen to have a role in creating employment opportunities for vulnerable or excluded groups. However more critical commentators argue that these claims are exaggerated and have suggested that there has been a tendency to aggregate positive characteristics from a small number of case studies and assume that these must apply to all SEOs (Teasdale, 2012a).

Employment in SEOs cannot be understood without reference to the economic and policy contexts in which these organisations are embedded. As Laville *et al.* (2007, p. 180) suggest, “the institutional context, the dynamism of social movements and their capacity to forge favourable alliances are decisive factors influencing the relative size and dynamism of the social economy in any given society”.

A US-based study of work integration social enterprises (WISEs) found that the vast majority of them were established in low-skill industries and occupations (Cooney, 2011). Whilst this has the advantage of being accessible to individuals with no or few qualifications, Cooney points out that “the dilemma is that work experience in low skill occupations [...] may only prepare WISE client-workers for employment in low skill, low wage jobs in the unsubsidized labor market, jobs that in the U.S. can feature unpredictable hours and below poverty line wages” (2011, p. 11). It was suggested that considerable effort needed to be invested in adding value to work experience if transitional job programmes were to enable individuals to move into better, unsubsidised jobs after their subsidised placement. Perhaps more worryingly, this study also found that only a small number of WISEs were able to offer full time hours (or part time hours over 24 hours a week) to their client workers. However, Cooney also suggests that the availability of transitional jobs did lead to significantly higher levels of employment, suggesting that SEOs can play an important role in job creation, in spite of the limitations noted.

Bidet and Spear (2003) reported on the role that WISEs played in European labour markets, drawing on data from 12 European countries. They pointed out that work integration social enterprises differ in what they offer to vulnerable individuals: some provide temporary training or employment, while others offer training and permanent employment. They also observe that individuals who gain permanent employment outcomes tend to be those who are better skilled or more employable, whereas those who confront greater disadvantages in the labour market are more likely to lack employment opportunities once temporary training or work programmes have been completed. It was noted that inflexible benefits systems which did not offer individuals the possibility of moving incrementally from benefits into employment could make it difficult for WISEs to effectively integrate people into full employment, and also observed that bureaucratic procedures added to the costs of employment for these organisations. However, in spite of these and other difficulties, Bidet and Spear concluded that “with the right support the social economy can contribute in a more efficient way to the enlargement of the labour market and the creation of new possibilities for low qualified workers or with their abilities reduced so that they can use their skills and be fully active in their professional life” (2003, p. 35). Amin (2009) also warns that individuals with long histories of social exclusion cannot be easily transformed into economic agents only through a placement in a social enterprise. Additionally, they require sustained long-term support from state, community and employers. Indeed, a policy expectation that SEOs should act as work integration companies may inadvertently make things worse for socially excluded people. Pressures to act in a more commercially orientated way might result in social enterprises neglecting or compromising social objectives.

Employment quality in the social economy

Whilst concerns about the effectiveness of work integration for vulnerable or excluded individuals is an important issue, job quality and employment conditions are issues of relevance to all social economy employees, not just those involved as part of work integration initiatives. For instance, receipt of government funding, particularly in the form of contractual arrangements, can have significant and varied implications for staff in SEOs. One UK study reported that such arrangements had led to increased use of performance oriented practices such as off the job training and performance appraisal amongst voluntary sector organisations, and suggested that welfare-orientated human resources practices (such as equal opportunities practices) were also relatively widespread (Kelliher and Parry, 2011). However, increasing reliance on government contracts – and the tendering processes associated with these – has also been found to contribute to job insecurity and worsening employment conditions and employee morale in some SEOs (see: Buckingham, 2009; Cunningham and Nickson, 2011). Aiken (2007) points out that the growing tendency for governments to award more generic contracts to large ‘prime contractors’ means that smaller, local SEOs often find themselves some way down the sub-contracting hierarchy, meaning that they now receive less funding

for their work than they might have in the past. This may be problematic not only because of financial pressures, but also because those individuals who are most vulnerable or hardest to help may require the services of specialist providers dedicated to their specific needs.

Various studies appear to show that women are overrepresented in the social economy, although this may in part be attributable to a high proportion of social economy jobs being in traditionally female dominated sectors such as health or social care. In the UK third sector (broadly equivalent to the OECD definition of social economy) women constituted around two-thirds of all workers in 2010, and took up half of the managerial positions (Teasdale *et al.* 2011). Pay rates in UK third sector organisations were also found to be slightly higher than in the private sector, and lower than in the public sector.

Other authors have argued that the social economy is characterised by poor working conditions, short-term contracts and marginal rates of pay. One study suggested that work / life balance issues may also need to be considered, with working long hours and neglecting home life portrayed as normal in the autobiographies of social entrepreneurs (Dempsey and Sanders, 2010). An ethnographic study of social economy work in Bristol, England, concludes that employment within these organisations is often mundane with little financial compensation (Amin, 2009). Amin warns against the policy notion of considering the social economy as a bridge into the mainstream labour market, finding that many social economy actors choose to work there as a lifestyle option and to develop alternative lifestyles to those offered within the mainstream economy. The organisations they worked for, however, were characterised by precariousness, with low long-term survival rates. Many senior staff had moved from the private sector, taking pay cuts in order to pursue what they felt was more rewarding work. Other employees had no special commitment to social economy values, and were there through financial necessity. These individuals tended to work in more commercially orientated SEOs, or might be vulnerable individuals employed as part of the SEO's mission. Many could not wait to leave. But most of the employees Amin encountered "seemed to value the possibility of staying out of the faster, more pressurised, less tolerant economic mainstream, even when the work involves modest wages, job insecurity and limited career prospects" (Amin, 2009, p. 44).

Summary

The brief review of the literature in chapters one and two has shown that:

- The social economy is a contested concept whose meanings and institutional components vary between, and sometimes within, countries. It is often understood in normative terms by virtue of its characteristics or operating principles, which are often (although not always) assumed to include democratic participation, limited profit distribution and autonomy from government. However, a legalistic definition of the social economy as consisting of specific legal forms (co-operatives, mutuals, foundations and associations) is also often used when measuring the contribution of the social economy.
- The legal forms included, however, do not necessarily map onto the normative characteristics, which may lead some commentators to inadvertently exaggerate the role and contribution of the (normative) social economy. Estimates of the size and contribution of the social economy should therefore be treated with some caution.
- Little is known about the aggregate contribution of SEOs to creating employment for marginal groups, although it is often claimed that this is a primary role of social enterprises in Europe.

- While some studies suggest SEOs are particularly successful in work integration, other authors caution against viewing the social economy solely in terms of its work integration dimension.
- Finally, there appears to be a wide discrepancy between the claims made in policy literatures that social enterprises empower vulnerable workers, support decent working conditions, and foster democratic participation and some empirical studies which find social economy work to be low paid and insecure.

METHODOLOGY

In response to some of the issues raised in the previous chapter, this research sought to explore how SEOs in different territories were faring in constrained economic times. In particular, there was an interest in whether SEOs were able to create new jobs, especially where these organisations were working with vulnerable groups. Concerns raised in the literature that the reality of social economy work may differ from the positive portrayal presented in policy literature suggested that it was important to gain further understanding of the challenges faced by SEOs in providing high quality employment in constrained economic circumstances. Additionally, there was a desire to understand from the perspective of the SEOs how policy makers might improve the conditions for the social economy to flourish.

Chapter one demonstrated that the social economy is a contested concept whose meaning differs across (and sometimes within) countries. Legal forms of the social economy differ by country and so could not be used as a basis to select a representative sample. This gave rise to difficulties associated with attempting to sample from an unknown population. Recognising that data could not be generated which enabled a true comparison between territories, or generalisation beyond the SEOs in the study, it was decided that the project would draw upon the knowledge of local social economy experts and representative bodies in selecting organisations to be surveyed. In order to capture data from a large number of organisations a survey approach was chosen.

Within each country the aim was to gather data from two territories (this could include regions, provinces or states as well as distinct geographic areas) with different employment dynamics. Countries and territories were selected partly through delegates to the OECD LEED Directing Committee expressing an interest in participating and assisting with the identification of appropriate networks of SEOs, or through direct contact from social economy representatives as a result of the dissemination of information about the project. To ensure that SEOs outside of Europe were captured, representatives of social economy networks in other countries, such as Canada and Australia, were approached.

The survey was designed to gather quantitative data on organisational characteristics (such as revenue sources), jobs provided and created, whether these jobs were for vulnerable individuals, and dimensions of employment quality. Four open ended questions were also asked, in order to capture qualitative data on why particular dimensions of employment quality were hard to deliver, and what policy makers might do to help SEOs create jobs, work with vulnerable people and deliver better quality jobs.

For the purposes of this report, and as communicated to survey respondents, the social economy consists of co-operatives, mutuals, associations and social enterprises. ‘Vulnerable groups’ can include low-skilled individuals who are physically or mentally disabled, lone parents, people from ethnic minorities, former prisoners, people with drug or alcohol dependency, or the long-term unemployed. ‘Vulnerable individuals’ refers to people from these groups.

The survey itself was designed as an e-questionnaire located on a secure OECD server. Questions were translated into the local language, and delivered by members of social economy representative

bodies. In some countries where there was no direct contact with representative bodies, government officials made contact on behalf of the research team. It was felt that using representative bodies to publicise and distribute the survey (as well as identify the SEOs) would help achieve a higher response rate than if SEOs were contacted directly by the research teams. The representative bodies emailed potential respondents with information about the research and a link to the survey.

Table 1 provides an overview of the sample with response rates in the different territories where known. The response rate records only valid responses. These ranged from 6.4% in Regiunea Centru to 17.7% in Luxembourg. These are broadly in line with what might be expected from a survey of this type. In some territories response rates are not known since national representative bodies emailed the survey to their regional members who distributed it on their behalf.

Table 1. Overview of the sample

Country / Territories	Surveys distributed	N	Response rate (%)	% of all responses
Australia / Tasmania	170	16	9.4%	2.4%
Australia / western Sydney	128	15	11.2%	2.3%
Belgium / Flanders	409	53	13.0%	8.1%
Canada / British Columbia	Not known	39	Not known	6.0%
Canada / Quebec	Not known	84	Not known	12.8%
France / Burgundy	Not known	75	Not known	11.5%
France / Brittany	Not known	145	Not known	22.1%
Italy / Lombardy	Not known	45	Not known	6.9%
Italy / Puglia	Not known	22	Not known	3.4%
Luxembourg	226	40	17.7%	6.1%
Romania / Regiunea Centru	408	26	6.4%	4.0%
Romania / Regiunea Sud Est	220	27	12.3%	4.1%
Sweden / Östergötland	Not known	16	Not known	2.4%
Sweden / Västra Götaland	Not known	52	Not known	7.9%
Total	Not known	655	Not known	100.0%

The data are drawn from 655 valid responses to the survey across the 14 territories. The statistical methods used are mostly descriptive. Relevant chi square tests for differences between territories have not been conducted. This is because of the sampling problems and low responses. Even where differences are statistically significant this only tells us about differences between cases surveyed – not the territories / countries.

Our findings should not be used to infer facts about the social economy in the different territories. In part this is because of the low response rates in many territories. However, as with all cross national research on the social economy, this study faced the problem of not knowing the size and characteristics of the wider population. Thus it was impossible to select a random sample, or to weight the data to reflect the population. Nevertheless, the findings presented in the subsequent sections of this report provide a flavour of the role of SEOs in providing and creating jobs, and help to identify some of the factors hindering or fostering job creation in our cases.

OVERVIEW OF THE CASES

In this section background data on the 655 SEOs making up our sample is provided, with a particular focus on their resource mix, sector of operation, dates of formation and size (in terms of the numbers of employees).

Funding sources

Figure 1 and Annex 1 show that the major sources of income among SEOs in the study are sales of goods and services (31.8%), and subsidies (30.6%), which when combined account for 62.4% of aggregate income. By way of contrast, for each of the following funding sources, more than half the SEOs received no income in 2011: public contracts, donations / grants, membership fees, other sources.

The majority of the SEOs' aggregate income can be said to come from commercial sources. Together sales of goods and services, public contracts and membership fees accounted for 54.3% of aggregate income in 2011.

Nonetheless the SEOs were heavily dependent on funding from government. Almost half (46.1%) of their aggregate income was derived from a combination of public contracts and subsidies.

It should however be noted that these are aggregate figures. The high standard deviations from the means indicate that there is considerable variation between cases (see Annex 1). Accordingly, it is important to emphasise that the SEOs in this study incorporate a diverse range of funding mixes.

The aggregate figures also mask considerable variation between territories. It would appear that the economic and political contexts in which the SEOs are embedded influence their revenue structures. Of particular note, SEOs in Tasmania, Quebec, Lombardy and Östergötland received a far higher proportion of income from sales of goods / services than their counterparts in western Sydney, British Columbia, Puglia and Västra Götaland. To some extent these differences may be a consequence of the sampling process. There are two further explanations worthy of consideration. First, these SEOs might be 'better performing' in that they are less reliant on grant funding. Alternatively, it might be that these SEOs are forced to rely on sale of goods and services as they receive less public support.

In the English speaking territories (Tasmania, western Sydney, British Columbia) few SEOs reported receiving subsidies, and a relatively small proportion of total funding was derived from public contracts. This might partly be due to differences in the ways the questions were interpreted. Nonetheless it might appear that the more market orientated economies in Canada and Australia have shaped the funding types pursued by SEOs.

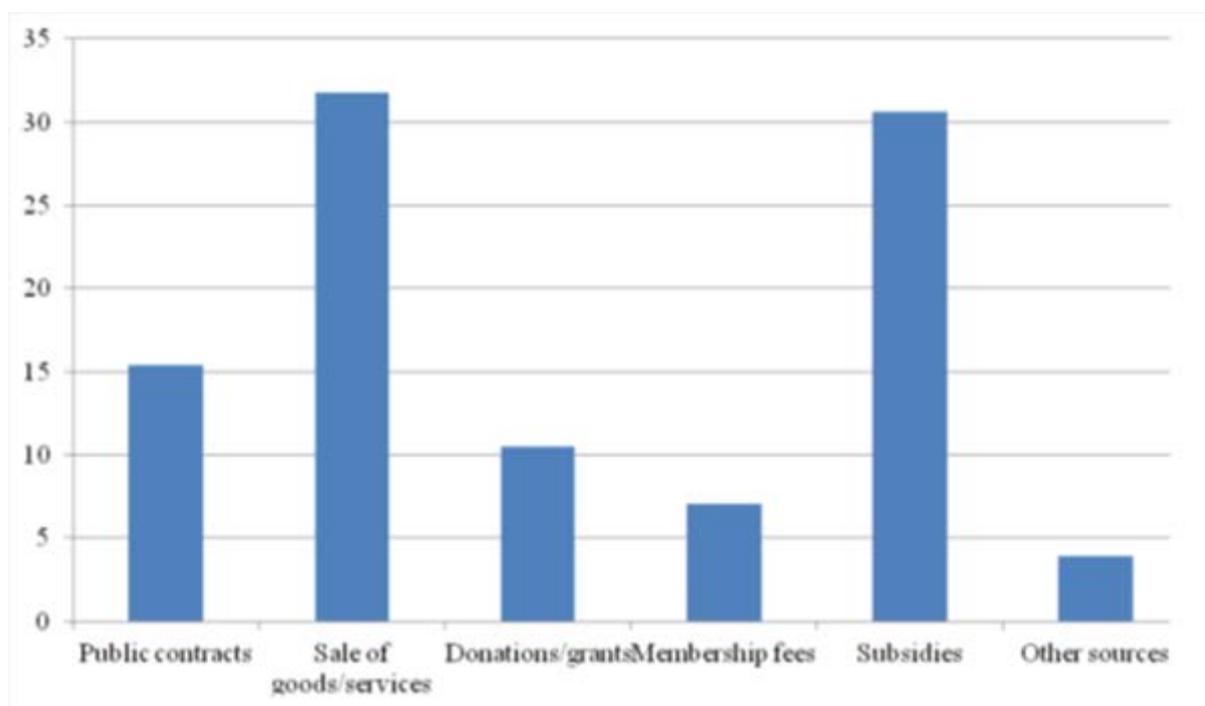
The proportionate share of income derived from subsidies was also relatively low in both Italian and Romanian territories. In the Italian territories government appeared to fund these SEOs through public contracts rather than subsidies. In Romania there was little government funding available to the SEOs surveyed. Instead, there was a much higher reliance on grants and donations (which may be a

less stable funding source) and membership fees. This fits well with existing analyses by Kerlin (2010) who argues that east central European social economies are heavily dependent on philanthropic aid.

Government funding (proxied by subsidies plus public contracts) made up over half of all income in Flanders, Brittany (Bretagne), Puglia, Östergötland and Västra Götaland, and just under half of all income in Lombardy (Lombardia) and Burgundy (Bourgogne). This would support the proposition by Kerlin (2010) that SEOs in western European countries may be more closely linked to the state (and perhaps more closely involved in the delivery of welfare) than in more market orientated countries such as Australia and Canada.

Figure 1 Percentage of 2011 income received from different sources (average-mean)

Aggregated data for all territories



Sectors of operation

In Table 2 the distribution of SEOs by sector of operation is shown. Respondents were able to select up to two sectors and results showed that the SEOs were heavily concentrated in service sector industries. The most popular fields were social assistance services (26%), education and training services (21.1%), work integration (19.6%) and culture and recreation (16.2% of SEOs). Just 4.4% were involved in manufacturing and 3% in construction.

Again there is considerable variation between territories. The individual regional reports (Buckingham and Teasdale, 2012) provide further details on the regional distribution of SEOs by sector of operation. In both Romanian territories just over 11% of the SEOs (twice the average for all territories) were operating in the agriculture, forestry and fishing sector.

In Västra Götaland, a third of the SEOs were in the culture and recreation sector. However, in Flanders only one of the SEOs was in this field. This was counterbalanced by a very high proportion of the SEOs in Flanders operating in work integration (41.5% compared to an average of 19.6% across

all the SEOs). Conversely, no organisations in Puglia, and just one in Lombardy, saw themselves as operating in the work integration field. To some extent this may reflect differences in the wider social economy in the different countries. However, the possibility that this is attributable to sampling differences should not be discounted. In the French region of Burgundy 36% of the SEOs operated in work integration, compared to 18.6% in Brittany.

Table 2. Most important sectors of operation for SEOs in this study

Sector of Operation	N	% of Total N
Agriculture, forestry and fishing	35	5.4%
Building support services (cleaning and maintenance)	40	6.1%
Construction	20	3.0%
Culture and recreation	106	16.2%
Education and training services	138	21.1%
Energy and water services	7	1.1%
Environmental services (recycling, waste services, gardening)	77	11.8%
Financial and insurance services	10	1.5%
Healthcare and medical services	51	7.8%
Manufacturing	29	4.4%
Professional and consultancy services	53	8.1%
Wholesale and retail trading	31	4.7%
Residential care services	31	4.7%
Social assistance services (e.g. childcare, elder care, disability support)	170	26.0%
Work integration	128	19.6%
Tourism	33	5.1%
Other	72	11.0%

Notes: Percentages and totals are based on respondents. Respondents could select up to two sectors. Therefore column percentages sum to more than 100%.

SEOs in both Romanian territories, British Columbia and Tasmania were overrepresented in education and training services (30% or more of all organisations). None of the SEOs in Flanders were in this field. It is possible that this is in part attributable to differences in the ways in which the questions were interpreted and the different ways in which the survey was distributed. Although in most territories there were few, if any, SEOs in the field of manufacturing, 12 organisations in Flanders (22.6%) were in this sector. This may relate to the high proportion of work integration companies that completed the survey in Flanders as manufacturing would seem an appropriate sector for WISEs

The most popular single sector of operation was social assistance. Indeed, over half (54.5%) of the SEOs in Puglia, and nearly half (48.1%) in Regione Sud Est were in this field. This compared to just 6.3% in Östergötland and 15.7% in Västra Götaland. Although just 5.1% of the surveyed SEOs were engaged in tourism activities, this rose to 14% in Quebec.

Age of the social economy organisations

Alongside the apparent diversity of sectors of operation, the SEOs were also diverse in terms of their age. Table 3 shows the age of the SEOs as determined by year of formation. It is interesting to note that the mean and median values suggest the sample is skewed towards newer organisations in western Sydney, Puglia, Luxembourg and both Romanian territories. SEOs in territories where the

social economy concept has been established for a longer period of time (such as Canada and France) would appear to be older than the average. For example, in both French territories the mean year of formation was 1984.

Table 3. Year of formation of SEOs

Territories	Mean	Std. Deviation	Minimum	Maximum	Median
Tasmania (N=16)	1981	20.4	1948	2011	1984
western Sydney (N=14)	1988	34.3	1890	2010	2007
Flanders (N=48)	1990	13.9	1961	2009	1995
British Columbia (N=35)	1980	27.0	1894	2006	1988
Quebec (N=82)	1990	17.6	1899	2010	1995
Burgundy (N=69)	1984	24.7	1883	2010	1991
Brittany (N=129)	1984	28.8	1804	2012	1990
Lombardy (N=44)	1987	24.0	1877	2009	1989
Puglia (N=20)	1999	7.0	1981	2011	2000
Luxembourg (N=37)	1996	12.1	1956	2011	1998
Regiunea Centru (N=23)	1999	12.2	1960	2012	2001
Regiunea Sud Est (N=26)	1999	6.7	1990	2012	1998
Östergötland (N=15)	1976	33.9	1907	2010	1982
Västra Götaland (N=46)	1986	26.9	1893	2011	1995
Total (N=604)	1988	23.5	1804	2012	1995

Numbers of jobs provided by social economy organisations

Table 4 details the number of full time equivalent (FTE) jobs provided by the SEOs in each region. This gives an indicator of the size of SEOs in the sample. In total the 653 SEOs responding to the relevant question provided 47 268 FTE jobs. This equates to an average of 72.4 FTE jobs per SEO. However it should be noted that there was considerable variation between organisations. The largest 10 employers (that is, 1.6% of all the SEOs) provided 45.6% (21 560) of all FTE jobs (47 268). For example, one SEO in Burgundy provided 7 000 jobs while at the other end of the scale another SEO in Burgundy provided only half a day's employment a week for one person. The median value of 10 jobs indicates that half of the organisations provided 10 or less jobs. The skewed distribution of the sample is largely as would be expected given what is known about the size distribution of SEOs more generally.

There was also considerable variation in jobs provided by our SEOs between territories. Table 4 shows that the SEOs in both French and Australian territories, Flanders, Luxembourg and Lombardy provided an average of at least 50 jobs. To some extent, and particularly in the French territories, this is distorted by a small number of SEOs creating large numbers of jobs. Nonetheless the median value of jobs provided in both Australian territories, Flanders and Luxembourg was at least 18.5. That is, half of all the SEOs in each of these territories provided at least 18.5 jobs at the end of 2011.

At the other end of the scale, the SEOs in each of the Canadian, Romanian and Swedish territories, and also in Puglia, provided an average of 18.5 jobs or less. In all of these territories, the median number of jobs provided by the SEOs was 8.5 or less. Thus half of all the SEOs in these territories provided less than 8.5 jobs at the end of 2011.

Table 4. Full time equivalent paid jobs provided at the end of 2011 by region

Region	Total	Mean	Minimum	Maximum	Median
Tasmania (N=16)	800.3	50.0	1	206.8	18.5
western Sydney (N=15)	1 254.7	83.6	0.2	600.0	35.0
Flanders (N=53)	7 275.6	137.3	1	1 357.6	61.0
British Columbia (N=39)	721.8	18.5	0.5	327.0	6.0
Quebec (N=83)	1 319.2	15.9	0.2	70.0	9.0
Burgundy (N=75)	11 273.6	150.3	0.1	7 000.0	9.3
Brittany (N=145)	16 326.7	112.6	0.5	3 000.0	7.0
Lombardy (N=45)	2 553.0	56.7	0.5	1 100.0	12.0
Puglia (N=22)	313.8	14.3	1	75.0	8.5
Luxembourg (N=39)	3 785	97.1	1	1 444.0	38.0
Regiunea Centru (N=26)	346.0	13.3	2	56.0	7.0
Regiunea Sud Est (N=27)	187.0	6.9	1	21.0	5.0
Östergötland (N=16)	223.6	14.0	1	75.0	5.3
Västra Götaland (N=52)	887.5	17.1	1	350.0	4.0
Total (N=653)	47 267.8	72.4	0.1	7 000	10

Summary

- The sample shows considerable variation, across and within territories, in terms of funding mix, sector of operation, age and size.
- Organisational characteristics seem to be partially determined by the political and economic conditions in which they operate. For instance, regional economic conditions appear to influence the extent to which organisations are able to derive income from the sale of goods and services.
- SEOs operating in western European countries such as France, Luxembourg and Sweden (and territories of Flanders and Puglia) would seem more reliant on state funding, whether through contracts or subsidies. This may be partly attributable to the stronger welfare state traditions in these countries.
- In both Romanian territories SEOs did not draw upon sales of goods and services or government funding, and so were heavily reliant on grants / donations and membership fees.
- Reported differences in organisational age and number of jobs provided should be treated cautiously as these could have been influenced by differential sampling strategies across territories.
- Overall, it would appear that countries where the development of the social economy has been more recent (such as Romania) tend to have newer and smaller SEOs than those countries with a more traditional social economy.

EMPLOYMENT CREATION BY THE SOCIAL ECONOMY ORGANISATIONS

The previous section showed that the SEOs in this study provided over 47 000 jobs at the end of 2011. Table 5 shows that in 2011, while 277 SEOs (42.3%) increased their number of employees, 74 SEOs (11.3%) decreased the number of employees and 304 SEOs (46.4%) maintained stable levels of employment. It should be noted that the sampling strategy only captured organisations in existence at the end of 2011, and so necessarily excludes SEOs dissolved during the year. Therefore, the generally positive trend in employment creation should be treated with some caution.

Nonetheless, in each region more of the SEOs increased employment levels than decreased them. There is no clear pattern emerging between SEOs within different territories of the same country. Within Australia, 10 out of 15 (66.7%) of the SEOs in western Sydney increased their levels of employment (see Table 5), as compared with 5 out of 16 in Tasmania (31.3%). Within Canada around a third of SEOs in each region increased employment levels (13 out of 39 in British Columbia, and 27 out of 84 in Quebec). However, 8 out of 39 SEOs (20.5%) in British Columbia decreased their employees compared to 3 out of 84 (3.6%) in Quebec. Within both French territories just over a third of SEOs reported increased employment levels in 2011. This corresponded to 26 out of 75 in Burgundy and 56 out of 145 in Brittany, although a higher proportion decreased employment levels in Burgundy (16 out of 75 or 21%) than in Brittany (17 out of 145 or 11.7%). Within Italy, the SEOs in Lombardy appeared to fare better than those in Puglia. In Lombardy, 24 out of 45 SEOs (53.3%) increased levels of employment compared to 8 out of 22 SEOs (36.4%) in Puglia. The Romanian territories were broadly similar. In both territories around a third of SEOs (9 out of 26 in Regiunea Centru and 10 out of 27 in Regiunea Sud Est) increased employment levels, while just 2 out of 26 SEOs (7.7%) in Regiunea Centru and none in Regiunea Sud Est decreased employment levels. In Sweden more than half of the SEOs (nine out of 16 in Östergötland and 27 out of 52 in Västra Götaland) increased levels of employment.

The small number of cases in each region makes it impossible to conduct more sophisticated analysis controlling for organisational age, size, field or revenue mix. Therefore many of the regional differences pointed out in this section might also be a consequence of these interrelated factors, or indeed the sampling approach.

Table 5. Changes in full time equivalent employment during 2011 by region

Region		Increased overall number of paid employees	Decreased overall number of paid employees	Stayed at 2010 levels
Tasmania (N=16)	Count	5	1	10
	% within region	31.3%	6.3%	62.5%
western Sydney (N=15)	Count	10	1	4
	% within region	66.7%	6.7%	26.7%
Flanders (N=53)	Count	31	7	15
	% within region	58.5%	13.2%	28.3%
British Columbia (N=54)	Count	13	8	18
	% within region	33.3%	20.5%	46.2%
Quebec (N=84)	Count	27	3	54
	% within region	32.1%	3.6%	64.3%
Burgundy (N=75)	Count	26	16	33
	% within region	34.7%	21.3%	44.0%
Brittany (N=45)	Count	56	17	72
	% within region	38.6%	11.7%	49.7%
Lombardy (N=45)	Count	24	4	17
	% within region	53.3%	8.9%	37.8%
Puglia (N=22)	Count	8	3	11
	% within region	36.4%	13.6%	50.0%
Luxembourg (N=40)	Count	22	4	14
	% within region	55.0%	10.0%	35.0%
Regiunea Centru (N=26)	Count	9	2	15
	% within region	34.6%	7.7%	57.7%
Regiunea Sud Est (N=27)	Count	10	0	17
	% within region	37.0%	0.0%	63.0%
Östergötland (N=16)	Count	9	3	4
	% within region	56.3%	18.8%	25.0%
Västra Götaland (N=52)	Count	27	5	20
	% within region	51.9%	9.6%	38.5%
Total (N=655)	Count	277	74	304
	% within survey	42.3%	11.3%	46.4%

Note: Number of organisations was 655 in 2012. One of these was formed during 2012.

In Table 6 a more detailed analysis of the number of jobs created / lost in 2011 is provided. In total 1 662.5 full time equivalent jobs (FTE) were created in 2011 by our SEOs. This works out at an average of 6.2 jobs created for each of the 267 SEOs reporting increased employment levels in 2011. Buckingham and Teasdale (2012) provide more detail regarding the distribution of jobs created / lost. As would be expected given the uneven size of the sample, a small number of larger organisations created a high proportion of the total jobs. Indeed 27 SEOs (10% of those providing data) were responsible for 57.3% of the FTE jobs created. Therefore the mean of 6.3 jobs should be treated with some caution. As mentioned earlier, almost half of the SEOs created no new jobs. Of those that did create new jobs, half created 2 or less. Just 13% of the SEOs providing data reported increases of 10 or more FTE jobs.

Table 6. Full time equivalent jobs created and lost in 2011 by region

Region	Jobs Created in 2011				Jobs lost in 2011				Net jobs created in 2011	
	Total	N. Orgs reporting jobs created	Mean	Median	Total	N. Orgs reporting job losses	Mean	Median	Total	% change in 2011
Tasmania (N=16)	11.1	5	2.2	2	20	1	20	20	-8.9	-1.1%
western Sydney (N=15)	180.7	10	18.1	16	1	1	1	1	179.7	16.7%
Flanders (N=53)	225.3	31	7.3	5	170.6	7	24.4	3	55.3	0.8%
British Columbia (N=39)	16	13	1.2	1	16	7	2.3	1	0	0.0%
Quebec (N=83)	94	27	3.5	9	4	3	1.3	1	90	7.3%
Burgundy (N=75)	50.3	24	2.1	1	54.6	15	3.6	2	-4.3	-0.1%
Brittany (N=145)	406.7	53	7.7	2	57.9	16	3.6	1.7	348.8	2.2%
Lombardy (N=45)	129.5	21	6.2	2	70	4	17.5	21	59.5	2.4%
Puglia (N=22)	15	7	2.1	8.5	9	3	3	3	6	1.9%
Luxembourg (N=40)	335.5	22	15.3	6.5	20	4	5	4	315.5	9.1%
Regiunea Centru (N=26)	24	9	2.7	2	5	2	2.5	2.5	19	5.8%
Regiunea Sud Est (N=27)	40	10	4	1.5	-	-	-	-	40	27.2%
Östergötland (N=16)	62.5	9	6.9	2	8	1	8	8	54.5	32.2%
Västra Götaland (N=52)	72	26	2.8	1	8.5	5	1.7	0.3	63.5	7.7%
Total (N=654)	1662.5	267	6.2	2	444.5	69	6.4	2	1218	2.6%

Notes: Total number of SEOs reporting job losses / creations differs from Table 5 as some respondents reported changes in employment levels but failed to provide further details

As shown in Table 5, 74 SEOs (11.3% of the sample) decreased employment levels during 2011. Table 6 provides further information on 69 of these organisations. In total 444.5 job losses were attributable to these 69 SEOs. This works out at an average of 6.9 jobs for each organisation reporting job losses. Again there was considerable variation between SEOs reporting job losses, with over half (36 SEOs) reporting 2 or less FTE jobs lost.

Figures for net jobs created (broken down by region) were derived by subtracting jobs lost from jobs created. These are shown in the penultimate column of Table 6. Overall 1 218 net jobs were created by the 653 SEOs in 2011. This represents a 2.6% increase over the course of the year. This appears impressive given global economic conditions in 2011. However, as noted earlier, these figures are not necessarily representative of the wider social economy, and are boosted by not having any organisations in the sample which closed in 2011.

The aggregate figures conceal considerable variation by region. The largest increases in percentage terms all occurred in territories (western Sydney, Regiunea Sud Est and Östergötland) with a very low number of responses (less than 30) and should be treated cautiously – the figures could

easily be distorted by a single organisation. Nonetheless some of these increases are worthy of further investigation. In western Sydney the relatively high percentage increase in net jobs also saw two-thirds of SEOs reporting an increase in employment levels, and half of these creating 35 or more full time equivalent jobs. The SEOs in Tasmania saw a net decrease in employment levels in 2011. However this was wholly attributable to 20 job losses in a single organisation. Burgundy also saw a slight net decrease in overall employment levels in 2011, spread out over a larger number of SEOs.

Factors influencing changes in employment levels

Respondents were asked to give reasons for changes in employment levels over 2011. Responses provided by SEOs reporting increased levels of employment are shown in Table 7. The two most popular factors given were increased demand for staff (63.1% of SEOs increasing staff levels), and increased sales of goods and services (52.2%). Only 12 SEOs gave increased access to banking / credit finance as a factor in increasing employment levels. It is unclear whether this is because SEOs were unable to access banking credit finance, or whether even if they could access finance it was not a factor in increasing employment levels.

The low number of cases makes comparisons between territories problematic. However it is interesting to note that prevailing economic conditions were cited as a factor by around half the SEOs increasing levels of employment in both Swedish and Australian territories. Conversely in Puglia just one SEO cited prevailing economic conditions as a factor. Relatively low proportions of SEOs in Italian, Canadian, French and Romanian territories (all of which have been harder hit than Sweden and Australia by the global economic crisis) cited prevailing economic conditions as a factor in increasing employment levels. This might suggest that as economic conditions improve, social economy employment could increase.

Table 7. Factors that were important in making the decision to increase paid employment positions during 2011

	Award of public sector contracts	Increased access to banking credit finance	Increased demand for more staff	Increased grant donation funding	Increased membership fee revenue	Increased sales of goods and services	Increased subsidies	Prevailing economic conditions	Other
	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs
Tasmania (N=5)	3	0	4	3	0	3	1	2	0
western Sydney (N=10)	4	2	8	5	0	5	0	4	0
Flanders (N=28)	10	3	20	7	2	21	16	14	1
British Columbia (N=12)	5	0	8	9	0	4	2	2	1
Quebec (N=25)	5	0	16	1	3	15	9	5	2
Burgundy (N=22)	4	0	16	1	1	10	3	3	2
Brittany (N=48)	14	1	29	0	4	23	10	11	6
Lombardy (N=21)	8	0	7	3	2	11	2	5	4
Puglia (N=7)	3	2	0	0	1	5	2	1	0
Luxembourg (N=22)	4	0	16	1	2	12	13	5	2
Regiunea Centru (N=9)	1	1	7	6	1	3	3	2	0
Regiunea Sud Est (N=10)	2	1	8	8	3	2	4	3	0
Östergötland (N=9)	5	0	6	1	0	6	0	4	0
Västra Götaland (N=27)	13	2	16	12	2	13	5	15	0
Total (N=267)	81	12	161	57	21	133	70	76	18
% of Total	31.8%	4.7%	63.1%	22.4%	8.2%	52.2%	27.5%	29.8%	7.1%

Notes: Respondents could report more than one factor, hence totals sum to more than 100%

It is also interesting to note that in both Romanian territories and British Columbia, increased sales of goods and services was only reported as a factor in increasing paid employment by between a third and a fifth of SEOs (compared to 52.2% of all SEOs in our study). In each of these 3 territories increased donations was cited as a factor in decisions to increase paid employment by at least two-thirds of SEOs (compared to just 22.4% of all SEOs reporting an increase in employment levels). This might suggest that where market conditions are unfavourable, SEOs must rely more heavily on grants and donations. Increased government subsidies were cited as a factor by just 27.5% of all SEOs reporting an increase in employment levels. However in Flanders and Luxembourg, increased subsidies were cited as a factor for increasing employment levels by more than half of SEOs. This would suggest that in certain conditions, government subsidies can be used as a mechanism to increase employment levels by SEOs.

Another mechanism governments can use to influence employment levels is the award of public sector contracts. 81 SEOs (31.8%) reported that the award of public sector contracts was a factor in decisions to increase employment levels. Of particular interest is the fact that a relatively low number of respondents in Flanders (10 out of 28) and Luxembourg (4 out of 22) cited the award of public sector contracts as a factor in increasing employment levels. This might suggest that in these territories governments prefer to use subsidies to fund SEOs. Conversely, in both Swedish territories around half of SEOs reporting an increase in employment levels cited the award of public sector contracts as a factor. This perhaps reflects country specific changes occurring in Sweden's public services as it moves towards a more liberal welfare regime.

In Table 8 the factors deemed important by organisations which decreased overall levels of employment in 2011 are reported. Somewhat predictably, the factors most often reported were prevailing economic conditions, and decreased sales of goods and services. The factors least often reported were decreased access to banking / credit finance, and decreased membership fee revenue. Decreased membership fee revenue would not be expected to be a major factor, given that it made up just 7.1% of the SEOs aggregate income in 2011, and the majority of SEOs in the sample received no income from membership fees. It is slightly more surprising, given widespread publicity around the 'credit crunch', that decreased access to banking / credit / finance was cited as a factor in decreasing employment levels by only two of the SEOs. It would seem that the attention paid by policy makers and academics (in some countries such as the UK and Australia) to increasing access to loans for SEOs might overplay the need or demand for these. This issue was addressed in a recent paper by Sunley and Pinch: their study of the financing of UK social enterprises found a low level of demand for loan finance and suggested that this was due partly to the tendency for social enterprises to "survive in resource poor environments by improvising and re-using redundant capital" and because "reliance on habits and practices learnt from the contexts in which social entrepreneurs have operated", namely the public and third sectors (2012, p. 108). Minimal uptake of loan finance was also attributed to risk aversion, a lack of assets against which to secure a loan, concerns about repayments, and a preference for slower, more 'organic' growth through the reinvestment of any surpluses. Sunley and Pinch (2012) also noted that if access to developmental capital for these organisations were to be increased, it would need to be in the form of soft or subsidised loans. Findings such as these suggest that policies relating to financial support for SEOs need to be informed by a more sophisticated understanding of the financial challenges confronting them, and by an awareness of the small and somewhat precarious nature of many (although by no means all) of these organisations.

More important factors cited by SEOs reporting decreased levels of employment were loss of public sector contracts (cited by 32.8% of SEOs) and decreased subsidies (cited by 31.3% of respondents). It would appear from these figures that public spending cuts could have quite a dramatic effect on employment levels in the social economy.

Table 8. Factors that were important in making the decision to decrease paid employment positions during 2011

	Loss of public sector contracts	Decreased access to banking/credit/finance	Decreased demand for more staff	Decreased grant donation funding	Decreased membership fee revenue	Decreased sales of goods and services	Decreased subsidies	Prevailing economic conditions	Other
	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs	N of SEOs
Tasmania (N=1)	1	0	0	0	0	0	0	1	0
western Sydney (N=1)	0	0	0	0	0	0	0	0	1
Flanders (N=5)	0	0	2	0	0	3	0	3	1
British Columbia (N=8)	3	0	1	5	2	3	1	6	1
Quebec (N=3)	0	0	0	1	0	1	1	1	1
Burgundy (N=14)	5	1	1	1	1	4	9	3	1
Brittany (N=14)	6	0	3	0	0	7	6	9	3
Lombardy (N=4)	3	0	2	0	1	3	0	3	0
Puglia (N=3)	2	0	0	0	0	3	0	1	0
Luxembourg (N=2)	0	0	2	0	0	1	1	0	0
Regiunea Centru (N=2)	0	0	0	0	0	1	1	0	0
Regiunea Sud Est (N=0)	0	0	0	0	0	0	0	0	0
Östergötland (N=2)	0	0	1	0	0	0	0	2	0
Västra Götaland (N=5)	1	1	1	4	2	2	1	3	2
Total (N=64)	21	2	13	11	6	28	20	32	10
% of Total	32.8%	3.1%	20.3%	17.2%	9.4%	43.8%	31.3%	50.0%	15.6%

Those SEOs which reported no net change in employment levels in 2011 were asked why they did not increase employment. Table 9 shows that more than half (51.3%) of the 298 respondents felt that there was no need to increase the number of paid staff. Two-fifths (39.9%) of respondents wanted to increase the number of paid staff but were unable to do so; while just under one-tenth (8.7%) of respondents felt they should have actually reduced levels of paid staff but chose not to. It is plausible that this final option may have been differently interpreted by respondents. Some may have felt it referred to having more staff than they needed but choosing not to make anybody redundant. Others may have interpreted it as referring to needing to reduce staff for economic reasons, but instead choosing to make cuts in other areas. Nonetheless in both instances it would appear that respondents chose not to make cuts because one aspect of their social mission concerned employment provision.

Table 9. Reasons why organisations did not alter the number of paid employment positions in 2011

		Why did your organisation not increase the number of paid employment positions in 2011?		
		There was no need to increase the number of staff	We wanted to increase the number of staff but couldn't	We should have reduced the number of staff but chose not to
Tasmania	Count	4	6	0
(N = 10)	% within region	40.0%	60.0%	0%
western Sydney	Count	2	2	0
(N = 4)	% within region	50.0%	50.0%	0%
Flanders	Count	6	8	1
(N = 15)	% within region	40.0%	53.3%	6.7%
British Columbia	Count	6	10	2
(N = 18)	% within region	33.3%	55.6%	11.1%
Quebec	Count	36	17	1
(N = 54)	% within region	66.7%	31.5%	1.9%
Burgundy	Count	18	12	2
(N = 32)	% within region	56.3%	37.5%	6.3%
Brittany	Count	39	24	8
(N = 71)	% within region	54.9%	33.8%	11.3%
Lombardy	Count	10	3	3
(N = 16)	% within region	62.5%	18.8%	18.8%
Puglia	Count	2	4	5
(N = 11)	% within region	18.2%	36.4%	45.5%
Luxembourg	Count	3	11	0
(N = 14)	% within region	21.4%	78.6%	0%
Regiunea Centru	Count	9	5	1
(N = 15)	% within region	60.0%	33.3%	6.7%
Regiunea Sud Est	Count	7	8	2
(N = 17)	% within region	41.2%	47.1%	11.8%
Östergötland	Count	1	2	0
(N = 3)	% within region	33.3%	66.7%	.0%
Västra Götaland	Count	10	7	1
(N = 18)	% within region	55.6%	38.9%	5.6%
Total	Count	153	119	26
(N = 298)	% within region	51.3%	39.9%	8.7%

Again there were considerable variations between regions. In Quebec and Lombardy over 60% of respondents reported no need to increase the number of staff. However, for the SEOs in Luxembourg and Östergötland it would appear that decisions not to increase the number of staff were financially driven. At least two-thirds of SEOs in these territories wanted to increase staff numbers but were unable to do so. In Puglia 45.5% of respondents reported that they should have reduced the number of staff but chose not to do so. It is not clear whether this was because they had more staff than they needed but chose not to make any redundant, or because financial conditions meant they should have

reduced staff but they chose not to do so, perhaps drawing upon reserves or reducing spending in other areas instead.

To better understand why some SEOs did not increase levels of employment in 2011, those organisations reporting that they wanted to increase the number of staff but were unable to do so were asked which factors were preventing them. These are reported in Table 10. The vast majority of these SEOs (83.1%) said it was a lack of financial resources which prevented them employing more staff. Fifteen SEOs (12.7%) reported that they could not fill positions because of a lack of skills. Nine SEOs (7.6%) reported that a lack of market opportunities prevented them employing more staff.

Table 10. Factors that stopped organisations from increasing the number of paid employment positions during 2011

	Lack of financial resources	No market opportunities	Lack of available skills	Other	Total
	Number of SEOs	Number of SEOs	Number of SEOs	Number of SEOs	Responses
Tasmania (N=6)	4	0	1	2	7
western Sydney (N=2)	2	0	0	0	2
Flanders (N=8)	4	0	2	4	10
British Columbia (N=10)	10	0	0	0	10
Quebec (N=17)	15	2	1	1	19
Burgundy (N=12)	10	1	3	0	14
Brittany (N=23)	19	2	2	3	26
Lombardy (N=3)	1	1	1	0	3
Puglia (N=4)	4	0	0	0	4
Luxembourg (N=11)	7	2	2	5	16
Regiunea Centru (N=5)	5	1	1	0	7
Regiunea Sud Est (N=8)	8	0	1	0	9
Östergötland (N=2)	2	0	0	0	2
Västra Götaland (N=7)	7	0	1	0	8
Total (N=118)	98	9	15	15	137
% of valid N	83.1%	7.6%	12.7%	12.7%	

Summary

The data presents a mixed picture, but some of the key points that emerge from it are as follows:

- More SEOs in this study increased employment levels than decreased employment levels.
- There was a net increase of 2.6% in full time equivalent jobs produced by the SEOs in 2011. Much of this was driven by a small number of large organisations, and there was some variation by region.
- Many factors in employment creation would seem to lie outside of the control of the SEOs. Economic conditions and demand for goods and services seem to be the most important of these.

- State action, however, whether through contracting SEOs to deliver services, or providing subsidies, could mitigate (or exacerbate) economic conditions.
- SEOs operating in Romania, where government contracts, subsidies and market income all appear weak, were able to rely on grants and donations to help them create jobs.
- Almost half of the SEOs in this study saw no change in employment levels during 2011. These fell into three broad groups. First, around half of them claim to have no need to increase employment levels, and would seem to be coping 'just fine.' Another group may have been reluctant to reduce staff because they were less driven by maximising profits. A final group would have liked to employ more staff to help them meet demand for their services, but were prevented from doing so by economic factors, or in a small minority of cases, by a lack of available staff with the requisite skills.

SOCIAL ECONOMY ORGANISATIONS WORKING WITH VULNERABLE GROUPS

The social economy should not be seen solely in terms of its contribution to aggregate employment. SEOs in some countries have an explicit role in work integration or support provision for vulnerable groups.

Types of work with vulnerable groups

Over three-quarters of the SEOs in our study were involved with vulnerable groups. Teasdale (2010) distinguishes between work integration SEOs on the basis of whether they provide direct employment to vulnerable groups, or whether they provide training and work experience opportunities to such groups. Teasdale (2010) also identifies a third group, those SEOs that provide support to vulnerable groups whose exclusion is so acute that employment is not a realistic short or medium term aspiration. These categories map neatly onto the types of organisation captured in this study.

Figure 2 and Table 11 show that 130 of the SEOs' (20.8%) main involvement with vulnerable groups was as training providers, offering training opportunities and support to find employment. 166 SEOs (26.6%) acted as direct employment providers by providing stable employment opportunities to vulnerable groups. Another 166 SEOs (26.6%) acted as support providers by providing support to individuals whose vulnerability limits (or indeed removes) their capacity to find employment in the open labour market.

Around a quarter (26%) of SEOs in the study did not work directly with vulnerable groups. In the two French territories, Burgundy and Brittany, over a third of the SEOs did not work with vulnerable groups. This perhaps reflects the social economy tradition in France which includes mutuals, associations, foundations and co-operatives, many of which compete in the mainstream economy (in areas such as agriculture and banking). More than a third of SEOs in Quebec (35.7%) and Lombardy (36.8%) did not work directly with vulnerable groups. However the small sample sizes mean these figures should be treated with some caution.

In both Australian territories, and in Flanders, more than 90% of the SEOs worked with vulnerable groups. Indeed, in Flanders all SEOs in the sample worked with vulnerable groups. In Australia this may be related to a more recent social economy tradition which emphasises the role of social enterprises in helping marginalised groups. In Flanders this may be due to the sampling strategy inadvertently leading to bias towards a particular type of employment provider SEO.

There were also differences between territories in the type of work with vulnerable groups. Table 11 shows that training provider SEOs were most prominent in Luxembourg (37.5% of SEOs), Regiunea Centru (56% of SEOs), Regiunea Sud Est (32% of SEOs) and Östergötland (37.5% of SEOs). Conversely, in Flanders just 6.3% of the SEOs adopted this model. To some extent it might be that the decision to act as training providers is an economic one. As Teasdale (2012b) notes, in England social enterprises that are unable to derive sufficient revenue through trading to pay wages to vulnerable groups often adopt this model. Previously in this report it was noted that in both Romanian territories a small proportion of revenue was derived from public contracts or the sale of goods and services. It might be that SEOs in Romania are unable to bring in sufficient income to pay vulnerable

employees. In Luxembourg the highest proportion of revenue (59.8%) is derived from subsidies. As in Romania, the SEOs in Luxembourg derived a relatively low proportion of income through the sale of goods and services or public contracts to deliver services (30.8% combined). This would suggest that SEOs which do not bring in a high proportion of revenue from trading are more likely to act as training providers.

Figure 2 Nature of SEOs' work with vulnerable groups

Aggregated data for all territories

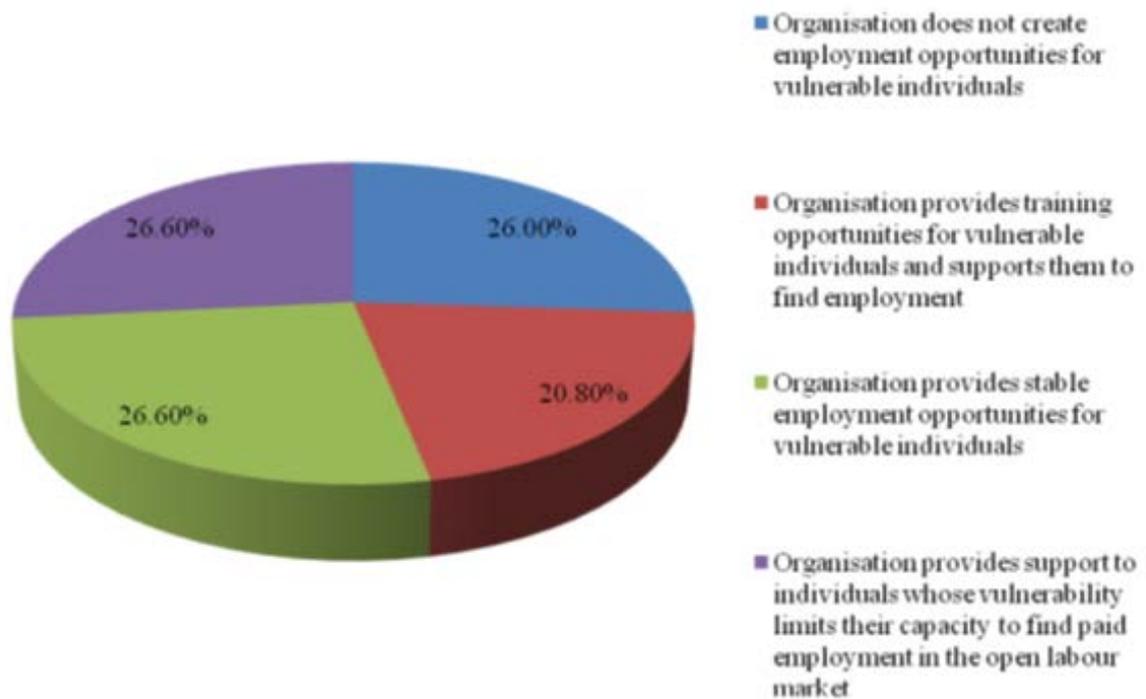


Table 11. Nature of SEOs' work with vulnerable groups by region

		Organisation does not create employment opportunities for vulnerable individuals	Organisation provides training opportunities for vulnerable individuals and supports them to find employment	Organisation provides stable employment opportunities for vulnerable individuals	Organisation provides support to individuals whose vulnerability limits their capacity to find paid employment in the open labour market
Tasmania (N=16)	Count	1	3	5	7
	% within region	6.3%	18.8%	31.3%	43.8%
western Sydney (N=15)	Count	1	4	4	6
	% within region	6.7%	26.7%	26.7%	40.0%
Flanders (N=48)	Count	0	3	32	13
	% within region	0%	6.3%	66.7%	27.1%
British Columbia (N=39)	Count	9	7	9	14
	% within region	23.1%	17.9%	23.1%	35.9%
Quebec (N=84)	Count	30	10	28	16
	% within region	35.7%	11.9%	33.3%	19.0%
Burgundy (N=68)	Count	23	17	10	18
	% within region	33.8%	25.0%	14.7%	26.5%
Brittany (N=138)	Count	51	17	27	43
	% within region	37.0%	12.3%	19.6%	31.2%
Lombardy (N=38)	Count	14	9	10	5
	% within region	36.8%	23.7%	26.3%	13.2%
Puglia (N=21)	Count	4	2	6	9
	% within region	19.0%	9.5%	28.6%	42.9%
Luxembourg (N=40)	Count	6	15	8	11
	% within region	15.0%	37.5%	20.0%	27.5%
Regiunea Centru (N=25)	Count	4	14	4	3
	% within region	16.0%	56.0%	16.0%	12.0%
Regiunea Sud Est (N=25)	Count	7	8	3	7
	% within region	28.0%	32.0%	12.0%	28.0%
Östergötland (N=16)	Count	3	6	4	3
	% within region	18.8%	37.5%	25.0%	18.8%
Västra Götaland (N=51)	Count	9	15	16	11
	% within region	17.6%	29.4%	31.4%	21.6%
Total (N=624)	Count	162	130	166	166
	% within survey	26.0%	20.8%	26.6%	26.6%

Two-thirds of the SEOs in Flanders provided stable employment opportunities to vulnerable groups. None of the other territories had more than a third of SEOs adopting this employment provider model. Less than 20% of the SEOs in the French and Romanian territories provided stable employment opportunities to vulnerable groups. This might be because of the wider definition of social economy taken in France, whereby only a minority of SEOs would be expected to provide employment opportunities for vulnerable groups. In Romania it might be that this was a consequence of SEOs not bringing in sufficient revenue to pay wages to vulnerable groups.

The SEOs in Australia and Puglia were overrepresented as support providers to vulnerable groups. More than 40% in each of the 3 territories adopted this model. It may be that these SEOs work with the most disadvantaged groups in society. In Australia their overrepresentation as support providers may be related to the more buoyant mainstream labour market. That is, there may be less need for SEOs to operate as part of an intermediate labour market where labour market conditions are relatively buoyant. However this explanation would not seem applicable to Puglia where 42.9% of the SEOs adopted a support provider model.

Indicators of success in work with vulnerable groups

In order to provide some indication of the relative success of SEOs in integrating vulnerable groups into the labour market, those organisations providing training opportunities and support in finding employment were asked what proportion of individuals they trained and supported into employment outside of the SEO.

Table 12 shows that the 91 of the 130 training provider SEOs responding to the relevant question found employment for 26.9% of individuals they trained in 2011. There was a wide disparity in the relative success of the different SEOs, with some reporting that they helped no people into employment, while others claimed a 100% success rate. The very low number of responses prevents comparisons being made between countries, although the values are reported below. It should be noted that these figures give no indication as to whether these people have remained in employment.

Table 12. Proportion of vulnerable individuals finding employment outside of the SEO: training providers only

Territories	N	Mean	Median
Tasmania	3	19.3	6.0
western Sydney	4	22.5	17.5
Flanders	3	17.0	1.0
British Columbia	4	44.0	45.0
Quebec	8	39.7	37.5
Burgundy	13	24.5	25.0
Brittany	9	42.4	50.0
Lombardy	7	24.3	5.0
Puglia	2	25.0	25.0
Luxembourg	9	14.2	6.0
Regiunea Centru	10	37.1	27.5
Regiunea Sud Est	6	13.3	11.0
Östergötland	3	15.0	5.0
Västra Götaland	10	21.4	12.5
Total	91	26.94	20.00

Training provider SEOs were also asked which factors hindered vulnerable individuals from finding employment outside of the organisation. Results from the 118 of the 130 training provider SEOs answering this question are shown in Table 13. Respondents could select more than one answer. The most common factor provided was ‘few employment opportunities’ selected by 82 respondents (69.5%). A lack of skills (46 respondents, 38.9%) and ‘discrimination/stigma’ (33 respondents, 30%) were also identified as significant factors. Again, the low number of responses prevents a comparison between territories.

Table 13. Factors hindering vulnerable individuals from finding employment outside of the SEO: training providers only

	Discrimination/ stigma		Lack of skills		Few employment opportunities		Other	
	N of SEOs	% of valid N	N of SEOs	% of valid N	N of SEOs	% of valid N	N of SEOs	% of valid N
Tasmania (N=3)	1	33.3%	2	66.7%	2	66.7%	1	33.3%
western Sydney (N=4)	2	50.0%	1	25.0%	2	50.0%	1	25.0%
Flanders (N=3)	2	66.7%	2	66.7%	3	100.0%	2	66.7%
British Columbia (N=7)	3	42.9%	4	57.1%	5	71.4%	1	14.3%
Quebec (N=8)	1	12.5%	5	62.5%	3	37.5%	1	12.5%
Burgundy (N=16)	6	37.5%	4	25.0%	12	75.0%	4	25.0%
Brittany (N=11)	1	9.1%	2	18.2%	8	72.7%	5	45.5%
Lombardy (N=9)	3	33.3%	2	22.2%	5	55.6%	2	22.2%
Puglia (N=2)	0	0%	0	0%	2	100.0%	0	0%
Luxembourg (N=14)	2	14.3%	8	57.1%	7	50.0%	3	21.4%
Regiunea Centru (N=14)	5	35.7%	7	50.0%	12	85.7%	0	0%
Regiunea Sud Est (N=7)	1	14.3%	2	28.6%	7	100.0%	0	0%
Östergötland (N=6)	1	16.7%	2	33.3%	4	66.7%	1	16.7%
Västra Götaland (N=14)	5	35.7%	5	35.7%	10	71.4%	3	21.4%
Total (N=118)	33	30.0%	46	38.9%	82	69.5%	24	20.3%

Notes: Percentages and totals are based on respondents. Respondents could select up to two sectors. Therefore column percentages sum to more than 100%.

Employment provider SEOs were asked about their relative success in providing employment to vulnerable individuals within the organisation. As shown in Table 14, the 121 respondents provided paid employment to an average of 31.8% of the vulnerable individuals they worked with in 2011. This appears to be a slightly higher success rate than for training provider SEOs. Again there was considerable variation between organisations, with success rates ranging from 0-100%. Sample sizes are too small to permit comparison between territories.

Table 14. Proportion of vulnerable individuals finding employment outside of the SEO: employment providers only

Region	N	Mean	Median
Tasmania	2	57.5	57.5
western Sydney	3	28.3	20
Flanders	27	48.8	50
British Columbia	7	66.9	85
Quebec	22	6.6	1
Burgundy	7	52.6	60
Brittany	15	15.1	3
Lombardy	8	42.2	50
Puglia	5	15.0	10
Luxembourg	5	22.6	22
Regiunea Centru	4	50.0	50
Regiunea Sud Est	2	12.5	12.5
Östergötland	3	14.3	2
Västra Götaland	11	29.2	25
Total	121	31.8	6

Table 15 shows that over the course of 2011 42.3% of training provider and employment provider SEOs increased the opportunities available to marginalised groups, while 51.3% maintained the level of opportunities provided. Just 6.3% reduced the opportunities available.

Table 15. Changes in internal opportunities among both training and employment providers

		Increased internal opportunities	Decreased internal opportunities	Retained level of internal opportunities
Tasmania (N=7)	Count	0	0	7
	% within region	0%	0%	100.0%
Western Sydney (N=8)	Count	6	0	2
	% within region	75.0%	0.0%	25.0%
Flanders (N=33)	Count	15	2	16
	% within region	45.5%	6.1%	48.5%
British Columbia (N=15)	Count	7	2	6
	% within region	46.7%	13.3%	40.0%
Quebec (N=29)	Count	3	1	25
	% within region	10.3%	3.4%	86.2%
Burgundy (N=6)	Count	1	1	4
	% within region	16.7%	16.7%	66.7%
Brittany (N=12)	Count	2	2	8
	% within region	16.7%	16.7%	66.7%
Lombardy (N=6)	Count	4	2	0
	% within region	66.7%	33.3%	0%
Puglia (N=3)	Count	2	1	0
	% within region	66.7%	33.3%	0%
Luxembourg (N=9)	Count	6	1	2
	% within region	66.7%	11.1%	22.2%
Regiunea Centru (N=18)	Count	7	0	11
	% within region	38.9%	0%	61.1%
Regiunea Sud Est (N=10)	Count	3	0	7
	% within region	30.0%	0%	70.0%
Östergötland (N=8)	Count	5	0	3
	% within region	62.5%	0%	37.5%
Västra Götaland (N=25)	Count	19	0	6
	% within region	76.0%	0%	24.0%
Total (N=189)	Count	80	12	97
	% within region	42.3%	6.3%	51.3%

Aggregate changes in the numbers of vulnerable individuals employed by employment provider SEOs during 2011 are presented in Table 16. These were calculated by subtracting the net number of FTE jobs created in 2011 from the totals provided for FTE jobs filled by vulnerable individuals at the end of 2011. The percentage increase during 2011 is expressed as a proportion of the derived value for FTE employment at the end of 2010.

The aggregate results show that the 139 employment provider SEOs answering the relevant question provided a total of 4 550.7 FTE jobs for vulnerable people at the end of 2011. This represents an average of 32.7 jobs per SEO. However it should be noted that the number of FTE jobs provided ranged from 0 to 464.7. Half of the SEOs employed 4 or less vulnerable individuals at the end of 2011.

Table 16. Changes in full time equivalent employment within employment provider SEOs that were filled by vulnerable individuals

		Number of full time equivalent jobs filled by vulnerable individuals in organisation at end of 2011 (a)	Number of full time equivalent jobs that workforce of vulnerable individuals increased by in 2011 (compared to end of 2010) (b)	Number of full time equivalent jobs that workforce of vulnerable individuals decreased by in 2011 (compared to end of 2010) (c)	Net full time equivalent jobs provided to vulnerable individuals during 2011 (b-c)	% change in full time equivalent jobs provided to vulnerable individuals during 2011
Tasmania (N=3)	Mean	63.9	-	-	-	-
	Sum	191.6	-	-	0	0
Western Sydney (N=4)	Mean	13.5	5.0	-	-	-
	Sum	54.0	20.0	-	20.0	58.8%
Flanders (N=28)	Mean	100.0	6.0	-	-	-
	Sum	2 800.2	71.8	-	71.8	2.6%
British Columbia (N=9)	Mean	7.7	1.6	2.0	-	-
	Sum	69.5	6.3	2.0	4.3	6.6%
Quebec (N=26)	Mean	2.4	1.5	-	-	-
	Sum	62.0	3.0	-	3	5.1%
Burgundy (N=9)	Mean	51.0	4.0	-	-	-
	Sum	458.8	4.0	-	4	0.9%
Brittany (N=17)	Mean	12.3	2.0	-	-	-
	Sum	209.6	2.0	-	2	1.0%
Lombardy (N=10)	Mean	16.9	1.7	13.0	-	-
	Sum	169.0	5.0	13.0	-8	-4.5%
Puglia (N=5)	Mean	24.4	50.0	3.0	-	-
	Sum	122.0	50.0	3.0	47	62.7%
Luxembourg (N=8)	Mean	33.1	33.4	5.0	-	-
	Sum	265.0	167.0	5.0	162	157.3%
Regiunea Centru (N=4)	Mean	1.8	2.0	-	-	-
	Sum	7.0	2.0	-	2	40.0%
Regiunea Sud Est (N=2)	Mean	1.5	30.0	-	-	-
	Sum	3.0	30.0	-	30	-
Östergötland	Mean		1.0	-	-	-
	Sum		2.0	-	2	-
Västra Götaland (N=14)	Mean	9.9	5.4			
	Sum	139.0	53.5		53.5	62.6%
Total (N=139)	Mean	32.7	8.9	5.8		
	Sum	4 550.7	416.6	23.0	393.6	9.5%

Notes: N= valid responses.

During the course of 2011 the 47 employment provider SEOs reporting an increase in vulnerable individuals created 416.6 FTE positions. This represents an average of 8.9 FTE jobs per SEO.

However the number of FTE jobs created ranged from 0.3 to 100. Half of these SEOs created 2 or less jobs.

Four employment provider SEOs provided data for jobs lost during 2011. Between them they lost 23 jobs, an average of 5.8 per SEO. The number of FTE jobs lost ranged from 2 to 13.

In aggregate 393.6 FTE jobs were created for vulnerable individuals by employment provider SEOs during 2011. This represents an increase of 9.5% over the course of 2011.

The percentage changes for the individual territories are reported in Table 16 but should be treated with caution given the low number of total responses. The percentage changes for Regiunea Centru, Regiunea Sud Est and Östergötland could not be calculated, as derived totals for the number of employees at the end of 2010 summed to less than 0. This is because some organisations reported an increase in the number of vulnerable individuals employed during 2011, but did not report on the numbers of vulnerable employees at the end of 2011.

Summary

- The data presents a generally positive picture of SEOs' work with vulnerable groups. Over three-quarters of the SEOs in the study worked with vulnerable individuals, either through training provision to find employment elsewhere, the provision of direct employment, or by offering support to individuals furthest from the labour market.
- The sampling process appears to have been a contributory factor to the high proportion of employment provider SEOs.
- The data suggests that SEOs which derive the majority of revenue through trading are better placed to offer direct employment opportunities to vulnerable individuals. SEOs operating in territories where commercial revenue is more difficult to obtain would seem more likely to engage with marginal groups through the provision of training opportunities.
- Where labour market conditions are buoyant, it may be that SEOs are less engaged in work integration but play a greater role in providing (non-employment related) support to the most marginalised groups. The SEOs in the study appeared to have considerable success in finding / providing employment for vulnerable individuals. Training providers found employment for 26.9% of the vulnerable individuals they worked with in 2011.
- The main barrier to finding employment for vulnerable individuals was the lack of employment opportunities in the wider labour market.
- Employment provider SEOs found employment within the organisation for 31.8% of the vulnerable individuals they worked with in 2011. It would certainly seem worth exploring further the relative cost benefits of providing funding to different types of SEO in combating unemployment among marginalised groups.
- Over 40% of the training provider and employment provider SEOs in the study increased opportunities available to vulnerable individuals during 2011. Just over 6% decreased opportunities. While the sampling approach used in this study excludes SEOs which stopped trading during 2011, this still seems a positive trend. However some caution is necessary in interpreting this data given that there may be an element of desirability bias built into the questions, with respondents being reluctant to report reducing the opportunities provided to beneficiaries.

- Focusing only on employment providers, SEOs in this study reported a net increase of 9.5% in full time equivalent jobs provided to vulnerable individuals during 2011. Again, this necessarily ignores SEOs which ceased trading in 2011. Moreover the analyses suggest that a small number of SEOs provided most of these jobs. The majority of SEOs provided 4 or less jobs to vulnerable individuals in 2011.

EMPLOYMENT QUALITY IN SOCIAL ECONOMY ORGANISATIONS

The focus of this chapter is the perceptions among SEOs of how important different aspects of employment quality were for paid members of staff. Respondents were given four options: not important at all, moderately important, important and very important. For the analysis each option was given a numerical value from 0 to 3 in escalating order of importance. For mean values of 2.5 and above the aspect of employment quality was ranked as very important. For mean values of less than 2.5 but greater than or equal to 1.5 the aspect of employment quality was ranked as important. For mean values of less than 1.5 but greater than or equal to 0.5 the aspect of employment quality was ranked as moderately important. For mean values of less than 0.5 the aspect of employment quality was ranked as not important at all. The results are reported in Table 17.

The results should be treated with caution. There is likely to be a desirability bias inherent within the questions. For example it is unlikely that organisations would report that adequacy of pay is not important at all. Nonetheless comparing the mean values for different aspects of employment quality gives some indication of the relative importance of these aspects to the SEOs in the study. From these results it can be said that among the SEOs the 'very important aspects' of employment quality reported were positive working relationships, and security of employment, both of which had a mean value of 3.5 or above. All other aspects were rated as 'important', although of these 'career progression opportunities' were seen to be the least important with a mean value of 2.6.

Table 17. The importance of different aspects of employment quality to SEOs

		Aspect of employment quality								
		Security of employment	Provision of training	Equality of pay	Adequacy of pay	Career progression opportunities	Working environment	Provision of a safe working environment	Work/life balance	Individual autonomy at work
Tasmania	Mean	3.4	3.4	3.6	3.5	2.9	3.8	3.4	3.2	3.4
	N	12	12	12	12	12	12	12	12	12
Western Sydney	Mean	3.1	3.3	3.8	3.5	3.2	3.9	3.7	3.1	3.4
	N	11	11	11	11	11	11	11	10	11
Flanders	Mean	3.3	3.0	3.3	3.2	2.5	3.3	3.3	2.8	3.2
	N	43	43	43	43	44	42	43	43	43
British Columbia	Mean	3.4	3.1	3.7	3.4	2.6	3.6	3.3	3.3	3.7
	N	29	29	29	29	29	29	29	29	29
Quebec	Mean	3.6	3.2	3.7	3.8	2.8	3.7	3.6	3.6	3.8
	N	74	73	74	74	71	75	74	73	73
Burgundy	Mean	3.4	3.0	3.0	3.4	2.3	2.7	3.0	3.2	3.43
	N	44	43	42	43	40	42	41	42	42
Brittany	Mean	3.7	3.4	3.3	3.2	2.5	2.9	3.2	3.4	3.47
	N	99	96	92	92	91	89	90	93	93
Lombardy	Mean	3.6	3.3	3.2	3.4	2.2	3.1	3.2	3.1	3.3
	N	28	28	28	29	28	28	28	27	29
Puglia	Mean	3.4	3.2	3.3	3.5	2.6	3.3	3.2	3.1	3.6
	N	18	18	18	17	17	18	17	17	18
Luxembourg	Mean	3.8	3.6	3.2	3.7	3.0	3.3	3.3	3.5	3.5
	N	26	25	24	25	25	26	25	26	25
Regiunea Centru	Mean	3.7	3.3	3.8	3.9	2.8	3.7	3.3	3.6	3.5
	N	10	9	10	9	10	10	9	9	8
Regiunea Sud Est	Mean	3.5	3.6	3.7	3.7	3.7	3.6	3.3	3.6	3.5
	N	17	16	16	16	16	17	15	16	15
Östergötland	Mean	3.4	2.9	3.5	3.4	2.3	3.6	3.6	3.5	3.7
	N	16	16	15	16	14	15	15	15	15
Västra Götaland	Mean	3.4	3.0	3.6	3.3	2.6	3.5	3.6	3.4	3.5
	N	45	44	46	43	45	45	47	45	46
Total	Mean	3.5	3.2	3.4	3.4	2.6	3.3	3.3	3.3	3.5
	N	472	463	460	459	453	459	456	457	459

Challenges in delivering employment quality

SEOs were then asked which aspects of job / employment quality they found the most difficult to deliver. Respondents were permitted to select up to three answers. Responses are provided in Table 18. For each region (and the total) both the number of SEOs selecting the aspect (N. = number of organisations), and the percentage of SEOs that have selected this aspect (% of valid N) are presented.

Table 18. Aspects of employment quality that were the most difficult to deliver by region

	Adequacy of pay		Career progression opportunities		Equality of pay		Individual autonomy at work		Positive working relationships opportunities	
	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N
Tasmania	3	23.1%	5	38.5%	0	0%	2	15.4%	4	30.8%
western Sydney	4	33.3%	1	8.3%	0	0%	2	16.7%	0	0%
Flanders	12	29.3%	13	31.7%	0	0%	13	31.7%	6	14.6%
British Columbia	20	66.7%	11	36.7%	2	6.7%	2	6.7%	2	6.7%
Quebec	26	41.3%	27	42.9%	4	6.3%	7	11.1%	5	7.9%
Burgundy	8	21.1%	16	42.1%	1	2.6%	2	5.3%	9	23.7%
Brittany	25	29.4%	44	51.8%	10	11.8%	9	10.6%	8	9.4%
Lombardy	7	21.9%	11	34.4%	0	0%	1	3.1%	1	3.1%
Puglia	4	23.5%	3	17.6%	0	0%	1	5.9%	2	11.8%
Luxembourg	2	11.1%	8	44.4%	0	0%	1	5.6%	0	0%
Regiunea Centru	7	36.8%	2	10.5%	0	0%	4	21.1%	0	0%
Regiunea Sud Est	11	47.8%	5	21.7%	3	13.0%	5	21.7%	6	26.1%
Östergötland	4	30.8%	7	53.8%	2	15.4%	0	0%	1	7.7%
Västra Götaland	15	33.3%	16	35.6%	6	13.3%	7	15.6%	5	11.1%
Total	148	33.0%	169	37.6%	28	6.2%	56	12.5%	49	10.9%

Aspects of employment quality that were the most difficult to deliver by region

(Continued)

	Provision of a safe working environment		Provision of training		Security of employment		Work/life balance		Total	
	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N	N. Orgs	% of valid N
Tasmania	1	7.7%	3	23.1%	6	46.2%	2	15.4%	13	27
Western Sydney	2	16.7%	3	25.0%	10	83.3%	0	0%	12	23
Flanders	2	4.9%	10	24.4%	19	46.3%	6	14.6%	41	81
British Columbia	1	3.3%	10	33.3%	19	63.3%	5	16.7%	30	75
Quebec	4	6.3%	19	30.2%	29	46.0%	12	19.0%	63	134
Burgundy	3	7.9%	14	36.8%	17	44.7%	5	13.2%	38	76
Brittany	6	7.1%	31	36.5%	40	47.1%	26	30.6%	85	204
Lombardy	0	0%	8	25.0%	15	46.9%	7	21.9%	32	51
Puglia	0	0%	8	47.1%	8	47.1%	3	17.6%	17	29
Luxembourg	1	5.6%	6	33.3%	12	66.7%	2	11.1%	18	33
Regiunea Centru	1	5.3%	7	36.8%	8	42.1%	3	15.8%	19	33
Regiunea Sud Est	5	21.7%	10	43.5%	13	56.5%	8	34.8%	23	66
Östergötland	1	7.7%	6	46.2%	8	61.5%	5	38.5%	13	35
Västra Götaland	4	8.9%	12	26.7%	21	46.7%	6	13.3%	45	94
Total	31	6.9%	147	32.7%	225	50.1%	90	20.0%	449	961

The results demonstrate that more than half (50.1%) of the 449 SEOs that answered this question found providing 'security of employment' one of the most difficult aspects of employment quality to deliver. Just over a third of the SEOs (37.6%) reported that career progression opportunities were hard to deliver. Around a third of the SEOs (33%) found 'adequacy of pay' difficult to deliver. Similarly a third (32.7%) of the SEOs reported that the provision of training was difficult to deliver.

There was some variation by region. In particular, the 83.3% of SEOs in Western Sydney, 66.7% of SEOs in Luxembourg, and 63.3% of SEOs in British Columbia reported that security of employment was difficult to provide.

Over half of the SEOs in Brittany (51.8%) and Östergötland (53.8%) reported that career progression opportunities were difficult to provide.

Two-thirds (66.7%) of SEOs in British Columbia reported that adequacy of pay was difficult to deliver. Conversely, just 11.1% of the SEOs in Luxembourg found this aspect of employment quality difficult to provide.

More than 2 in 5 of the SEOs in Puglia (47.1%), Regiunea Sud Est (43.5%) and Östergötland (46.2%) reported that the provision of training was difficult to deliver.

These results are particularly concerning given that for many of the SEOs their workforce consisted of vulnerable individuals. Table 19 breaks down the total figures by type of SEO dealing with vulnerable groups – as employment providers, training providers and/or support providers – as well as those not dealing with vulnerable groups.¹

Employment provider SEOs were more likely than any other SEOs (37.4% compared to an average of 33%) to cite adequacy of pay as an aspect of employment quality that was difficult to deliver. Employment provider SEOs were also more likely to cite individual autonomy at work (16% compared to an average of 12.5%) as an aspect of employment quality that was difficult to deliver.

Employment providers were considerably less likely to cite work / life balance as an aspect of employment quality that was difficult to deliver (13% compared to an average of 20%).

Differences in other aspects of employment quality were less marked. Employment provider SEOs were slightly more likely than the average for all SEOs to cite security of employment (52.7% compared to an average of 50.1%); provision of training (33.6% compared to an average of 32.7%); positive working relationships (12.2% compared to 10.9%); and, equality of pay (6.9% compared to 6.2%); as aspects of employment quality that were difficult to deliver.

Employment provider SEOs were slightly less likely than the average to cite career progression opportunities (37.4% compared to 37.6%); as an aspect of employment quality that was difficult to deliver.

The general impression is that the SEOs employing vulnerable individuals were more likely to find most aspects of employment quality more difficult to provide. However this may be because they are more concerned about their employees (who are also their beneficiaries) than SEOs in general.

Table 19. Aspects of employment quality that were the most difficult to deliver by type of SEO

		Training providers	Employment providers	Support providers	Other SEOs	Total
Adequacy of pay	N	21	49	42	36	148
	% of valid N	31.8%	37.4%	31.6%	30.3%	33.0%
Career progression opportunities	N	10	49	58	52	169
	% of valid N	15.2%	37.4%	43.6%	43.7%	37.6%
Equality of pay	N	5	9	9	5	28
	% of valid N	7.6%	6.9%	6.8%	4.2%	6.2%
Individual autonomy at work	N	6	21	18	11	56
	% of valid N	9.1%	16.0%	13.5%	9.2%	12.5%
Positive working relationships	N	4	16	16	13	49
	% of valid N	6.1%	12.2%	12.0%	10.9%	10.9%
Provision of a safe working environment	N	6	9	6	10	31
	% of valid N	9.1%	6.9%	4.5%	8.4%	6.9%
Provision of training	N	20	44	44	39	147
	% of valid N	30.3%	33.6%	33.1%	32.8%	32.7%
Security of employment	N	39	69	66	51	225
	% of valid N	59.1%	52.7%	49.6%	42.9%	50.1%
Work/life balance	N	16	17	29	28	90
	% of valid N	24.2%	13.0%	21.8%	23.5%	20.0%
Total	N	66	131	133	119	449
	Responses	129	286	298	248	961

SEOs were then asked why they found the different dimensions of employment quality hard to deliver. The responses to this question revealed a remarkable consistency across territories and illuminated a fascinating picture of many smaller SEOs struggling to achieve their goals, which contrasts with the more positive picture painted by the smaller number of SEOs creating most of the jobs in the social economy. One respondent from a smaller SEO eloquently summarised the position facing her / his SEO, stating that “permanent precariousness generates tension and stress”.

With reference to security of employment, the following broad themes were identified in most or all territories (more specific regional themes are identified in Buckingham and Teasdale, 2012).

The uncertainty of future funding makes it difficult / impossible to guarantee security of employment. In particular short-term government contracts to deliver services mean funding is uncertain from year to year. It was noted that government priorities change over time making it difficult for SEOs to plan for the future. The global economic crisis makes it hard for many SEOs relying on the sale of goods and services to sustain their existence, leading to staff worries about security of employment. Government austerity measures in many territories have made the situation difficult for SEOs relying on state funding (subsidies or contracts). Some problems were more specific to certain groups of SEOs. For SEOs training and placing vulnerable individuals into the wider labour market (and paid by results) the lack of jobs in the economy has made their position more difficult. SEOs heavily reliant on grants and donations (and sometimes subsidies) were vulnerable to these fluctuating greatly, making it difficult to plan for the future and to offer long-term contracts to staff.

SEOs in many territories found it difficult to provide training to employees for similar (economic) reasons. Put simply, the funding was not available to pay for training. Government contracts did not allow for money to be used for professional development. Many SEOs were operating on a hand to mouth existence and could not afford to release staff from their duties to attend

training sessions. Many SEOs found it difficult to find appropriate, affordable training for their workforce. As many employees were on short-term contracts it was often not economically viable to provide for their longer term training needs. As one respondent from Puglia put it, “it is expensive to invest in staff who do not stay with the firm a long time”.

Equality of pay was rarely deemed one of the most difficult aspects of employment quality to deliver. There were two broad explanations for this. Firstly, for many SEOs simply providing any wages was difficult. So as one respondent from British Columbia elaborated: “actually, getting funding to just have pay is challenging at this point”. Also, the social economy is a female dominated sector, where in some countries at least, there is a lower gender pay differential than in other sectors of the economy (Teasdale *et al.*, 2011). This was reflected by SEOs in several territories who remarked that their organisations were female only, or that there are few men working in the social economy.

Adequacy of pay appeared a particular challenging aspect of employment quality to deliver in all territories; as one respondent in Quebec reported: “we pay people based on resources and not on the value of the job”. Many other respondents cited having insufficient income to pay a living wage. Government contracts did not appear to fully cover their costs. Many SEOs operated in industries such as agriculture, social services and sports, which they claimed were industries characterised by low pay. More generally there was a perception that jobs in the social economy were poorly paid compared to other sectors of the economy. Having to compete with private sector organisations was said in some cases to have led SEOs to reduce wages to similar levels. For instance, one British Columbia respondent reported that in their field, “the market doesn’t maintain a living wage” while another pointed out that “wages are often determined by contractors, so if we wanted to pay living wage we would in effect be subsidizing government services”. Similar predicaments were shared by other SEOs, who found themselves having to choose between paying staff insufficiently, thereby undermining their social goals, or charging higher than the market rate for their goods or services uncompetitive prices, reducing their prospects of financial viability. Wider economic challenges seemed to be impacting upon the SEOs’ ability to pay adequate wages. Government contracts in some territories were being reduced in real terms, subsidies were being reduced and sales income was coming under pressure. In other territories (particularly Luxembourg, western Sydney and Flanders) wages for vulnerable groups were linked to government set scales and these were deemed insufficient for their workforce to live on.

With regard to career progression, the same difficulties were widely repeated across the different territories. In particular, many of the SEOs were very small with flat organisational hierarchies: effectively there was nowhere for employees to progress to within the organisation. Providing opportunities for career progression outside of the organisation was deemed too expensive for many of the SEOs. It would appear that many of the SEOs had to use limited resources to balance the needs of staff and clients. In times of resource scarcity providing career progression opportunities was not a primary goal. For some other SEOs providing employment to vulnerable groups, opportunities for staff career progression were seen as limited or impossible. For example a sheltered workshop in Luxembourg reported that there was no possibility of career progression for their disabled workers. Other SEOs providing employment to vulnerable groups expressed concerns that promoting vulnerable individuals put them in a position which made it difficult to deal with former colleagues, and led to resentment.

Few SEOs reported difficulties in providing a safe working environment. Where SEOs did respond, it would appear that this was not seen as a priority in times of resource scarcity. As one respondent from British Columbia reported, it was an expense that left less money for programme delivery. Indeed, some felt that government regulations around a safe work space were constraining, or in one case “completely unreasonable”. Other SEOs suggested that an unsafe working environment

might be fairly common, with some respondents highlighting unsafe premises, equipment and working methods, and inherent dangers in having to work with vulnerable and occasionally violent individuals leading to threats to staff.

Many SEOs highlighted work / life balance as a difficult aspect of employment quality to deliver. For SEOs working with vulnerable groups a common theme was that just helping them to survive and re-enter the workforce was enough at present. Essentially they were trying to reallocate the work / life balance away from chaotic lives and towards (meaningful) work. More generally, economic problems meant that staff were expected to work long (and sometimes anti-social) hours for limited pay. SEOs were continually seeking to balance friendly (and by implication expensive) Human Resource policies with the need to provide continuity of service to clients.

With regard to individual autonomy at work, some SEOs struggled to provide this, particularly those employing vulnerable groups, which were seen as needing constant supervision. Helping these employees achieve autonomy in the work place was a complex and lengthy process. Sometimes when funding pressures arose SEOs had to focus on more pressing financial problems.

With regard to positive working relationships, some SEOs employing vulnerable individuals reported finding these challenging. Many vulnerable employees had had negative experiences in the past and might bring to the SEO existing problems with social interaction.

Another challenging aspects of employment quality provision highlighted concerned challenges in integrating employees (particularly from marginal groups) into a non-hierarchical organisational culture where employees had a say in managerial decisions. Some disadvantaged people were seen as unable to develop decision making capacity, while for others building their capacity to become involved in managerial decisions required time and patience. As one SEO in Östergötland elaborated: “Many individuals feel comfortable in the traditional manager / employee relationship. To take an active part in decision-making and then stand by them is challenging and uncomfortable giving a feeling of insecurity.”

Summary

- All aspects of job quality were deemed important by the SEOs. To some extent this may reflect a desirability bias inherent in the questions. Nonetheless, the data would certainly suggest that the SEOs saw the provision of high quality jobs as an important social goal.
- It is concerning that so many of the SEOs found it difficult to provide quality jobs. In particular, many SEOs struggled to provide long-term and adequately paid employment. This picture of precariousness mirrors that provided by Amin (2009) alluded to in chapter two.
- Many SEOs were struggling to bring in sufficient income to pay any wages at all, and the short-term nature of government contracts and unpredictable revenue from sales of goods and services in a challenging economic environment made it difficult to offer longer term positions to employees. From this perspective, it becomes understandable that work / life balance issues, equality of pay and a safe working environment were so far down the list of priorities. It would appear this was not because these were not issues in the SEOs, but rather that they were less pressing issues than the financial imperative to bring in funding to pay wages.

In the next chapter the ways in which policy makers might help SEOs achieve their multiple social and financial goals are considered.

POLICY INTERVENTIONS AND CONCLUSIONS

This section is divided into two broad parts. First the policy interventions provided by respondents to the survey are summarised, with a particular emphasis on ways in which policy interventions might support: the role of the social economy in employment creation; SEOs' work with vulnerable individuals; and the ability of SEOs to deliver higher quality employment. Region specific policy interventions are highlighted by Buckingham and Teasdale (2012). Here, common themes which cut across territories are drawn out.

The chapter concludes with a brief summary of the key findings and discuss how the policy interventions might be implemented depending upon the aims of policy makers.

Suggested policy interventions to support SEOs' role in employment creation

Respondents emphasised that government financial support should go beyond short-term contract funding, which made it hard to plan for the future. Instead, respondents seemed to prefer grants or subsidies which were seen as emphasising trust-based relations. In some instances respondents argued that competitive tendering of public contracts endangered the trust between SEOs (Buckingham, 2009) and by implication, the distinctive approach to collaboration fostered by SEOs.

The type of government support requested or suggested was probably influenced by the type of support currently made available in that country / region: it seemed more common for respondents to ask for 'more of the same' (such as subsidies and contracts) than to suggest novel policy ideas. This ties in with Mendell and Nogales (2009, p. 95) point that "the nature of government participation will most likely reflect the historical role played by the state in different national contexts".

In many territories respondents called for preferential treatment to be given to SEOs by procurers of public services. Within the European Union these could be structured through social clauses (see European Commission Directorate-General for Employment, 2010; Smith and Teasdale, 2012), or even indirectly embedded in legislation as is to some extent occurring in England. For example, the recently introduced Public Services (Social Value) Act, which was explicitly designed to help SEOs win public sector contracts, requires public authorities to consider wider social, environmental and economic wellbeing when procuring public services (see Teasdale *et al.* 2012).

A number of respondents from different territories highlighted a need for state agencies to pay SEOs on time. Others called for simplification of complex employment law which made it difficult for them to employ people, and to reduce tax and insurance contributions paid by SEOs to the state. To a lesser extent, respondents also called for policy actors to play a greater role in supporting the social economy through enabling access to (free) advice and business support, and / or encouraging social enterprises to work together and share costs and resources.

Suggested policy interventions to support SEOs' work with vulnerable individuals

Respondents were asked to comment on how policy makers could help their organisations to create and sustain employment and/or transition to work opportunities for vulnerable people. There

was a strong sense from respondents in all territories that it was the government's responsibility to financially support the 'social' dimension of their work – that is, the costs of employing and supporting vulnerable people that went over and above those that would have been incurred by employing a person not considered vulnerable in this sense. In most cases, the dominant suggestion was that this should be done through employment subsidies. However, regardless of the medium by which it is done, the interesting point here is that politicians would be mistaken to presume that social enterprise will compensate for or replace state funded services for vulnerable people. When one considers that many (although not all) fields in which SEOs often operate are typically low paid and do not necessarily have high profit margins, it is unsurprising that some encounter difficulties in paying living wages to their staff, whilst also (in some cases) providing additional support to vulnerable employees, and seeking to compete in wider markets. As such, there would seem to be a need for continued and indeed strengthened government support for some SEOs working with vulnerable individuals.

Respondents in many territories called for support to help train staff, the funding for which was often not built into public service contracts.

There was a perception that governments should subsidise the employment of vulnerable groups, and also that this should be through subsidies or long-term covenants. Some respondents argued that competitive tendering, particularly where SEOs faced competition from private businesses, forced SEOs to reduce salaries (although it is worth noting that such conditions have a similar effect on workers in the private and public sectors too).

Some respondents raised concerns that existing policies defined the categories of vulnerable individuals too tightly. While some of these respondents made specific interventions to widen these categories to include the vulnerable groups they worked with, it was also suggested that SEOs should be trusted to recognise vulnerable individuals themselves. Again, this highlights the potential for contractual arrangements to undermine trust relations.

More innovative proposals included allowing businesses to subcontract to SEOs their existing requirements to employ a proportion of vulnerable individuals.

There was also a call in some territories for government policies to be joined up. For example one respondent did suggest changing the Swedish insurance system to enable vulnerable individuals to try working without risking losing their benefits. This, of course, need not be confined to work within the social economy.

Suggested policy interventions to improve job quality in the social economy

In some territories respondents emphasised the need for policy makers to talk to social economy actors to discuss how more realistic policies might be formulated. Amongst some respondents there was a perception that genuine political interest and engagement with SEOs was lacking.

Most of the specific policy interventions broadly mirrored those put forward earlier in this section to improve job creation, sustenance and job creation for marginal groups. In particular, the precarious nature of SEOs' funding made it difficult to balance employment quality with service provision. Many felt that secure funding for SEOs (whether through contracts or subsidies) would help them improve employment conditions for staff. In particular, SEOs employing vulnerable groups re-emphasised that subsidies should cover the extra costs associated with employing these groups to enable salaries to reach living wage level.

Among smaller SEOs, in particular, there was a feeling that policy makers could make it easier for them to improve job quality. Many interventions focused on providing help specifically for SEOs, most commonly through the provision of direct funding of training and lifelong learning, and the subsidisation of salaries for employees. Some respondents suggested that policy makers could provide free centralised support and training to SEOs – perhaps through shared spaces for fledgling social enterprises to share administrative (and training) resources and to learn from each other's best practices.

Some respondents called for administrative burdens for SEOs to be lessened. However at least one respondent argued that SEOs should be subject to greater monitoring of their employment practices. Certainly the brief discussion of social economy working conditions presented in chapter seven would suggest that not all SEOs' employment practices are optimal.

Other respondents focused more on how mainstream policies might indirectly favour SEOs. In this regard, governments might provide access to professional resources to all organisations to support vulnerable employees. This would comply with European legislation as it would be available to all organisational types but would (probably) be proportionately more helpful to SEOs employing vulnerable groups. Similarly maintaining support for those moving off benefits into employment would indirectly subsidise the wages of these workers, and favour those organisations employing them. Other policy interventions which would apply to all organisations included direct financial support to firms offering flexibility to workers.

Finally a number of respondents called for greater support for social enterprise within political discourses, ensuring that the social economy is seen as a full economic actor alongside the private and public sectors. On a related note, some respondents called for a stronger emphasis on social enterprise and justice in the education system, perhaps through teaching social enterprise modules within mainstream business degrees.

Concluding thoughts and interventions: a tale of two social economies

This study has drawn upon a mix of qualitative and quantitative survey evidence to paint a picture of employment provision and creation within 655 SEOs across 14 territories. It would appear that the data tells two distinct stories, each supporting the different literatures outlined in chapter two. First, and drawing predominately upon the quantitative data, the story would appear a positive one. In chapters four and five aggregate level data was presented showing that over half of the SEOs income came through the sale of goods and services or the contracted delivery of public services. The proportion derived from commercial revenue was lower in countries where the social economy was still developing, such as Romania, but the shortfall would seem to be covered by philanthropic donations. The SEOs operated across a wide range of industrial sectors, with the most popular being social assistance, education and training, and work integration. Many of the SEOs had been around for a long period of time, particularly in countries such as France and Canada. In total the SEOs provided over 47 000 jobs at the end of 2011, an average of around 72 per organisation.

During 2011 employment levels increased in over 40% of the SEOs and fell in just 11%. Over 1600 net new jobs were created during 2011. This represents an increase of 2.6% during a period when aggregate unemployment in many of the territories was increasing. Looking only at those SEOs providing employment to vulnerable groups, the aggregate figures seem even more impressive. During the course of 2011 almost 400 net new jobs for vulnerable individuals were created within SEOs, an increase of almost 10%. Additionally, those SEOs aiming to place vulnerable individuals into the mainstream labour market found employment for almost a third of their clients.

However, the above story of a growing social economy creating new jobs for vulnerable individuals at a time when many of the territories are experiencing economic decline needs to be balanced with an alternative version. As noted in the relevant chapters, the aggregate figures are distorted by a small number of large organisations which provide most of the employment. Indeed the 10 largest SEOs (that is, 1.6% of the sample) provided over 46% of aggregate employment. At the other end of the scale, more than half the SEOs in this study provided 10 or fewer jobs.

Many existing studies of the social economy draw largely upon case study evidence, often generated from organisations similar to the largest SEOs in the study. However, this report suggests that policy makers should be wary of reading too much into these studies, or relying too heavily on quantitative data which may be distorted by small numbers of unrepresentative large organisations. More sophisticated analyses of the social economy are necessary to feed into policies which are relevant to the vast majority of smaller SEOs. In this report, when attention was turned to employment quality in SEOs (and each SEO's response was given an equal weight), a remarkably different story began to emerge. In chapter seven, evidence of SEOs struggling to balance the need to bring in sufficient revenue with the desire to provide a positive working environment for their staff was presented. While almost all the SEOs highlighted the importance of different aspects of employment quality, many found it difficult to deliver these. In particular, 30% or more of the SEOs in the study found it difficult to provide one or more of the following: adequate pay; career progression opportunities; training; and, secure employment. The situation was exacerbated for those SEOs employing vulnerable individuals. The picture that emerges in many of the SEOs is one of poor working conditions characterised by low pay and job insecurity.

When asked why this was the case, the most common explanations were economic. At the most basic level, many SEOs were not bringing in sufficient revenue to pay a living wage. The nature of funding was precarious, particularly for SEOs relying on government contracts which tended to be short-term. Economic conditions exacerbated the situation with SEOs struggling to derive sufficient revenue from the sale of goods and services in struggling economies. In many territories, government spending cuts were making it harder for them to provide any jobs at all, never mind well paid and secure employment. At this point it is worth bearing in mind the comparative advantages that some SEOs can bring to employment related services and support for vulnerable people. Not only are many SEOs underpinned by values that motivate them to engage intentionally with socially excluded groups, but their non-profit status and independence from the public sector may give them greater trustworthiness in the eyes of vulnerable clients (Billis and Glennerster, 1998; Borzaga, 2010). In some cases, increased political interest in the role of the social economy in providing jobs and supporting vulnerable people into the workforce is perhaps insufficiently informed about the extent to which many of these organisations necessarily depend on state funding. They cannot achieve this on any significant scale without financial recognition of their contribution to public welfare. Therefore, it is important that devolving responsibility to these organisations should not be seen as a means of reducing government expenditure, either on employment or support services, because many of these SEOs' work would be rapidly undermined by the reduction or withdrawal of government support.

Perhaps unsurprisingly the SEOs mainly called for direct measures to improve their economic situation (as highlighted earlier in this chapter). In particular, many SEOs called for subsidies to recognise the social element of their work, and / or longer term contracts to enable them to provide job security. This resonates with the findings of a recent study of UK social enterprises which concluded that "it is unrealistic to expect most SEs in deprived urban areas to move substantially away from charitable and public sector funding as these sources are too closely tied to their skills, capabilities and priorities" and suggested instead that "an obvious way to improve their sustainability is to address some of the volatility surrounding public contracts" (Pinch and Sunley, 2012, p. 119).

If the social economy is seen as a supplement to the mainstream economy, providing employment at times of economic scarcity, and helping to reintegrate vulnerable groups into the mainstream labour market, then the following policy measures and additional funding requirements aimed at SEOs outlined earlier in this chapter might improve the efficacy of the social economy in job creation:

- Making SEOs favoured providers of public services;
- Awarding public sector contracts of a longer duration to SEOs and ensure that these give full cost recovery for the services provided;
- Ensure that subsidies recognise the social contribution of SEOs;
- Government provision of and/or funding of training for SEO employees;
- Reduced legislative burden for SEOs (although this may have the adverse consequence of enabling other organisations to present as SEOs to benefit from the aforementioned fiscal advantages);
- Greater rhetorical support for the social economy by policy makers; and,
- Embedding social enterprise courses in national curricula.

The general message behind these policy measures seems to be that with greater access to resources, these SEOs would provide more jobs to more vulnerable individuals, and improve working conditions. Of course, the type of study presented here does not allow us to firmly conclude that this is the case. More sophisticated longitudinal analysis drawing upon a larger number of cases (ideally relying upon existing data sources) selected from countries where different combinations of these approaches have been tried could begin to tease out the relative efficacy of different mechanisms used by regional, national and supranational governments to increase employment levels and / or improving working conditions. In particular, it would be useful to ascertain the relative effect on aggregate employment achieved by rebalancing public spending towards the social economy, and also to understand which types of SEO should be funded to maximise the benefits of public spending.

It was clear from respondents' comments that conditions in the wider economy had a significant impact on their activities, and as such, the social economy cannot be treated in isolation by policy makers. Some respondents felt the social economy would best be supported if policy makers sought to incorporate social economy principles such as social justice, democratic participation and egalitarianism into the wider economy. One means of doing so of course would be through teaching social justice through the education system, as highlighted by some respondents. The procurement of publicly funded goods and services is another means through which governments can demonstrate commitment to social economy principles. Governments are one of the major purchasers of goods and services provided by SEOs. In many countries, legislation does not permit favouring particular organisational legal forms (European Commission Directorate-General for Employment, 2010). Policy interventions through procurement therefore need to be more carefully thought out, and made available to all organisations which deliver social economy principles.²

An area highlighted by some respondents where governments can express commitment to social economy principles was through legislation around living wages. Of course, some countries already have a minimum wage, although in many cases this does not necessarily equate to a living wage. As discussed earlier in this section, many SEOs in this study found it difficult to pay a living wage and compete with private sector firms in the same industry. In some cases it might be that workers in the

social economy are motivated by values rather than salary levels. Indeed because of this it may be that workers in some value orientated organisations experience greater job satisfaction (Donegani, 2012). However this should not mean that vulnerable groups employed by SEOs, or indeed professionals who make an express lifestyle commitment to the social economy should be financially disadvantaged. Many SEOs choosing to pay living wages face a disadvantage when competing against private sector firms. Effectively a private firm can reduce costs by paying the minimum wage the market will bear. If a government wanted to level the playing field when awarding contracts, it could specify that all employees delivering government contracts must be paid a living wage. This would of course benefit SEOs already paying a living wage, while not explicitly discriminating against other organisational types.

PART 2

TERRITORIAL DATA

INTRODUCTION

This part presents the territorial level data that informed the synthesised discussion in Part 1. The research sought to explore how SEOs in different territories were faring in constrained economic times. In particular, there was an interest in whether SEOs were able to create new jobs, especially where these organisations were working with vulnerable groups. Concerns raised in the literature that the reality of social economy work may differ from the positive portrayal presented in policy literature suggested that it was important to gain further understanding of the challenges faced by SEOs in providing high quality employment in constrained economic circumstances. Additionally there was a desire to understand from the perspective of the SEOs how policy makers might improve conditions for the social economy to flourish.

The social economy is a contested concept whose meaning differs across (and sometimes within countries). This gave rise to difficulties associated with attempting to sample from an unknown population. Legal forms of the social economy differ by country and so could not be used as a basis to select a representative sample. Recognising that data could not be generated which enabled a true comparison between territories, or generalisation beyond the SEOs in the study, it was decided that the project would draw upon the knowledge of local social economy experts and representative bodies in selecting organisations to be surveyed. In order to capture data from a large number of organisations a survey approach was chosen.

Within each country the aim was to gather data from two territories (this could include regions, provinces or states as well as distinct geographic areas) with different employment dynamics. Countries and territories were selected partly by way of delegates to the OECD LEED Directing Committee expressing an interest in participating and assisting with the identification of appropriate networks of SEOs, or as by way of direct contact from social economy representatives as a result of the dissemination of information about the project. To ensure SEOs outside of Europe were captured, representatives of social economy networks in other countries, such as Canada and Australia, were approached.

The survey was designed to gather quantitative data on organisational characteristics (such as revenue sources), jobs provided and created, whether these jobs were for vulnerable individuals, and dimensions of employment quality. Four open ended questions were also asked, in order to capture qualitative data on why dimensions of employment quality were hard to deliver, and what policy makers might do help SEOs create jobs, work with vulnerable people and deliver better quality jobs.

For the purposes of this report, and as communicated to respondents, the social economy consists of co-operatives, mutuals, associations and social enterprises. ‘Vulnerable groups’ can include low-skilled individuals who are physically or mentally disabled, a lone parent, from an ethnic minority, a former prisoner, drug or alcohol dependent, or the long-term unemployed. ‘Vulnerable individuals’ refers to people from these groups.

The survey itself was designed as an e-questionnaire located on a secure OECD server. Questions were translated into the local language, and delivered by members of social economy representative bodies. In some countries where there was no direct contact with representative bodies, government officials made contact on behalf of the research team. It was felt that using representative bodies to publicise and distribute the survey (as well as identify the SEOs) would help achieve a higher response

rate than if SEOs were contacted directly by the research team. The representative bodies emailed potential respondents with information about the research and a link to the survey.

Table 20 provides an overview of the sample with response rates in the different territories where known. The response rate records only valid responses. These ranged from 6.4% in Regiunea Centru to 17.7% in Luxembourg. These are broadly in line with what might be expected from a survey of this type. In some territories response rates are not known as national representative bodies emailed the survey to their regional members who distributed it on their behalf.

Table 20. Overview of the sample

Country / Territories	Surveys distributed	N	Response rate (%)	% of all responses
Australia / Tasmania	170	16	9.4%	2.4%
Australia / western Sydney	128	15	11.2%	2.3%
Belgium / Flanders	409	53	13.0%	8.1%
Canada / British Columbia	Not known	39	Not known	6.0%
Canada / Quebec	Not known	84	Not known	12.8%
France / Burgundy	Not known	75	Not known	11.5%
France / Brittany	Not known	145	Not known	22.1%
Italy / Lombardy	Not known	45	Not known	6.9%
Italy / Puglia	Not known	22	Not known	3.4%
Luxembourg	226	40	17.7%	6.1%
Romania /Regiunea Centru	408	26	6.4%	4.0%
Romania / Regiunea Sud Est	220	27	12.3%	4.1%
Sweden / Östergötland	Not known	16	Not known	2.4%
Sweden / Västra Götaland	Not known	52	Not known	7.9%
Total	Not known	655	Not known	100.0%

The data are drawn from 655 valid responses to the survey across the 14 territories. The statistical methods used are mostly descriptive. Relevant chi square tests for differences between territories have not been conducted. This is because of the sampling problems and low responses. Even where differences are statistically significant this only tells us about differences between cases surveyed – not the territories / countries.

Our findings should not be used to infer facts about the social economy in the different territories. In part this is because of the low response rates in many territories. However, as with all cross national research on the social economy, this study faced the problem of not knowing the size and characteristics of the wider population. Thus, it was impossible to select a random sample, or to weight the data to reflect the population. Nonetheless findings presented in the subsequent sections of this report provide a flavour of the role of SEOs in providing and creating jobs in the different territories, and help to identify some of the factors hindering or fostering job creation by our cases.

TASMANIA, AUSTRALIA

Profile

Tasmania is an island state of Australia, located approximately 200km south of the southeast corner of the country's mainland. It is the smallest Australian state, both in terms of land size and population. Tasmania covers approximately 68,102 square kilometres, which is equivalent to about 0.9% of the total area of Australia (Australian Bureau of Statistics, 2008a). With a population of 511 718 people, Tasmania accounts for 2.29% of the Australian population (Department of Treasury and Finance, 2012). Cultural diversity is relatively lower in Tasmania compared with other parts of Australia; 11.5% of the state's population were born overseas compared with the national figure of 24.6%. There is a relatively high proportion of Aboriginal and Torres Strait Islanders living in Tasmania, representing 3.5% of the state's population compared with 2.3% of the population nationally (Australian Bureau of Statistics, 2011a).

Tasmania is characterised by pockets of both socio-economic advantage and disadvantage, but experiences relatively greater socio-economic disadvantage compared with the average national experience. Based on 2006 census data, the Australian Bureau of Statistics identified that 9 of Tasmania's 29 local government areas rated amongst the 20% most socio-economically disadvantaged in Australia (Australian Bureau of Statistics, 2008b). Educational attainment is comparatively lower in Tasmania than the whole of Australia. Census data indicates that 35.5% of Tasmanian residents report having some post-compulsory educational qualifications, where the national figure is 39.4%. The retention rate in post-compulsory education to high school matriculation is 70.7%, considerably lower than the national figure of 78.5%. In February 2011, unemployment in Tasmania was at 5.8%, notably higher than national unemployment at 5.0% (Australian Bureau of Statistics, 2011a). The labour force participation rate in Tasmania is also lower than the national average.

A resource rich state known for its pristine natural environments, Tasmania's natural resources have traditionally underpinned its economic activity. Tasmania has historically lagged in economic terms relative to other regions of Australia. This is particularly true with regard to productivity, which has been attributed both to relatively lower educational attainment in Tasmania compared with national trends, and relatively high outmigration of young people to mainland Australia and beyond, particularly during times of economic volatility (Bureau of Infrastructure, Transport and Regional Economics, 2008). Household income is typically considerably lower in Tasmania when compared with national averages. Median weekly household income in Tasmania was AUD (Australian dollar) 800.50 compared with the national median of AUD 1026.80 in 2006.

The industries in Tasmania that contributed most to the state's gross product in 2010-11, based on volume, were: manufacturing (9.4%), health care and social assistance (8.2%); financial and insurance services (7.2%); ownership of dwellings and agriculture, forestry and fishing (each 7.1%). The greatest industry growth in Tasmania over the last decade has occurred in the administrative and support services, which has grown in value added by 103% from 2000-11, while the greatest decline in industry in this period has occurred in manufacturing, with a decrease of 19% (Australian Bureau of Statistics, 2011b). The top three industries based on employment in Tasmania are retail, health care and social assistance, and manufacturing.

The social economy in Tasmania

A baseline study of social enterprise in Tasmania (Eversole and Eastley, 2011) commissioned by the Tasmanian Government identified that, in 2010, there were 3 779 SEOs in Tasmania, based on the most common legal forms of incorporation: incorporated associations (3 549), companies limited by guarantee (200) and co-operatives (30). These organisations operate in a diverse array of industries and fulfil a wide range of missions. They include: sporting, service and special interest clubs; social service providers in aged care, child care, respite care, counselling, and community centres; health promotion and health services providers; educational and training bodies; environmental services organisations; arts and cultural organisations; church and religious organisations; business, industry and professional associations; market associations; agricultural show societies and progress associations; housing providers; financial services organisations; and producers' co-operatives (Eversole and Eastley, 2011, p. 17).

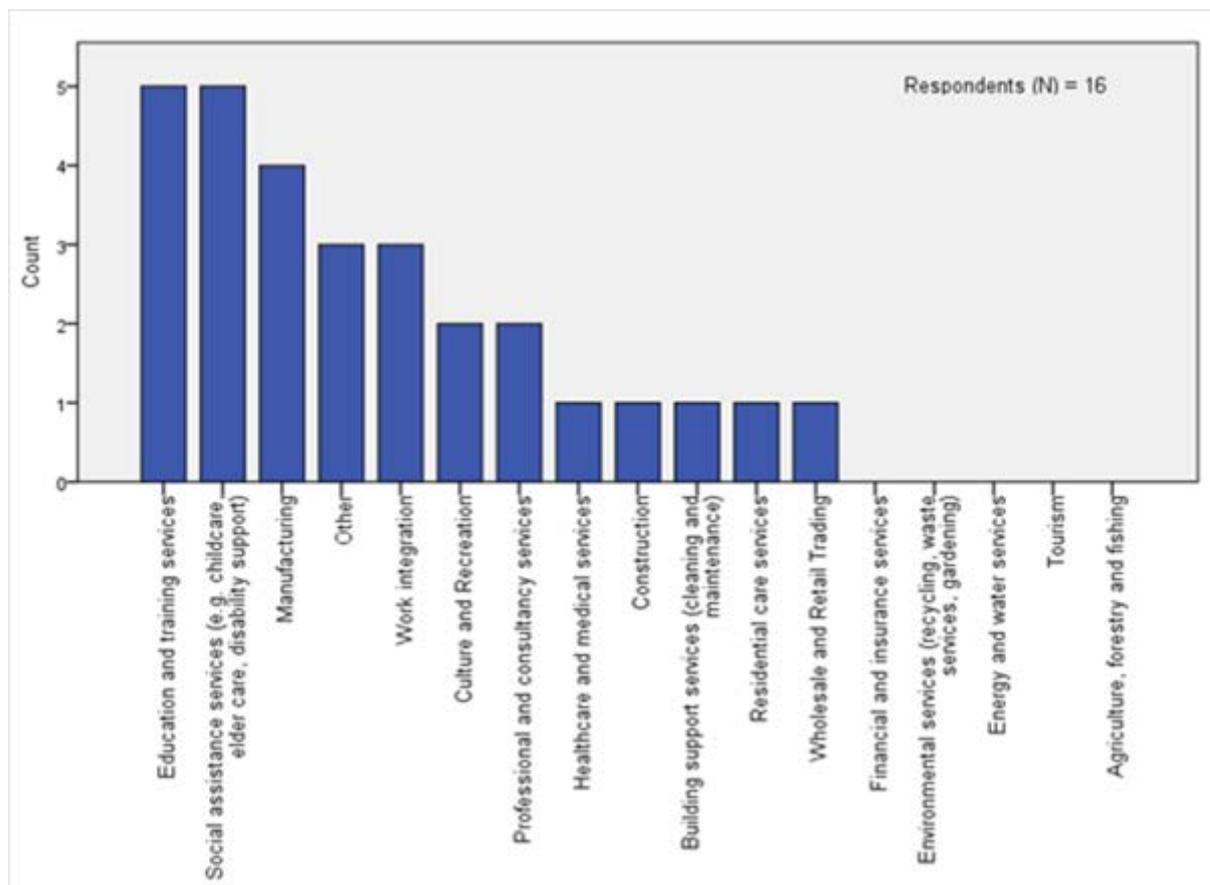
Survey Findings

The Tasmanian survey was completed by only 16 organisations. Of these, 11 were incorporated associations, four were companies limited by guarantee, and one took the form of a sole proprietorship.

Sectors in which social economy organisations operate

The range of activities in which the SEOs that responded to the survey were involved is illustrated in Figure 3. Respondents were asked to select up to two of the most important sectors in which their organisation operated; the most frequently cited categories were education and training services and social assistance services (each selected by five organisations).

Figure 3 Most important sectors of operation for SEOs in Tasmania



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

The income source from which the organisations that responded received on average the highest proportion of their income from was the sale of goods and services, which accounted for a mean of 43.8% of organisations' funding in 2011. Donations and grants accounted for an average of 29% of organisational income, whilst public contracts represented on average 19.1% of funding.

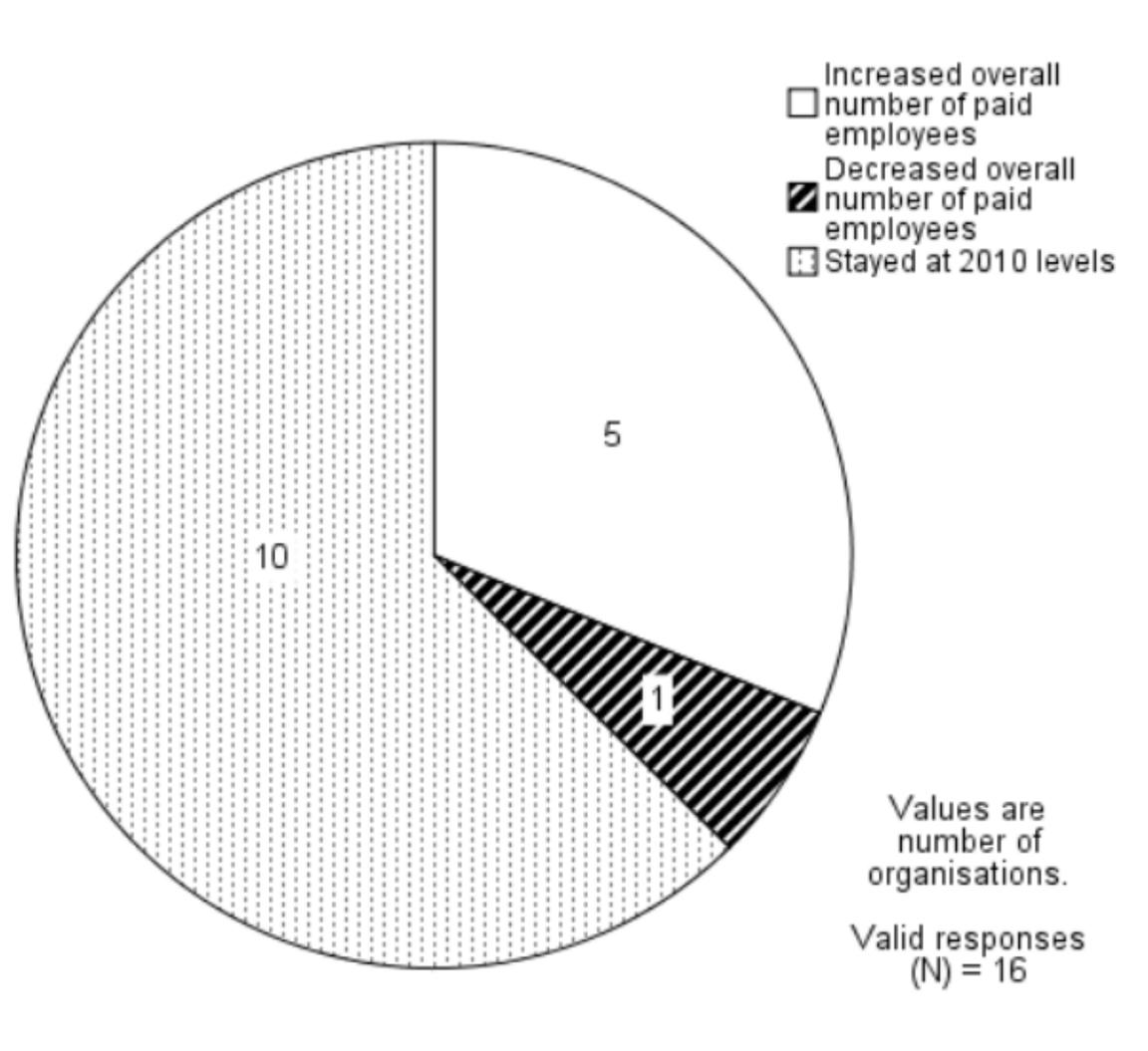
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of full time equivalent (FTE) paid jobs provided by the responding organisations (at the end of 2011) was 50. However, the median value of 18.5 FTE positions may be a better indicator of the typical number of FTE employees, with the figures for individual organisations ranging from one FTE position to 207.

Five organisations reported that the number of FTE positions they provided had increased during the course of 2011, and the average number of jobs created was 2.2. One organisation reported a decrease, having lost 20 FTE positions during 2011. The remaining 10 organisations had continued to provide the same number of FTE jobs as at the end of 2010.

Figure 4 Changes in full time equivalent employment in SEOs during 2011 in Tasmania



Amongst the five organisations that had increased employment, the main reasons cited as important³ in deciding to do this were: increased demand for more staff (four organisations), increased grant or donation funding, award of public contracts, and increased sales of goods and services (each cited by three organisations). The one organisation that had decreased FTE employment reported that this was due to loss of public contracts and to the prevailing economic conditions.

The 10 organisations for whom FTE employment had remained the same as 2010 levels were asked why they had not altered the overall number of paid employment positions: of these, 4 reported that there was no need to increase the number of paid staff, while 6 wanted to increase staff numbers but could not. Of these 6 organisations, 4 suggested that lack of financial resources prevented them from increasing the number of staff.

Suggested policy interventions to support social economy job creation and sustenance

When social economy actors were asked to give their views on how policy-makers could help their organisations to create and sustain employment, a number of key themes emerged from the suggestions given:

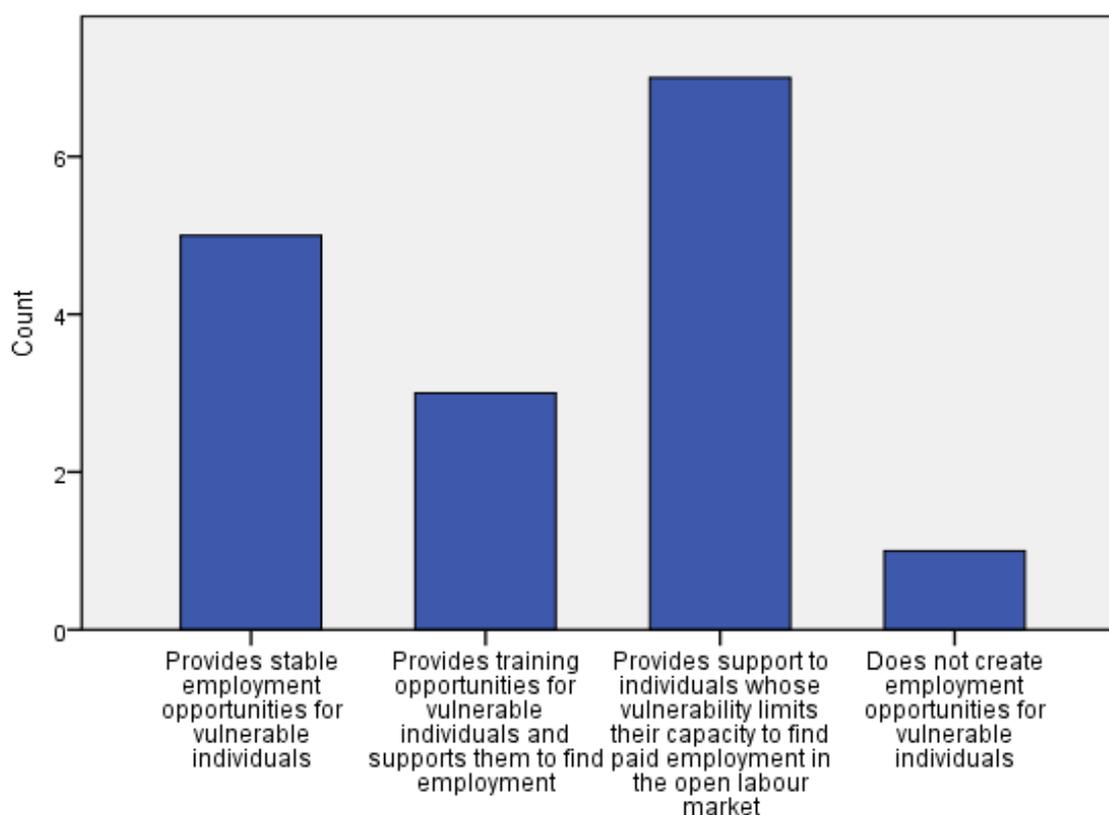
- recognise that supported employment programmes are able to provide necessary care and support for disabled people in the workplace that open employment may not;
- remove the cap on supported employment places;
- improve access to funding for capital projects;
- establish government tendering processes that give preference to social enterprises;
- support sector-specific, as well as cross-sector initiatives to encourage social enterprise; and,
- provide funding that reflects annual CPI (consumer price index) adjustments.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

When asked about their organisations' work with vulnerable groups, 5 respondents (31%) said that they provided stable employment opportunities for vulnerable individuals, while slightly more (7 organisations; 44%) provided support for individuals whose vulnerability limits their capacity to find paid employment in the open labour market.

Figure 5 Provision of employment, training and support to vulnerable groups amongst SEOs in Tasmania



Amongst the 3 organisations that provided training, an average of 19% of the individuals they had trained during 2011 had found employment outside their organisation. Lack of skills and few employment opportunities were cited by two organisations as factors hindering vulnerable individuals from finding employment, and one highlighted discrimination/stigma as a problem in this.

Amongst the organisations that provided employment themselves, on average 58% of vulnerable individuals trained in 2011 had found employment within the organisation. Only 3 respondents provided the number of FTE jobs that were filled by vulnerable individuals in their organisation during 2011, and the figures given ranged from 10 to 152 FTE positions. Only 7 organisations reported on changing levels of internal opportunities for vulnerable individuals (for example employment and training) and in all cases these were reported to have remained constant.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Respondents were asked to comment on how policy makers could help their organisations create and sustain employment and/or transition to work opportunities for vulnerable people, and the following suggestions were given:

- provide full cost recovery for contracted services;
- allow greater flexibility in service delivery; and,
- reduce the amount of 'red tape' and 'micro-management' associated with contract compliance.

Job quality in the social economy

Challenges in delivering job quality in the social economy

In considering policy decisions relating to the social economy it is essential that policy makers take into consideration not only the number, but also the quality, of the jobs created.

Providers were asked to identify, from a list of ten, which aspects of employment quality were the most difficult for their organisation to deliver (up to three aspects could be selected). The most frequent response was security of employment, with six organisations (46% of those that answered the question) identifying this as one of the most difficult aspects of job quality to deliver. The reasons given for this were the economic climate, being dependent on changing resource and policy scenarios, and uncertainty around future contracts: one respondent explained that the length of the contracts they were awarded determined the length of contracts they could offer their staff.

Another frequently cited difficulty was providing career progression opportunities (selected by five organisations; 39%), which was reportedly inhibited by organisations' small size and relatively flat management structures. Four organisations reported that creating opportunities for positive working relationships was difficult, one citing the geographical dispersion of their staff as a reason for this.

Suggested policy interventions to improve job quality in the social economy

There was an emphasis on partnership and dialogue in social economy actors' responses to the question of how policy makers could help improve job quality in the social economy. One highlighted

the importance of listening to social economy representatives in order to create more realistic and appropriate policies towards them; whilst another pointed out that policy had an important part to play in creating the environment for change, but that change needed to be driven by the sector itself, rather than imposed by government agencies. It was suggested that the government could work more closely with social enterprise to establish pathways to employment via training and work experience.

WESTERN SYDNEY, AUSTRALIA

Profile

The area of western Sydney is located in Australia's most populous state of New South Wales (NSW) and forms part of the greater Sydney area. Western Sydney is comprised of 14 local government areas and is a fast growing metropolitan region. It has a current population of approximately 2.02 million, with recent trend data suggesting that this number is growing at 1.6% per year (NSW Department of Premier and Cabinet, 2011a).

The territory is characterised by areas of both socio-economic advantage and disadvantage. In aggregate, however, average salaries and wages are comparable with the national average, while median weekly household income at AUD 1142 is somewhat greater than the corresponding national figure of AUD 1027. Educational attainment in the region is marginally lower than the national average. Based on 2006 census data, 37.7% of western Sydney residents had completed post-compulsory education qualifications compared with 39.4% of the national population. Western Sydney is a highly culturally diverse area, with more than 35% of the resident population born overseas, compared with the national figure of 24.6%. Those western Sydney residents born outside Australia were most commonly born in south-east Asia, southern and eastern Europe, the Middle East and North Africa.

Western Sydney's annual Gross Regional Product (GRP) for 2009-10 was AUD 83.4 billion, which represented a little more than one third of GRP for the greater Sydney area. Western Sydney is Australia's largest manufacturing region, with this sector contributing 19.1%, or about AUD 13.4 billion, of total western Sydney industry value-added in 2009-10. This sector has recorded modest growth in recent years, despite an overall decline in manufacturing nationally. In addition, western Sydney has significant industry involvement in: transport and logistics, professional services, retail, health and social assistance, and wholesale trade. It has experienced consistent industry growth in finance and insurance, health and community services, and transport and distribution in recent years (NSW Department of Premier and Cabinet, 2011b). The top three industry segments based on employment in the region are: manufacturing; retail; and, health care and social assistance.

The social economy in western Sydney

There is no data available on the social economy in western Sydney. A consultation process commissioned by GROW Sydney (now Sydney Regional Development Association) in 2009 found that SEOs in greater Sydney were likely to make a significant economic contribution and were significant employers, particularly of disadvantaged job seekers. However, the report noted there was a lack of regionally specific knowledge of the sector and recommended that detailed mapping of the sector and its contributions be undertaken (Indian Pacific Management Ltd, 2009). Directory information from participating local government areas suggests that the social economy in this region is active in social services, education and training, arts and cultural development, and environmental protection. Available regulatory data would suggest that, similarly to other parts of Australia, there is a 'mixed economy' of SEOs serving western Sydney, comprising incorporated associations, companies limited by guarantee and co-operatives as the major legal forms.

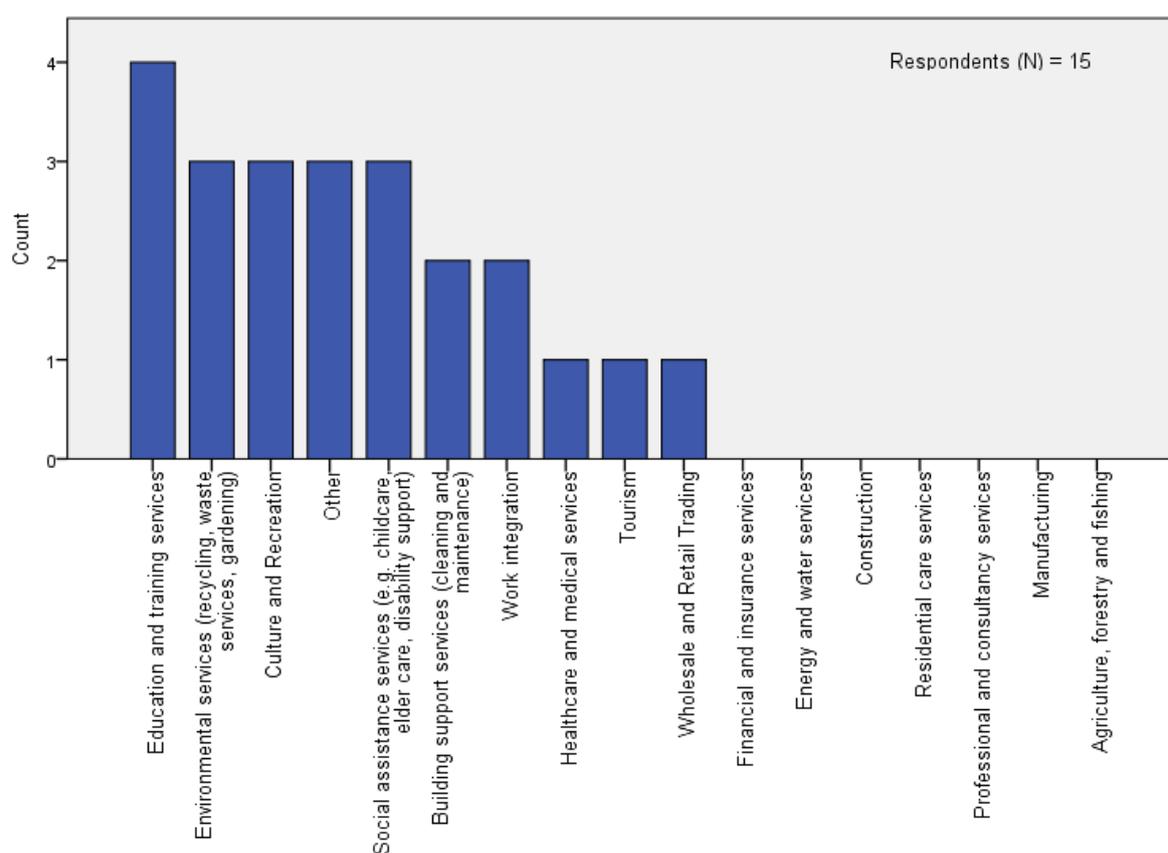
Survey Findings

In western Sydney responses to the survey were received from 15 organisations. Of these, 8 were companies limited by guarantee and three were incorporated associations. The remainder were public benefit institutions, unincorporated associations, or organisations formed under specific legislation.

Sectors in which social economy organisations operate

The sector most frequently cited as amongst providers' two most important sectors of operation was education and training services, although a range of sectors were represented (see Figure 6).

Figure 6 Most important sectors of operation for SEOs in western Sydney



Note: Respondents could select up to two sectors, hence counts sum to greater than N

Funding sources of social economy organisations

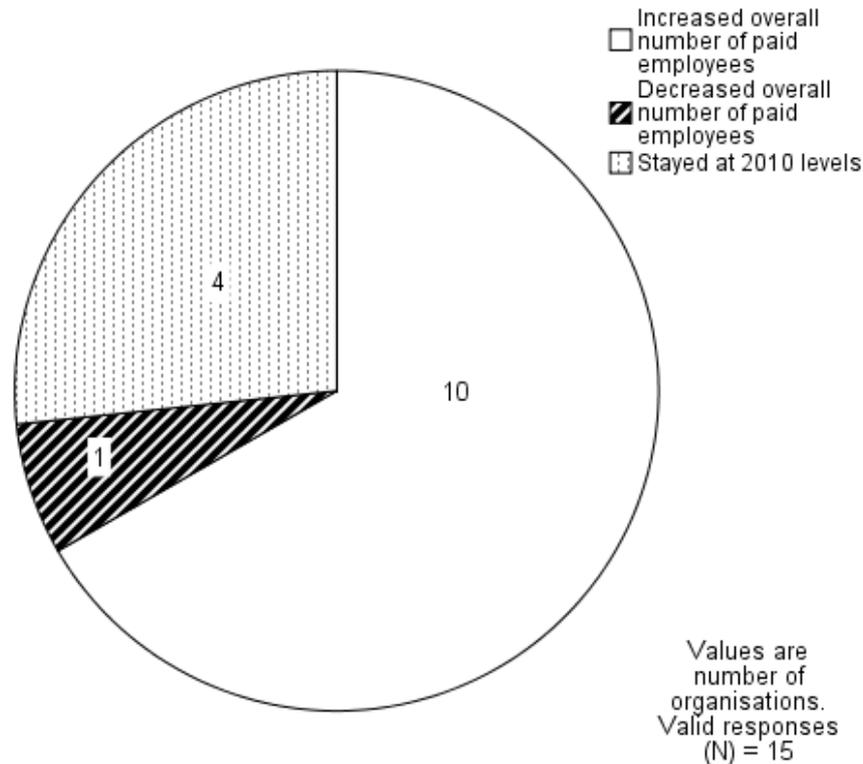
The income source from which the organisations that responded received on average the highest proportion of their income from was donations and grants which accounted for a mean of 42.6% of organisations' funding in 2011. Sales of goods or services accounted for an average of 30.4% of organisational income, whilst public contracts represented on average 20.5% of funding.

Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The number of FTE jobs provided at the end of 2011 by the SEOs that responded ranged from 0 to 600, with the median being 35 FTE positions.

Figure 7 Changes in full time equivalent employment in SEOs during 2011 in western Sydney



Ten organisations reported that they had increased the number of overall FTE employees during 2011, and the mean number of jobs created by these organisations was 18.1. One organisation reported having created 60 new jobs in 2011. Asked to explain their decision to increase FTE paid employment, increased demand for staff was the most frequently cited reason (by 8 organisations; 80%), followed by increasing grant or donation funding and increasing sales of goods and services (both by 5 organisations; 50%).

The one organisation in which FTE employment had decreased had lost one FTE position and this was reported to be due to retirement. Four organisations retained the same FTE employment levels as in 2010. In two cases there was said to be no need to increase staff numbers, but two organisations reported that they would have liked to increase their paid workforce but could not, due to lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

Encouraging public sector purchasing from social enterprises was suggested repeatedly by social economy actors when asked how policy makers could support their organisations in creating and

sustaining jobs. It was proposed that social procurement could be encouraged across all levels of government (local to national) and also in the private sector, perhaps through the use of financial incentives. Greater dialogue in the development of tenders was advocated, and it was recommended that policy makers conduct a cost-benefit analysis comparing creating social enterprises to assist disadvantaged people into employment against current labour market initiatives.

Respondents highlighted the need for easier access to finance for social enterprises, with one suggesting that this could take the form of social impact bonds. It was also suggested that there could be greater support for SEOs in accessing appropriate infrastructure, assets, or investment capital.

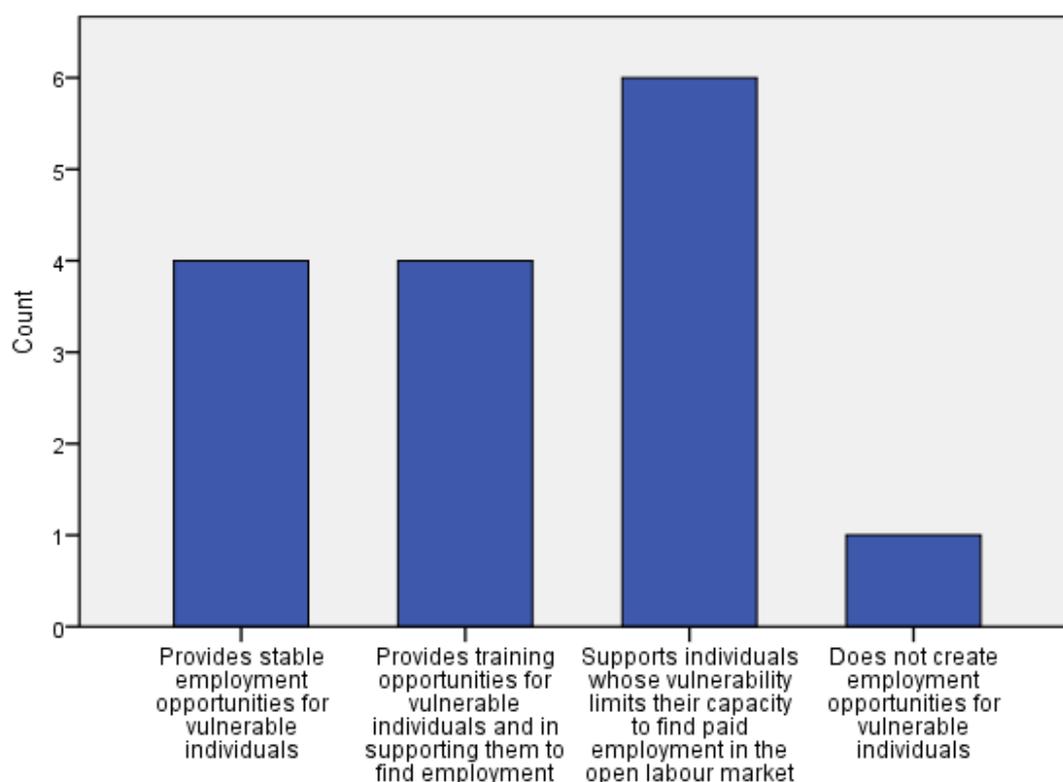
Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Four of the responding organisations provided stable employment for vulnerable groups, while six were involved in providing support, and four provided training and support to find employment. Amongst the four that provided training and support, on average 22.5% of the vulnerable individuals supported by these organisations during 2011 had gone on to find employment outside of these organisations. Discrimination/stigma and lack of opportunities were reported to be the main factors hindering these individuals from finding employment.

Amongst those that provided employment, the percentage of individuals trained in 2011 who successfully found work within the organisation ranged from 15% to 50%. The number of FTE positions filled by vulnerable individuals ranged from 2 to 45.

Figure 8 Provision of employment, training and support to vulnerable groups amongst SEOs in western Sydney



Six organisations reported that they had increased the number of internal opportunities (for example in employment or training) for vulnerable individuals during 2011 and the average increase amongst these organisations was 5.6 FTE jobs. The most important factors in making these increases were increased demand for staff and increased sales of goods and services.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Respondents identified a number of ways in which policy makers could support their organisations in working with vulnerable people:

- provide wage subsidies to assist social enterprises with the higher operating costs associated with the social nature of their work;
- access to free training or funding for training;
- ongoing support to help organisations sustain employment, such as employment liaison officers to support employees and employers, or mentorship schemes;
- establish industry networks in high needs employment areas; and,
- ensure that engagement with vulnerable people involves genuine dialogue and is responsive to their input.

Job quality in the social economy

Challenges in delivering job quality in the social economy

Reflecting the fact that employment quality is multi-faceted, respondents were asked to identify the aspects of job quality that were most difficult for their organisations to deliver. Up to three aspects could be selected from a list of ten. Security of employment was the most frequently cited aspect, being identified by 10 organisations (of the 15 that answered this question) as amongst the most difficult aspects of job quality to deliver. The limited duration of contracts was the main reason given for this, as well as lack of work/market demand and the uncertain economic climate.

Providing adequacy of pay was also identified as particularly problematic by four organisations. This was reported to be due to limited budgets which meant that organisations could only afford to pay low wages, and the fact that some organisations were providing traineeships which did not typically provide good incomes.

Suggested policy interventions to improve job quality in the social economy

The recommendations made by social enterprise actors with respect to policies that could help improve job quality in the social economy included a mixture of funding, education, and advocacy related interventions, such as:

- offering longer term contracts;
- providing financial assistance to enable social enterprises to offer adequate training to disadvantaged people;

- funding for infrastructure, especially for start-up organisations;
- integration of social enterprise modules in undergraduate business degrees and into social justice curriculum; and,
- greater political advocacy for social enterprise, and stronger emphasis on social justice in education and employment policy (for example, an increase minimum wage).

FLANDERS, BELGIUM

Profile

Flanders is the northern region of Belgium and in 2010 had a population of 6.2 million. This represented 57.2% of the country's total population of 10 839 905.

The International Labour Organization unemployment rate in Flanders in 2011 was 4.3%, which is somewhat lower than the national unemployment rate of 7.1% for the last quarter of 2011 (Eurostat, 2012). The key economic sectors according to the share in employment are: the public sector (18.4%); the social and health sector (13.8%); the metal industry (9.5%); business services (8.7%); distribution (6.8%); and transport (5.3%), with all other sectors accounting for less than 5%. Flanders' GDP in 2009 was 31 100 euro per capita in 2009.

The main vulnerable groups, with regard to employment, in Flanders are disabled people, migrants, older workers (+ 50) and people living in poverty.

In 2009-2010 firms with less than 100 employees accounted for 9.8% of all private jobs, 83 188 jobs were created and 76 279 were lost amongst these small and medium enterprises during this period.

In Flanders the social economy is taken to mean the assortment of companies and initiatives which:

1. postulate the realisation of specific social added value and social principles within their target attainments, and more specifically:
 - the creation and retention of jobs, the strengthening of competencies so as to promote sustainable careers and employee mobility, wherever possible within the social economy, and to encourage their transition into the mainstream economy. Focus is given to the position of vulnerable segments of the population within the labour market, to emancipation and to integration;
 - sustainable development, environmentally-friendly products and production processes, and a comprehensive environmental policy;
 - the priority of labour over capital with respect to revenue sharing, whereby the revenues are not themselves the goal but are instead a means with which to achieve social attainment targets;
 - democratic decision-making processes, whereby all parties concerned are given the chance to provide input into company policy, and are encouraged to do so;
 - maximum transparency, as it pertains to, among other things, the overall policy pursued, company finances and internal and external relationships;

- quality of the relationships: with external relationships, a win-win partnership is pursued whereby the costs and benefits are shared equally in accordance with the principles of equivalence and transparency. With internal relationships, the priority is placed on providing opportunities for personal development, non-discrimination and the conditions of employment for personnel; and,
 - social integration, by means of entering into a dialogue with the local community and with non-governmental organisations active in that field, and by means of networking and collaboration;
2. and produce goods and provide services for which there are existing and future customers and demands, whereby continuity, profitability and maximum efficiency with respect to resource deployment are pursued.

This definition was consolidated by the Flemish government in recent legislation. The social economy in Flanders is focused on three pillars: i) work integration; ii) the provision of societal services, and, iii) the provision of support to other SEOs. As noted later in this chapter, respondents to the survey were primarily from the first pillar (specifically social and sheltered workshops) along with a small number of second pillar organisations providing societal services.

In 2011, the social economy accounted for approximately 25 000 jobs in Flanders, representing 0.9% of all people employed. Many SEOs perform activities (production, services) which are sub-contracted with ordinary firms. The effect of the economic crisis was a substantial reduction in this type of work which, especially in the sheltered workshops, led to people being made temporarily unemployed.

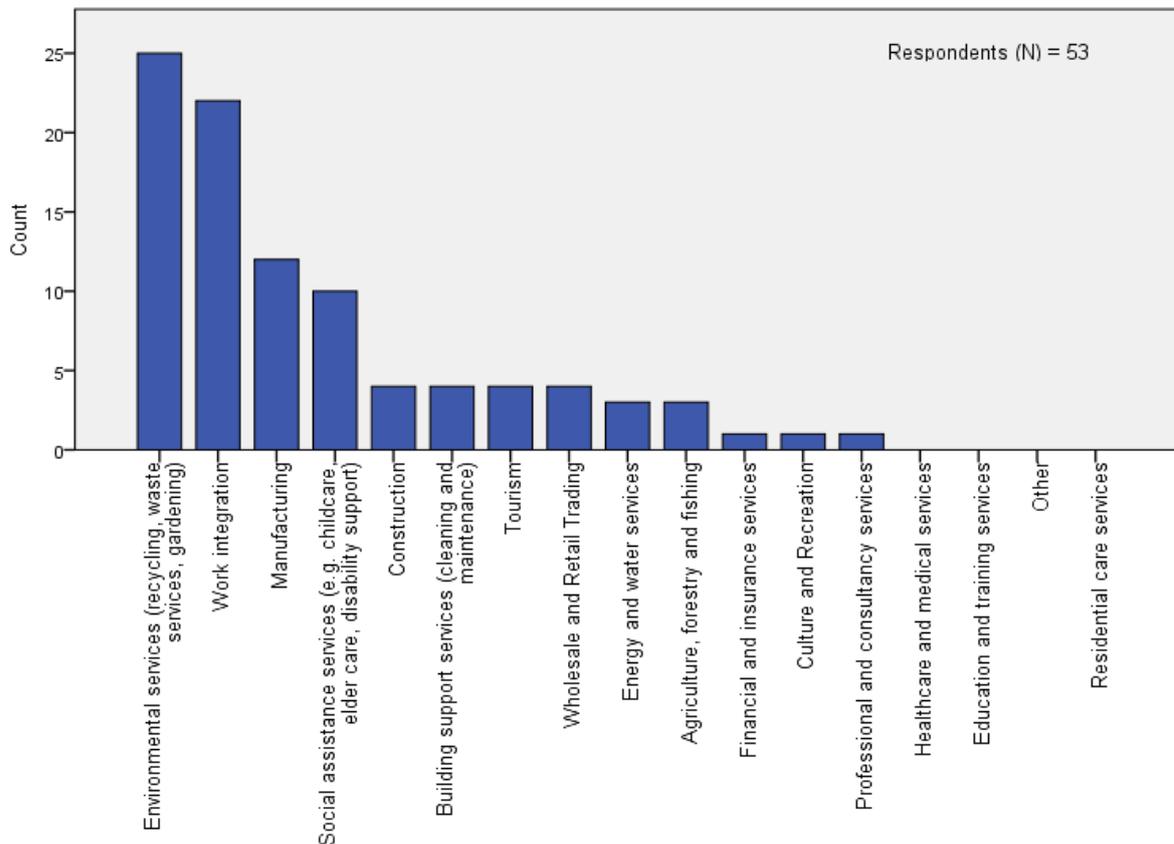
Survey Findings

The Flanders survey was completed by 53 SEOs. The majority of these took the legal forms of private non-profit social workshops (SW/VZW) or private non-profit sheltered workshops (BW/VZW), and a smaller number taking the form of public or private non-profit local service economy initiatives (LDE/Public and LDE/VZW).

Sectors in which social economy organisations operate

Amongst the responding organisations, environmental services (recycling, waste services, gardening) was the most frequently represented sector of operation (25 organisations; 47.2%), followed by work integration (22 organisations; 41.5%). Organisations were allowed to select up to two sectors of operation.

It is worth noting that work integration organisations seem to make up a large proportion of the SEOs that responded than in other countries and regions: without additional data it is difficult to ascertain whether this reflects the nature of the social economy in Belgium, or whether it is a result of the way in which the sample was drawn.

Figure 9 Most important sectors of operation for SEOs in Flanders

Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

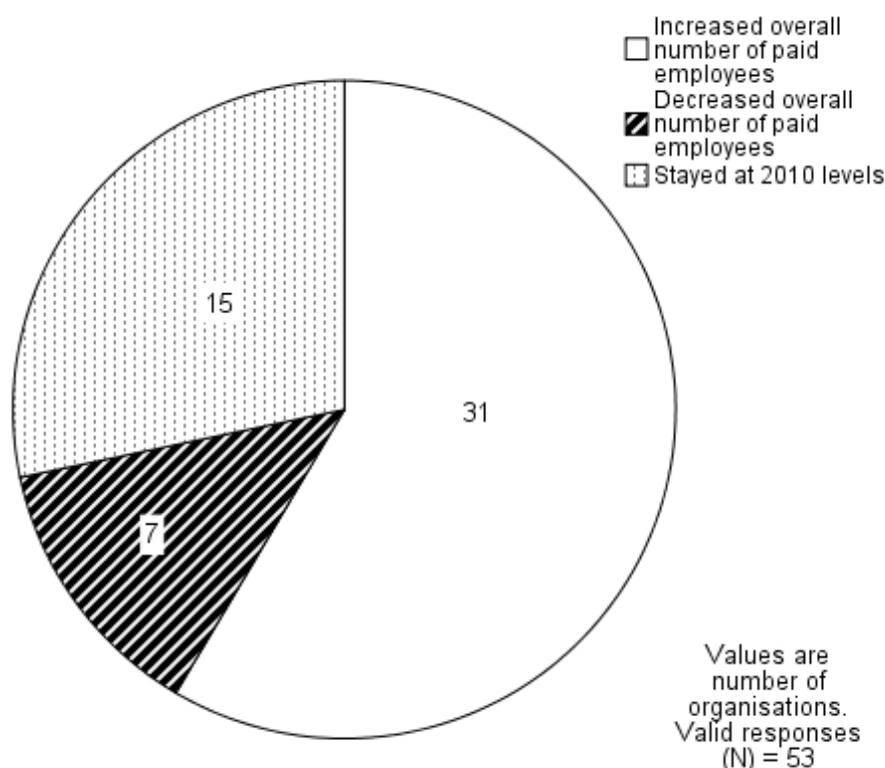
For the organisations surveyed in Flanders, subsidies typically accounted for the highest proportion of funding, with the average organisation receiving 44.3% of its income from this source in 2011. Sales of goods and services were also an important income source, accounting for an average of 38.1% of organisational income. Public contracts were less important, making up 10.2% of organisations' incomes on average; whilst the average contribution of grants and donations was only 4%.

Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The number of jobs provided by the organisations surveyed ranged from one to 1 358. The mean number of jobs provided was 137.28, although the median of 61 FTE jobs is arguably a better indicator of typical employment levels here.

Figure 10 Changes in full time equivalent employment in SEOs during 2011 in Flanders



The majority of organisations (31; 58.5%) reported having increased FTE positions during 2011, although 7 (13.2%) reported a reduction, and 15 (28.3%) had stayed the same. Amongst those in which employment had increased, the mean increase was 7.27 FTE jobs. The mean number of jobs lost amongst organisations that decreased FTE positions was 24.37 but this figure is rather distorted by an outlying case where over 150 jobs were lost, and thus the median of 3 FTE positions may be more reliable.

In Flanders, the main reasons given for increasing employment were: increased sales of goods and services (ranked as important by 21 organisations; 75%); increased demand for staff (20 organisations; 71.4%); and increased subsidies (16 organisations; 57.1%). Meanwhile the most important factors contributing to decreasing FTE employment were decreased sales of goods and services (3 organisations; 60%) and the prevailing economic conditions (3 organisations; 60%).

Of the 15 organisations in which FTE employment had remained the same, 8 organisations (53%) wanted to increase the number of employees but could not, whereas 6 (40%) said there was no need to increase staff numbers. Amongst the former group, lack of financial resources was the factor most commonly identified as preventing them from increasing staff numbers, although a number of organisations pointed out that restrictions on government subsidies played a part in this too.

Suggested policy interventions to support social economy job creation and sustenance

Asked how policy makers could support the social economy in creating and sustaining jobs, social economy actors highlighted the following concerns and suggestions:

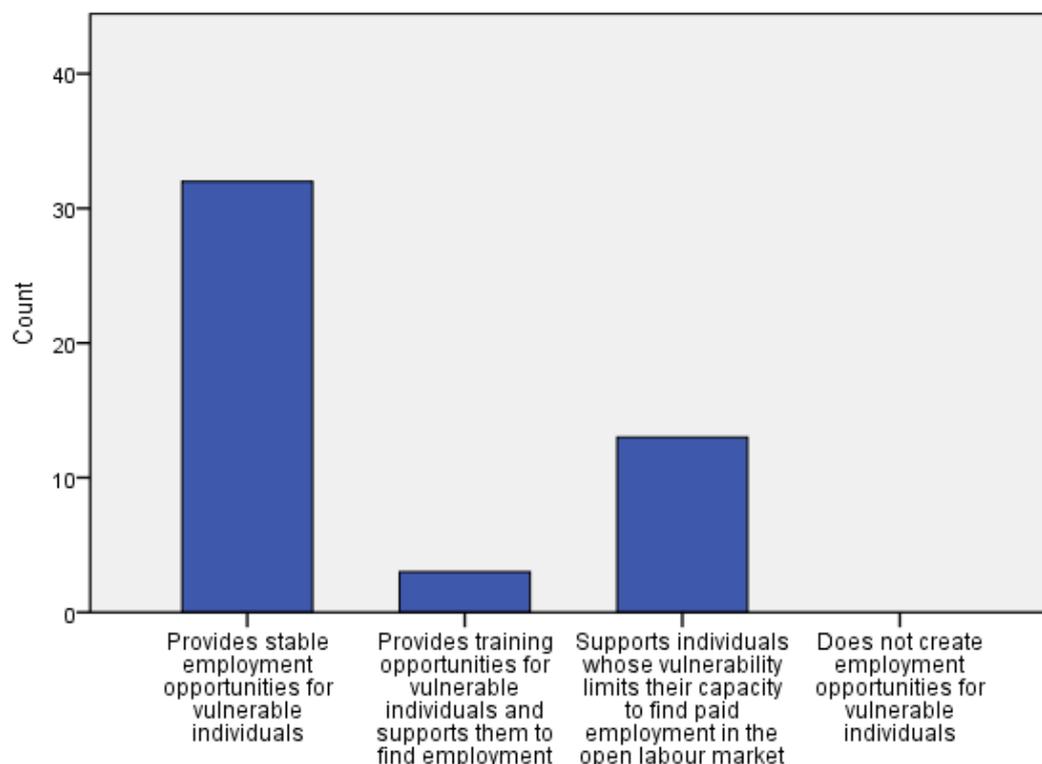
- the need for recognition of the added value that the social economy provides by generating employment for those with significant barriers to entering the labour market and the importance of their role in widening participation in the workforce (there was the perception amongst providers that they were perceived instead as creating false competition for mainstream businesses);
- promote public and private sector procurement from the social economy. Two respondents suggested requiring private sector businesses to purchase a certain percentage of their goods/services from SEOs;
- increase subsidies for providing support in sheltered workshops;
- improve the clarity, consistency and stability of decisions about subsidies: protracted policy discussions about these had created considerable uncertainty;
- allow greater flexibility in the number of workers that sheltered workshops can employ. One respondent said: ‘Restrictions on the number of people we can employ make it difficult to engage people who need it most at the time they need it most’. While another reported that fixed limits on personnel mean they are not always able to take advantage of market opportunities to support and employ more people when they arise; and,
- raise awareness and understanding by promoting the sector to the public.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

In contrast to many of the other regions study, the majority of organisations in the Flanders study (32 organisations; 66.7%) provided stable employment opportunities for vulnerable individuals. However, there were a significant minority (13 organisations; 27.1%) that provided support with finding employment.

Figure 11 Provision of employment, training and support to vulnerable groups amongst SEOs in Flanders



Three organisations provided training for vulnerable people, and on average 17% of the individuals trained by these organisations in 2011 went on to find employment elsewhere. The lack of employment opportunities was the most frequently cited hindrance to these individuals finding employment.

Amongst those organisations that provided employment themselves, on average 48.8% of the individuals trained found employment inside these organisations. The average number of FTE jobs filled by vulnerable people (amongst the 28 organisations that answered the question) was 100, although the median value was somewhat lower at 59.5.

Sixteen organisations (48.5%) reported that there had been no change in the number of internal opportunities (for example in training or employment) for vulnerable people during 2011; however, 15 (45.5%) reported an increase. The average increase was 5.56 FTE positions. The factor most frequently cited as important (by 14 organisations; 82.4%) in taking the decision to increase these opportunities was increased sales of goods and services. Increased demand for staff and increased subsidies were also amongst the most frequently identified factors contributing to this. Two organisations reported a decrease in internal opportunities but no reasons for this were given.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Several respondents pointed out that the interventions suggested above about policies to support job creation generally were also relevant to increasing the provision of employment for vulnerable people, and again there were requests for the creation of more subsidised jobs, clearer legislation and more consistent decision making, and increased public sector procurement from the social economy.

In addition to this, respondents suggested that wage subsidies should be constant rather than diminishing in value over time, because the condition of the majority of workers with disabilities is not expected to improve over time. One respondent proposed that long-term covenants with local governments may be a more appropriate option than tendering for contracts for SEOs employing vulnerable people, because the latter had the effect of reducing costs and increasing workloads, in turn reducing the wellbeing of vulnerable workers.

Job quality in the social economy

Challenges in delivering job quality in the social economy

The aspect of job quality most frequently cited as difficult to deliver by social economy actors in Flanders was security of employment, with 19 (41%) of the 41 organisations who answered the question selecting this. This was attributed to organisations' financial dependency on subsidies, and uncertainty regarding whether or not these would be awarded (or renewed). One respondent also pointed out that it was difficult for them to attract a sufficient volume of work on a continual basis, especially because much of the work they might have undertaken is displaced to what they termed 'low cost countries'. These factors also influenced organisations' ability to offer adequate pay to their employees, an issue which 12 organisations (29%) identified as problematic.

Career progression was also highlighted as a difficult area, as was offering individual autonomy at work (both by 13 organisations). The former was said to be restricted by both the small size of organisations, which offered few opportunities for progression, and by the limited competencies of workers. Giving workers autonomy was reported to be difficult due to the nature of the work, which required that certain tasks be carried out in a certain way, and due to the level of guidance and support that some employees needed (particularly those with learning difficulties, for example).

Suggested policy interventions to improve job quality in the social economy

Respondents provided the following suggestions about how policy makers could help improve the quality of jobs provided by the social economy:

- provide sufficient subsidies to cover the extra costs (such as lower productivity and support costs) associated with employing vulnerable people, and to enable salaries to reach living wage level;
- one respondent suggested that competition with prisons and day care centres engaging in commercial activities should be limited. The government was deemed to have created unfair competition by establishing commercial activities to employ prisoners at rates below the minimum wage in the same fields that sheltered workshops operate in;
- allow SEOs to expand their provision, as larger organisations would be easier to manage;
- provide subsidies for training suitable to the needs of vulnerable employees; and,
- allow SEOs to respond to the need for workers in the welfare/care sector.

BRITISH COLUMBIA, CANADA

Regional Profile

British Columbia (BC) is situated on the west coast of Canada. With a population of 4 622 600 in 2012, it accounts for approximately 13% of Canada's total population of 34 880 500 (BC Stats, 2012).

The economy in British Columbia and its major urban areas of Vancouver and Victoria is in a period of transition and recovery. Historically the economy was based on forestry and mining. Employment levels and local economies are very dependent upon the price of the extracted resources. Two rural communities in British Columbia are home to major smelters which process the raw materials and international shipping from several sea ports on the west coast.

The forestry industry is in a transitional stage. Much of the industry's success is dependent upon the vibrancy of the United States housing market, which has been greatly diminished since the economic crash of 2008. This forestry collapse has caused significant employment challenges and economic collapse in many rural communities, which continue to search for alternatives. Natural gas is also an important sector and has been stimulated by government subsidies and incentives.

Vancouver is the territory's largest urban centre and includes Canada's poorest postal code district and yet also has Canada's highest cost of housing. These conflicting pressures are now causing tensions in low income areas as gentrification meets with severe poverty. A recent study of social issues by the Vancouver Foundation found that isolation was the key social issue affecting Vancouver's population.

In September 2011, the employment rate in British Columbia was 60.8%, compared to 62.2% nationally (BC Stats, 2012). At the same time the unemployment rate was 6.3%: slightly lower than the national figure of 6.6% (BC Stats, 2012).

The social economy in British Columbia

Co-operatives make a particularly important contribution to British Columbia's social economy and are active in many areas including transport, agriculture, social services, financial services and retail. In addition, it is estimated that there are nearly 100 social enterprises in the urban core area of Vancouver, for example. These take a range of business forms, but are primarily addressing issues of poverty and employment.

Research conducted in 2010 amongst 140 social enterprises across BC and neighbouring Alberta showed that these organisations had between them a total of 4 500 employees, 60% of whom were members of an identified target group (such as people with a mental or physical disabilities) (BALTA, 2010). In addition to their paid staff, these organisations also involved 6,780 full- and part-time volunteers (BALTA, 2010).

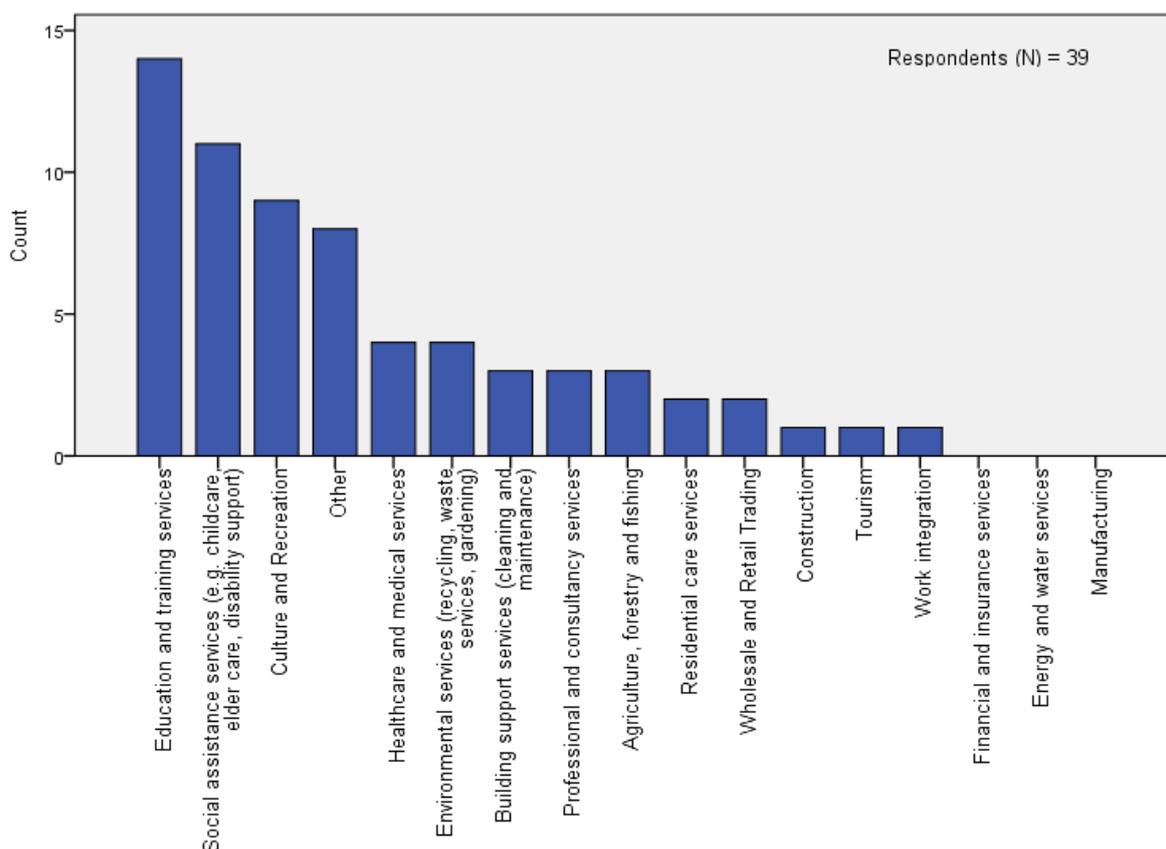
Survey Findings

The survey conducted in British Columbia gave rise to responses from 39 SEOs, all but one of which took the legal form of a 'non-profit society'. The exception to this was an organisation describing itself as a 'multi sectoral collaborative'.

Sectors in which social economy organisations operate

Organisations were asked to select up to two of the most important sectors in which they operated. Education and training services were the most strongly represented, with 38% of organisations identifying this as an important sector of operation. This was followed by social assistance services (29.7%) and culture and recreation (24.3%), but Figure 12 shows that SEOs were active across a wide range of sectors including agriculture, construction, retail and tourism, for example.

Figure 12 Most important sectors of operation for SEOs in British Columbia



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

The major income sources for the organisations studied were grants and donations (on average 33% of total income), sales of goods and services (27%), and public contracts (26%). The mean income received from membership fees was 1%. Only 2 organisations reported receiving funding in

the form of subsidies which in one case accounted for 10% of their annual income and in another 3%. Whilst the significance of these sources varied considerably between organisations, this demonstrates the varied composition of the social economy's income base, which is important when considering the challenges and opportunities the sector has in terms of creating and sustaining employment.

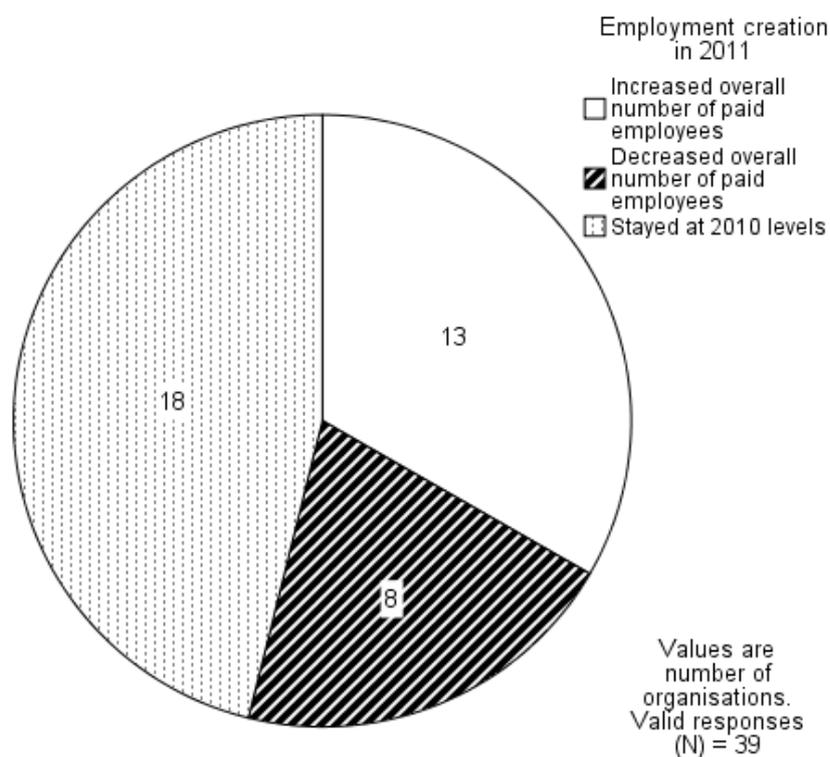
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

A total of 721.8 FTE jobs were provided by the 39 organisations that responded to the survey (as recorded at the end of 2011). The mean number of FTE jobs per organisation was 18.5. However, the fact that 327 jobs were accounted for by one organisation means that this figure is somewhat distorted. Consequently, the median value of 6 FTE jobs is a more reliable indicator of the amount of employment typically provided by the responding organisations. Whilst 7 organisations (18%) provided 20 or more FTE jobs, the majority (62%) had fewer than 10 FTE jobs, with 4 organisations providing one or less than one FTE positions.

When asked about changes in the number of paid employees during 2011, 18 organisations (46%) said they had retained the same size workforce, 13 organisations (33%) reported an increase, while 8 (21%) had reduced the number of paid employees over the year.

Figure 13 Changes in full time equivalent employment in social SEOS during 2011 in British Columbia



For organisations that had increased the size of their paid workforce, the mean number of new FTE jobs created during 2011 was 1.2 with the maximum being 4 jobs. The most significant factors in

deciding to make these increases were identified as increased grant or donation funding; increased demand for more staff; and the award of new public sector contracts for the provision of goods and services.

Amongst the organisations that reduced FTE employment during 2011, the number of jobs lost ranged from 0.5 to 8. Prevailing economic conditions were identified as having an important impact on this, along with decreased grant or donation funding. For some organisations loss of public sector contracts had had a significant impact, but for others this was not an important factor. It seems that aside from the prevailing economic conditions, the reasons for organisations decreasing their FTE employment were dependent on their specific circumstances and funding sources. However, in only one case was reduced demand for staff identified as a reason for reducing employment.

Amongst organisations that retained the same number of staff, the majority (ten) would have liked to increase the number of staff but could not. In all cases this was reported to be due to lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

When asked to give their views on how policy-makers could help their organisations to create and sustain employment, social economy actors in British Columbia cited repeatedly the need for funding for operational costs, which were typically not covered by contracts but were vital for organisations' sustainability. Procurement seemed to be an area in which respondents felt that policy makers had opportunities to aid them significantly in their efforts to create and sustain employment, for instance by ensuring that administrative costs were included in contracts and by unbundling large contracts, allowing providers to bid for smaller packages of work. Longer term (multi-year) contracts would, it was argued, improve services and conditions for staff and help with recruitment and retention of employees. Policies could also be developed to encourage purchasing from social enterprises, or to require potential contractors to demonstrate how they would invest in communities. One respondent suggested that the social costs of social enterprise (for example, the costs associated with employing vulnerable people) should be taken into account in deciding the value of contracts.

In addition to funding-related interventions, social economy actors also felt that policy makers could play a part in developing educational initiatives to raise awareness and understanding of social enterprise both amongst for-profit actors and non-profit board members, for instance. In a slightly different vein, respondents also suggested that provision of life skills training, particularly for aboriginal populations would aid them in creating and sustaining employment.

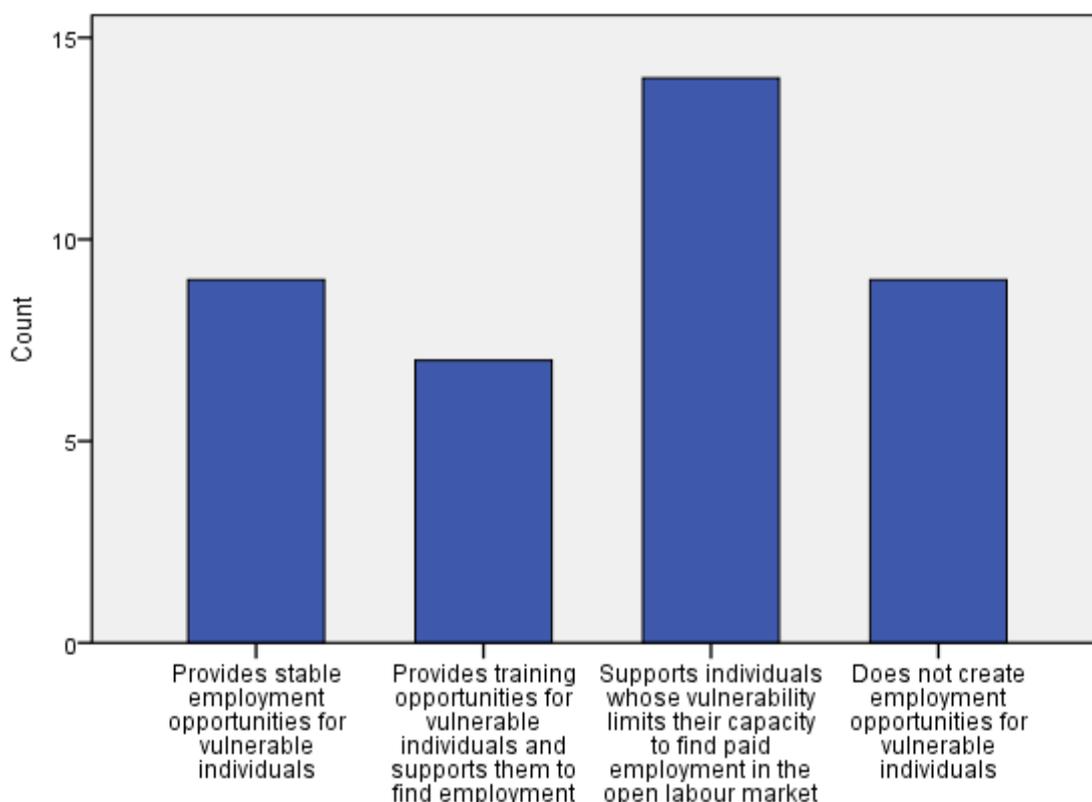
In addition, some organisations highlighted that greater recognition and support for their 'vertical' policy area (Kendall, 2003), such as environmental issues and food systems, was needed.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Not all of the SEOs in the survey provided employment for vulnerable individuals. Nine organisations (23%) reported that they offered stable employment for vulnerable individuals, but seven focussed on providing training. The provision of support to vulnerable individuals was more widespread than actual employment. Nine organisations did not create employment opportunities for vulnerable people.

Figure 14 Provision of employment, training and support to vulnerable groups amongst SEOs in British Columbia



Whilst the numbers of organisations involved are very small, it is interesting to look at the extent to which organisations were able to fulfil the differing objectives that they had in relation to the employing, training or supporting of vulnerable individuals. Of the organisations providing training, four provided data about the percentage of trainees who had moved on to find employment outside the organisation, and these figures ranged from 6% to 80%. Of those that offered stable employment opportunities, seven organisations provided data about the percentage of trainees that they had been able to employ: four reported very high proportions ranging from 75-100% while the remaining two had employed less than 5%. One organisation reported that this question did not apply to them because they employed vulnerable individuals on a long-term basis.

Nine organisations were able to provide some FTE jobs for vulnerable individuals, most of these offering less than five FTE posts. However, the majority (77%) of organisations did not provide any FTE jobs for vulnerable people.

Only 15 organisations provided information about changes in the number of internal opportunities (such as training or employment) for vulnerable people during 2011: of these, seven reported an increase, six had remained the same, and two had decreased. Amongst the seven organisations reporting an increase in opportunities, employment for vulnerable individuals had risen by between zero and three FTE jobs.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Asked to comment on how policy makers could help their organisations create and sustain employment and/or transition to work opportunities for vulnerable people, respondents made the following suggestions:

- providing wage subsidies for employing vulnerable individuals;
- making changes to procurement policies;
- providing tools to help them measure the long-term outcomes of training programmes; and,
- making changes to the benefits system so that people receiving disability benefits do not lose these when they take the risk of working (one respondent explained that the level of allowable earnings for those on disability benefits left them with an overall income well below the living wage).

Job quality in the social economy

Challenges in delivering job quality in the social economy

Respondents were asked to select 3 aspects of job quality (from a list of 10) which they felt were amongst the most difficult for their organisation to deliver. Adequacy of pay and security of employment were the most frequently selected aspects, being chosen by 67% and 63% of organisations respectively. These were followed by difficulties related to career progression opportunities (37% of organisations) and provision of training (33%).

A number of key themes emerged from respondents' explanations about why the dimensions of job quality they had selected were difficult to deliver. Providing adequate pay to employees was said to be hampered by lack of funding, and specifically by the fact that government contracts do not provide sufficient resources to cover costs and pay living wages to workers. This means that if organisations wish to pay a living wage to employees, they need to subsidise this from other income.

Several respondents pointed out that the industry sectors in which they operated were low-paying (such as cleaning) and that raising wages would make them uncompetitive in the market. It was suggested that clients were looking for the lowest price, without regard for how much front line staff were paid. This demonstrates the important influence that the wider socio-economic context (beyond the social economy) has on the ability of these providers to create and sustain quality jobs. However, the way in which this plays out depends on the way in which an organisation is seeking to make a social contribution; for instance, whereas some organisations sought to employ vulnerable individuals, others had vulnerable people as clients or customers and so pointed out that clients' inability to pay a market rate for goods or services made it difficult to secure sufficient income to pay staff adequately. Several organisations also noted that the cost of living in their particular locality was very high, making it difficult for them to pay a living wage.

With regard to security of employment, respondents reported that short-term contracts meant that funding levels were uncertain from year to year, leading to difficulties in delivering job security. Income from other sources such as fundraising was also unpredictable, and organisations were affected by changes in the wider economy too. Government austerity measures were said to be adding

to uncertainty about funding, and organisations' incomes were vulnerable to changing government priorities.

Difficulties in providing training were in almost all cases ascribed to a lack of funding, and it was pointed out that as an organisations' core costs increased, less money was available for training and professional development, the cost of which was not covered by contracts, for example. Career progression was less frequently identified as amongst the most difficult dimensions, but as one respondent stated, 'at present just getting training to enter or re-enter the workforce is challenging enough'. Some respondents also commented that the very small size of their organisation made it difficult to deliver this, and there was the sense that the need for lean management structures to keep costs low was also a factor in this.

Suggested policy interventions to improve job quality in the social economy

Some of the themes emerging from respondents' recommendations for policy makers regarding job quality were as follows:

- a strong emphasis on the need for greater recognition of the value of the non-profit sector and its contribution to the economy;
- some suggested that the education and skill levels, and indeed the needs (such as in terms of remuneration and employment conditions) of non-profit sector professionals were often considered to be lower than those of for-profit or public sector professional, and that this perception was misguided and needed to change;
- need for provision of funding for operational/administrative costs;
- need for funding for training, capacity building and post employment support;
- need for longer term contracts which make provision for paying staff the minimum wage; and,
- provision of subsidies to help organisations create new entry level positions.

QUEBEC, CANADA

Profile

Quebec is the largest province in Canada, covering an area 1 312 126 square kilometres in the east of the country. Its population of 7 979 663 accounts for 23.1% of Canada's total population 34 482 779 in 2011 (Statistics Canada, 2012a). Quebec's population density is 6.1 inhabitants per square kilometres (Institut de la statistique du Québec, 2012).

At the end of August 2012 the employment rate in Quebec was 59.9%, whilst unemployment was at 7.6% (Institut de la statistique du Québec, 2012). This compares to the national unemployment rate of 7.3% for the same period (Statistics Canada, 2012b).

In 2002, the social economy in Quebec was estimated to consist of 7 822 businesses (3 881 co-operatives and 3 941 not-for-profit organisations) and to provide 161 302 jobs (124 302 if credit unions are excluded) (Mendell and Neamtan, 2010). Of these jobs 116 222 were in co-operatives and 45 080 were in NPOs (Mendell and Neamtan, 2010).

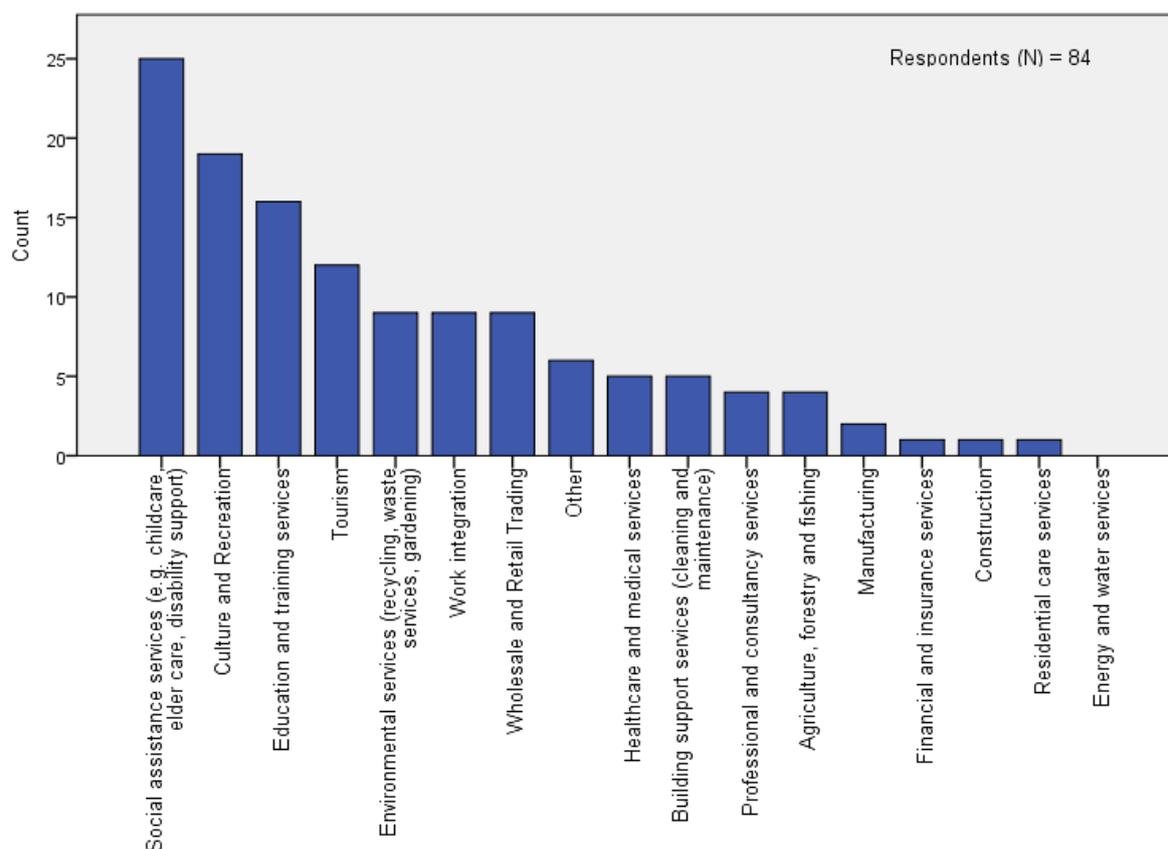
Survey Findings

The Quebec survey was completed by 84 SEOs. The majority of these took the form of non-profit organisations (*organisme à but non lucrative*), but organisations taking the form of solidarity co-operatives (*coopérative de solidarité*), consumer co-operatives (*coopérative de consommateurs*) and workers' co-operatives (*coopérative de travailleurs*) were also included in the study.

Sectors in which social economy organisations operate

Social assistance services were the most widely represented sector of operation amongst the responding organisations with 25 organisations (29.8%) identifying this as one of the 2 most important sectors in which they worked. Culture and recreation (19 organisations; 22.6%) and education and training services (16 organisations; 19.0%) were also amongst the most frequently identified sectors but as is clear from Figure 15, the activities that organisations in the sample were involved in were wide ranging.

Figure 15 Most important sectors of operation for SEOs in Quebec



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

Income from the sale of goods and services was the most significant income source amongst the organisations surveyed, accounting for an average of 47.7% of organisational funding in 2011. Subsidies were also a very important funding source, making up on average 38.1% of organisations' income. Notably the contribution of public contracts to organisational income was typically very small, on average 1.1%. Grants and donations also accounted for a relatively small average share of 3.1%, whilst membership fees made up on average 5.4% of income; however, income sources varied considerably between organisations, and most received no income from either of these sources.

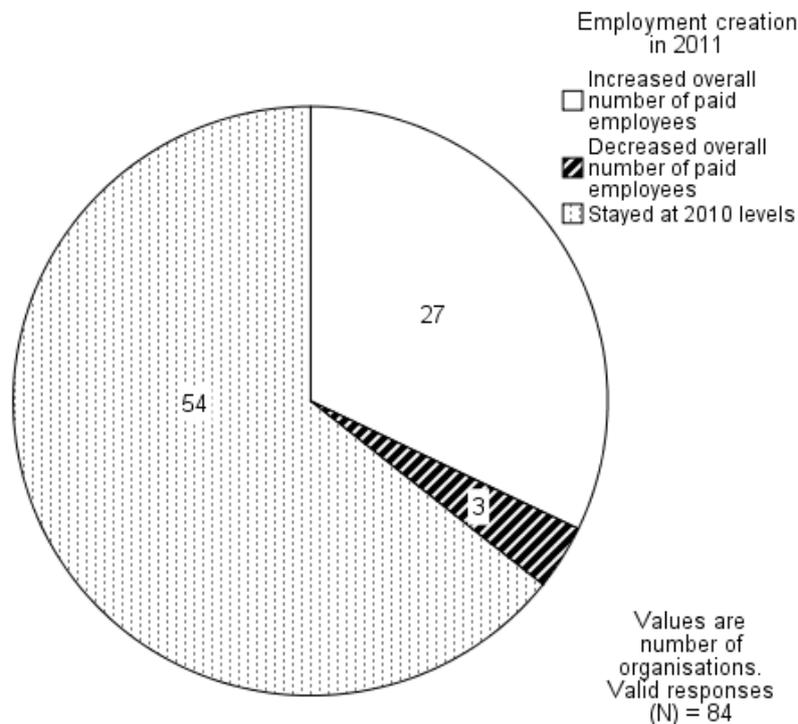
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The mean number of jobs provided by the SEOs that responded to the survey was 15.9, with the individual cases ranging from 0 to 70 FTE positions. The majority of organisations (54; 64.3%) retained the same level of employment during 2011 as they had had at the end of 2010; however 27 organisations (32.1%) reported an increase in employment over this time. The average increase

amongst these providers was by 3.5 FTE positions, and the factors most frequently identified as important in contributing to these increases were increasing demand for staff (16 organisations; 64%) and increasing sales of goods and services (15 organisations; 60%). Three organisations had reduced the number of FTE positions during 2011, on average by 1.3 FTE jobs. These organisations identified decreasing grant and donation income, decreased sales of goods and services, and decreased subsidies as reasons for these reductions.

Figure 16 Changes in full time equivalent employment in SEOs during 2011 in Quebec



Of the 54 organisations that retained the same number of staff, 36 (66.7%) reported that there was no need for them to increase the number of staff, whereas 17 (31.5%) said they would have liked to increase staff numbers but could not. The main reason given for this (by 15 organisations; 88.2%) was lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

A theme that seemed to emerge from social economy actors' responses about how policy makers could best support them in creating and sustaining jobs was the need for longer term funding that focussed on the overall development of SEOs, in contrast to the emphasis that there was currently felt to be on shorter term, project-specific funding. It was suggested that public procurement processes could be designed to favour social enterprises, and that private sector businesses should also be encouraged to purchase from social enterprises. Relatedly, respondents highlighted the need to educate people about the social economy, and suggested that policy makers could, for instance, promote information exchange between businesses in different sectors. Improved access to business support for social enterprises was also requested. One respondent suggested that funding could be transferred from unemployment benefits to provide more employment subsidies. Another raised the possibility of

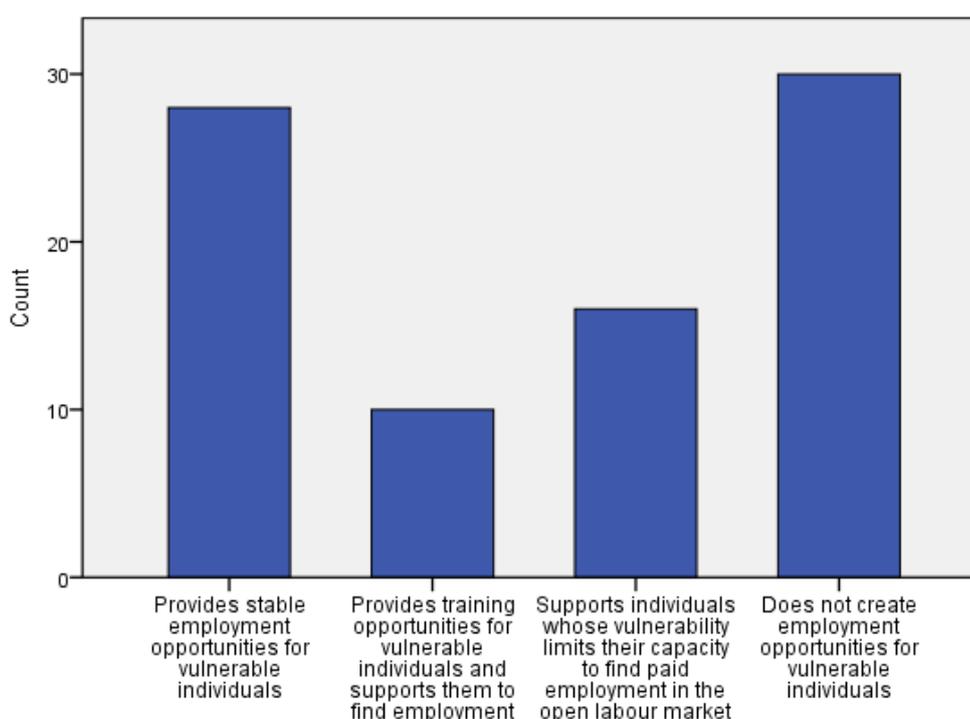
policy interventions to support social enterprise in specific areas, such as the construction industry which could be supported by broadening the criteria for subsidised home improvement work. This would generate more work for construction social enterprises, and consequently create more jobs.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Interestingly, the largest grouping of responding organisations in Quebec did not provide employment opportunities for vulnerable people (30 organisations; 35.7%). However, 28 organisations (33.3%) did provide such opportunities, and others were involved in providing training and support in finding employment.

Figure 17 Provision of employment, training and support to vulnerable groups amongst SEOs in Quebec



On average, organisations that provided training for vulnerable individuals saw 39.8% of the individuals they trained in 2011 secure employment outside of their organisation. Lack of skills was the most commonly cited factor that hindered these individuals from securing employment. Amongst those organisations that provided employment, an average of 6.6% of those trained in 2011 found employment within the organisation.

The average number of FTE jobs filled by vulnerable people in organisations that did offer employment opportunities to these groups was 2.4. The majority of organisations (25; 86.2%) had retained the same level of internal opportunities for vulnerable individuals as at the end of 2010. Three organisations (10.3%) had increased such opportunities, and one (3.4%) has decreased them. Two organisations provided data about the level of increase: amongst these, the average increase was 1.5 FTE. These organisations identified that increased sales of goods and services had been important in contributing to the increase.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Social economy actors suggested the following ways in which policy makers could support their work with vulnerable individuals:

- increase both the number and duration of salary subsidies to cover the additional costs of employing vulnerable people;
- have less restrictive criteria for people accessing employment subsidies for work integration activities;
- provide financial support for training and facilitate the adaptation of office space;
- provide child care for single parent families; and,
- develop work experience programmes for vulnerable people.

Job quality in the social economy

Challenges in delivering job quality in the social economy

Provision of training was identified by 38 organisations (60% of the 63 that responded) as amongst the most difficult aspects of job quality for them to deliver. This was said to be due to the high cost of training courses and the lack of financial resources allocated to training. One provider also said that closing the service for a day to train staff meant that they would lose subsidy income.

Twenty-nine providers (46%) pointed to delivering security of employment as particularly problematic; lack of ongoing funding and uncertainty in relation to contracts were the main reasons given for this. Field-specific problems in the funding and administration of service provision were also identified. One respondent pointed out that, because funding for home care services is allocated directly to individual service users, it is difficult for organisations operating in this field to offer decent salary and employment conditions to staff which leads to very high staff turnover.

Career progression (27 organisations) and adequacy of pay (26 organisations) were also cited as difficult aspects of job quality to deliver. The reasons given for difficulty facilitating career progression included the small size of organisations, the small number of management positions available, and the fact that certain skills (such as childcare) are not sufficiently valued by society to make this possible. With regard to adequacy of pay, lack of financial resources was cited as a major cause, with organisations reporting that public funding did not cover the costs of service provision, and that they were unable to keep up with increases in the minimum wage. It was also pointed out that for organisations whose clients were vulnerable people, clients' inability to pay for services led to low salaries for employees. One respondent reported that, because of limited funding 'we pay people based on resources and not on the value of the job'.

Suggested policy interventions to improve job quality in the social economy

When asked how policy makers could support SEOs in providing better quality jobs, the following needs were identified by respondents:

- provision of low-cost training specific to needs;

- support with accessing subsidies and other funding;
- ongoing (rather than project-based) funding for salaries, training and operational costs;
- recognition of the valuable contribution social enterprises make to the community;
- financial support for business development, particularly in the early stages after start-up;
- stop asking SEOs to do more with less;
- greater access to professional resources to support staff, for instance with debt or mental health problems; and,
- support for those moving off benefits into low paid employment in SEOs who would previously have had medical costs paid by social assistance, and so, after these expenses, are worse off than when unemployed.

BURGUNDY, FRANCE

Profile

With a total area of 31 582 square kilometres, Burgundy (Bourgogne) is a medium-sized region, covering 6% of France's national territory. It is strategically located at the crossroads of some of the country's main motorways and railway lines and is particularly well served for north-south transport. Burgundy comprises four *départements*: Côte d'Or, home to the regional capital city of Dijon and which has a younger and more affluent population; Nièvre, which is rural and the least and most sparsely populated; Saône-et-Loire, which has the largest population and a distinctly industrial character; and Yonne, a *département* which is experiencing a net inflow of population. The region is predominantly rural, with one-third of the population living outside an urban area. Among the main metropolitan areas, that of Dijon is by far the largest, with a population of 371 798 (as of 1 January 2008).

At 1 January 2008, the population of Burgundy was 1.63 million, that is, 2.7% of the total population of European ('metropolitan') France. The region is relatively sparsely populated with a density of 52 inhabitants per square kilometres, which is half the national average. Population growth remains modest and, on aggregate, the people of Burgundy are older than the national average with one in five inhabitants over the age of 65.

After Champagne-Ardenne, Burgundy is France's second agricultural region, and this accounts for 5% of jobs in the region. Industry also plays a major role in the local economy, dominated by four main activities: metallurgy and metal working; agricultural and food industries; chemicals, rubber and plastics; and the mechanical equipment industry. Although less prevalent than in many other regions, services still provide 70% of jobs in Burgundy.

At the end of 2008, unemployment stood at 10.2% – still one of the lowest rates in the country – whilst the activity rate was 71.5%. The crisis has hit the Burgundy region hard: 20 000 jobs were lost in the private sector between the second half of 2008 and the fourth quarter of 2009, and the economy has been recovering slowly since 2010. Compared with the rest of the country, the region has suffered more acutely during the crisis since its economy is more reliant on the most vulnerable sectors, such as industry, real estate and temporary working. In the fourth quarter of 2011, 8.7% of Burgundy's active population was unemployed. Net income per tax household averaged EUR 21 562, a level below the national average.

The social and solidarity economy in Burgundy

The most recent data on the social and solidarity economy (SSE) shows that it contributes over a tenth of total employment in Burgundy, accounting for more than 6 000 establishments which employ more than 57 000 workers. The growth rate for employment is higher in the social solidarity economy than in the economy as a whole. There was a 0.3% decline in SSE employment in 2008 followed by an upswing in 2009. Nonetheless, SSE organisations face an uncertain future, given the current economic climate and cuts in public funding.

Social and solidarity economy employment covers all sectors of activity, but is especially dominated by services and, more particularly, social welfare (27 000 jobs), financial and insurance activities (6 800 jobs) and education (6 800 jobs).

Table 21. Organisations, enterprises and jobs in Burgundy (2009)

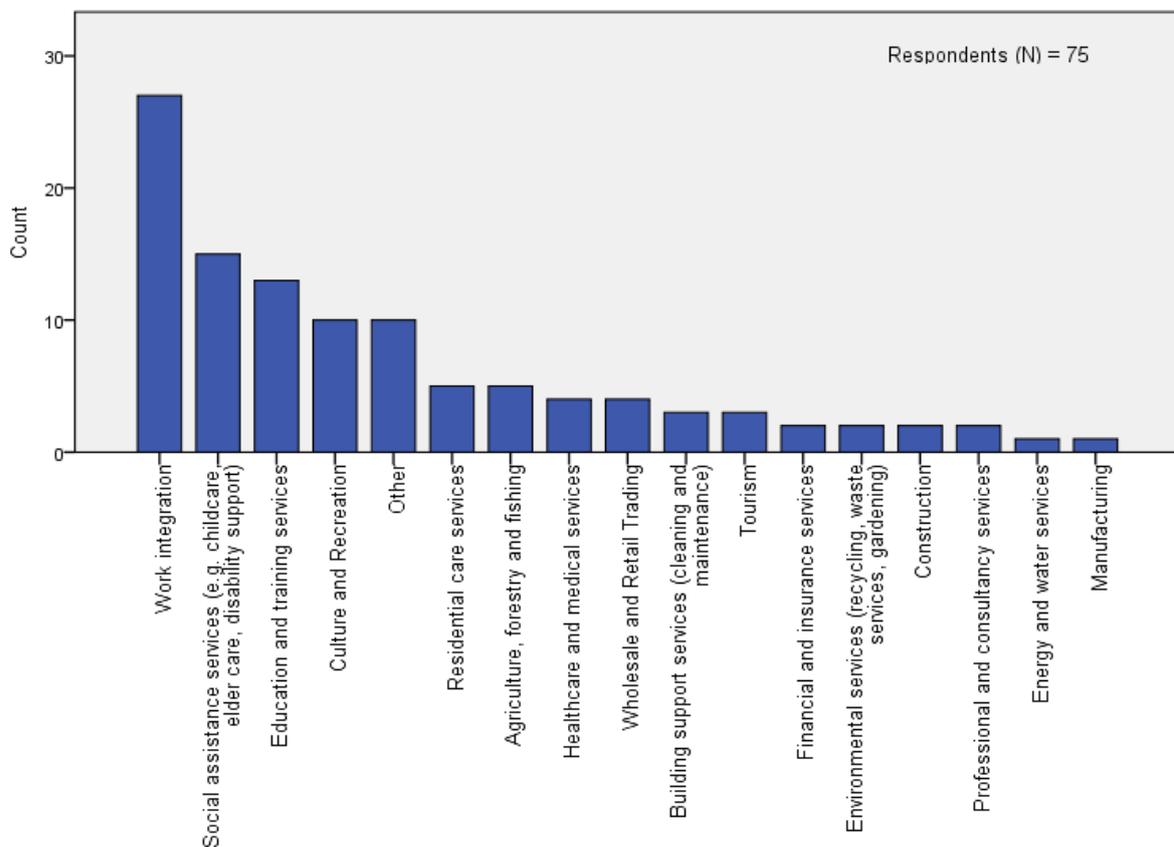
	SSE	Private sector	Public sector	SSE share
Organisations and enterprises	4 311	44 094	3 590	9.0%
Employer establishments	6 107	54 024	7 343	9.7%
Number of wage-earners at 31/12	57 621	385 934	153 728	10.4%
FTEs (full-time equivalent)	48 049	348 522	140 880	9.7%

Survey Findings

The Burgundy survey was completed by 75 SEOs. These included organisations taking the following forms: co-operatives (*coopérative*), associations (*association*), foundation (*foundation*), mutuels (*mutuelle*), organisations involved in work integration through economic activity (*entreprise d'insertion*), and organisations providing support through work activities (including *entreprise adaptée* and *établissements et services d'aide par le travail*).

Sectors in which social economy organisations operate

Work integration was identified as one of the 2 most important sectors of operation for their operation by 27 respondents (36% of all respondents), making it the largest sector within the survey data, followed by social assistance services (15 organisations; 20%) and education and training services (13 organisations; 17.3%). However, as Figure 18 shows, the organisations surveyed were active across a wide range of sectors.

Figure 18 Most important sectors of operation for SEOs in Burgundy

Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

Amongst the organisations surveyed in Burgundy, subsidies were the funding source that accounted for the highest average proportion of income in 2011 at 35%. The sale of goods or services was also a very important income source, accounting for on average 31.6% of the SEOs' incomes. However, income from both these sources showed a high degree of variation between organisations, meaning that they were more important for some than for others. Funding from grants and donations tended to represent quite a small proportion of organisational income, on average 3.0%, with over half the organisations receiving no funding from this source. Income from membership fees was higher on average (11.5%) than in some of the other territories studied, but again this varied between organisations and most did not receive funding from this source.

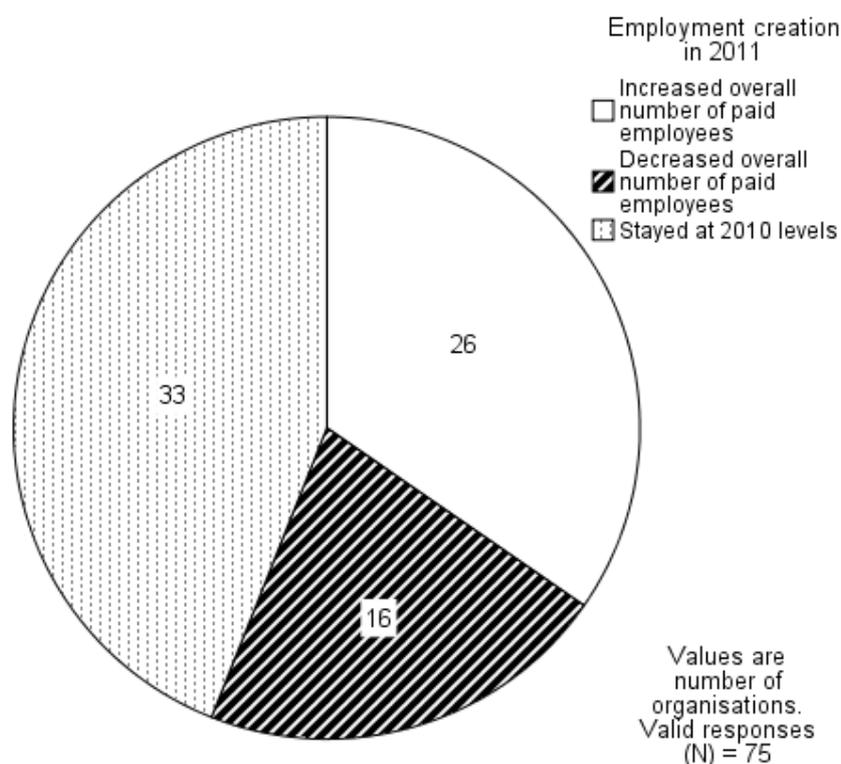
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The organisations surveyed provided an average of 150.3 FTE jobs at the end of 2011. However, the number of jobs provided by individual organisations ranged from 0 to 7 000, and the median value of 9.3 FTE jobs per organisation shows that typical employment levels amongst SEOs is lower than the mean would suggest.

The majority of organisations (33; 44%) maintained employment at 2010 levels during 2011; however, 26 organisations (34.7%) had increased the number of paid employees. Amongst those that had increased employment, the average number of FTE jobs created was 2.1. Where employment had decreased (in 16 organisations), the average number of FTE jobs lost was 3.6.

Figure 19 Changes in full time equivalent employment in SEOs during 2011 in Burgundy



Increases in employment were attributed mainly to increasing demand for staff (by 16 respondents) and increased sales of goods and services (by 10 respondents). Amongst organisations where employment had fallen, the main reason given was decreasing subsidies (9 organisations), followed by loss of public contracts (5 organisations) and decreased sales of goods and services (4 organisations).

Of the organisations that retained the same level of employment, 18 (56.3%) did so because there was no need to increase the number of staff; however 12 (37.5%) reported that they would have liked to increase the number of staff but could not. Of these, 10 reported that this was due to lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

When asked how policy makers could support job creation in the social economy, many of the responses focussed on financial support for associations, such as:

- increasing the number of employment subsidies, and their level (in line with inflation);

- providing longer term funding; and,
- providing funding for operational costs, not just on a project basis.

Some respondents suggested using social clauses to increase procurement from the social economy. However others did not want to see public tendering create competition between SEOs, and suggested instead that co-operation between actors should be fostered instead. Industry-specific interventions were also put forward, and one respondent recommended assisting small social enterprises in accessing European Social Fund monies.

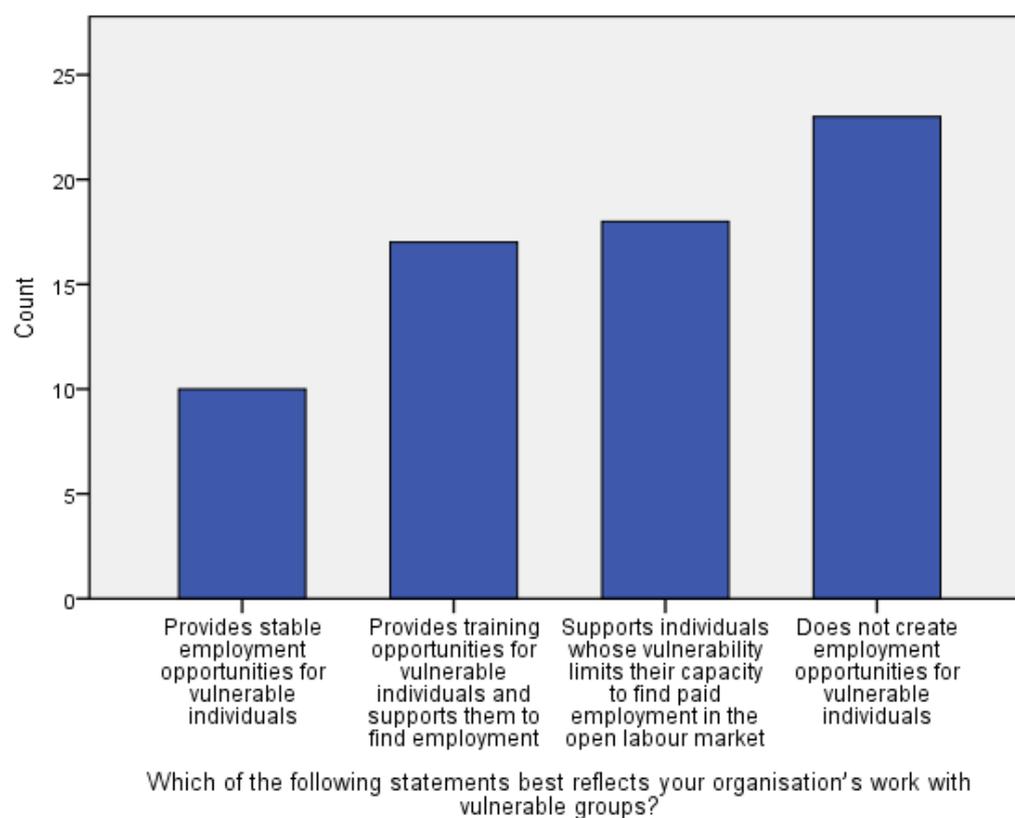
Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

As Figure 20 (below) shows, the largest group of the SEOs surveyed in Burgundy (23 organisations; 33.8%) did not create employment opportunities for vulnerable individuals. However, 18 organisations (26.5%) provided support to help them find paid employment, and 17 organisations (25%) provided training and support. Amongst those that provided training, on average 24.5% of those trained in 2011 went on to find employment outside of the organisation. Lack of employment opportunities was the most frequently cited factor said to be preventing these individuals from finding employment.

Ten organisations did provide employment for vulnerable people and these saw on average 52.6% of the vulnerable individuals trained in 2011 securing full time employment within their organisations. Nine of these respondents provided information about the number of FTE positions filled by vulnerable people in their organisation. The average of 51 FTE positions (median: 30 FTE) amongst these organisations shows us that some organisations were able to employ relatively large numbers of vulnerable people.

Figure 20 Provision of employment, training and support to vulnerable groups amongst SEOs in Burgundy



Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Respondents suggested that supporting the sustainable development of the sector was very important in terms of creating opportunities for vulnerable people, otherwise any additional jobs created will be precarious. To this end, it was requested that longer term, that is, multiple year, contracts be provided. Respondents also suggested funding training for people in work integration schemes, and creating more subsidised jobs as ways of improving their capacity to employ vulnerable people.

Job quality in the social economy

Challenges in delivering job quality in the social economy

The most frequently cited challenge in relation to job quality was security of employment, which was identified by 17 organisations (44.7% of the 38 that answered the question) as amongst the most difficult to deliver. The reasons for this were said to be the lack of long-term funding, difficulties in obtaining repeated contracts, and uncertainty regarding subsidies and public procurement.

This was followed by career progression opportunities (16 organisations; 42.1%) and provision of training, which 14 organisations (36.8%) identified as among the most difficult for them to deliver. Difficulties in offering career progression opportunities were often associated with the flat

organisational structure that organisations had, and was said to be more difficult in smaller organisations. Insufficient financial resources were also cited as a barrier to facilitating career progression. Provision of training was reported to be hindered by lack of resources and time, high costs and the unavailability of training adapted to specific needs. It was also pointed out that having a small team made it difficult to release people for training.

Suggested policy interventions to improve job quality in the social economy

When asked how policy makers could support their organisations in improving job quality, social economy actors again emphasised the need for sustainability. It was suggested that longer term funding would give organisations greater opportunity to develop their vision, provide quality jobs, and become more self-sustaining. One respondent highlighted that smaller organisations needed greater support to access funding. It was also emphasised that the level of funding awarded to organisations needed to be adequate to achieve the expected results, and it was suggested that increased funding for training could improve job quality.

BRITTANY, FRANCE

Profile

Brittany (Bretagne) has a surface area of 115.8 square kilometres. It comprises four *départements* (Côtes d'Armor, Finistère, Ille-et-Vilaine and Morbihan) and 2700 km of coastline. A substantial share of the population, jobs (skilled jobs in particular) and higher education is concentrated around two main urban areas, Rennes and Brest. But the region also features a scattering of medium-sized cities. Practically all of these are located along the shoreline, apart from the regional capital. Between these cities lies a vast, predominantly rural expanse with no sizeable towns. A third of Bretons (31.5%) live in municipalities of over 10 000 people, as opposed to 48.5% for the French population as a whole.

At 1 January 2008, the population of Brittany was 3 150 000. Between 1999 and 2008, annual population growth averaged 0.9%, double the rate between 1990 and 1999. Brittany's demographic growth is one of the most dynamic amongst European ('metropolitan') French regions. Three-quarters of this is attributable to net migratory inflows.

At 31 December 2008, 1 291 000 jobs were provided in Brittany by more than 115 000 employer establishments, accounting for 5% of aggregate employment in metropolitan France. Three-quarters of its wage-earners work in the service sector. As from 1990, dependent employment in Brittany increased regularly until 2006 and levelled off between 2007 and 2008. The growth slowdown in dependent employment extended to all sectors of the economy, and in particular to industry, where the number of jobs decreased by about 2% between 2007 and 2008. The most substantial increase over the period was in construction (up by about one per cent). The region's unemployment rate was 8.1% at year-end 2009, its activity rate being 71.2%. Net income per tax household averaged EUR 22 091 (INSEE).

The Breton economy is predominantly industrial: 13 780 industrial establishments were identified in Brittany at 31 December 2008. A third of these are agrifood firms. Construction is the next most highly developed sector, accounting for 80 600 workers for 5% of the national total. The regional economy also enjoys an extensive presence of tourism-related activities.

The social and solidarity economy in Brittany

The social and solidarity economy (SSE) provides employment for 142 500 people in Brittany, through 13 200 establishments. Brittany ranks first amongst French regions for SSE workers' share of aggregate dependent employment (public and private sectors combined). The SSE accounts for 14% of all wage-earners, versus an average of 10% for the national economy as a whole. Between 2005 and 2010, employment in the SSE grew by 12%, as opposed to 2% in the rest of the private sector (ACOSS).

Table 22. Organisations, enterprises and jobs in Brittany (2009)

	SSE	Private sector	Public sector	SSE share
Organisations and enterprises	9 590	78 615	3 078	10.5%
Employer establishments	13 204	93 856	7 654	11.5%
Number of wage-earners	142 518	629 436	255 797	13.9%
Number of FTEs	121 869	577 916	228 173	13.1%

The areas of activity that accounted for the largest share of FTE jobs in the social and solidarity economy were social action (30%), education (22%) and financial and insurance activities (11%). A majority (64%) of workers in SSE enterprises are women. The SSE employs 23% of all women employed in Brittany, whereas the sector accounts for only 13.5% of all workers (men and women).

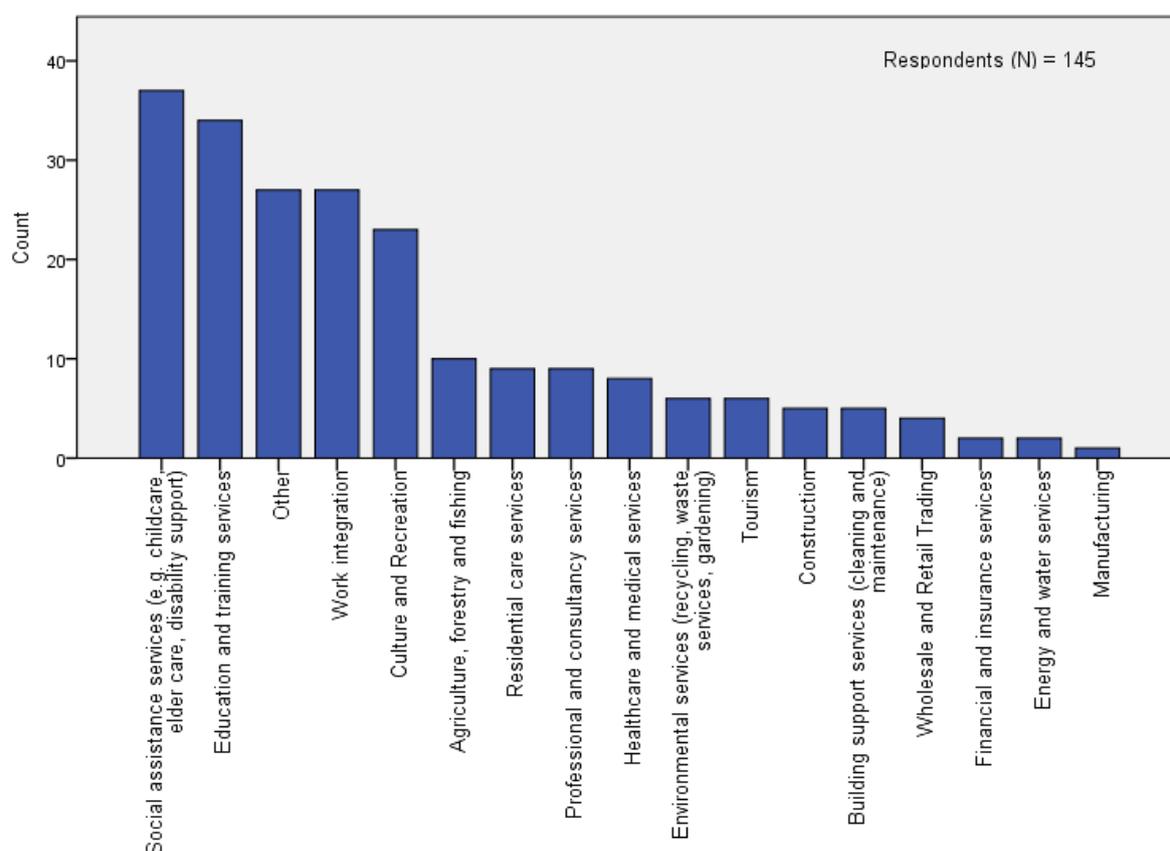
Survey Findings

In Brittany, the survey was answered by 145 organisations, making it by some margin the largest sample amongst the territories studied. However, whilst the number of cases is relatively high, many respondents did not answer all the questions. As such, when interpreting these data, it is important to take note of the different numbers responding to different sections of the survey. The legal forms of the organisations surveyed included: co-operatives (*coopérative*), associations (*association*), foundation (*foundation*), mutuals (*mutuelle*), organisations involved in work integration through economic activity (*entreprise d'insertion*), and organisations providing support through work activities (including *entreprise adaptée* and *établissements et services d'aide par le travail*).

Sectors in which social economy organisations operate

Social assistance services was the most widely represented sector of operation amongst the SEOs surveyed in Brittany, with 37 organisations (25.5%) identifying this as one of the 2 most important sectors in which they operated. Education and training services were also well represented (by 34 organisations; 23.4%), as were work integration services (27 organisations; 18.6%). The organisations in the survey were active in a wide range of different fields however, as can be seen from Figure 21 it is also notable that a large number of organisations selected 'other'; the activities specified by these respondents included social housing, business creation, and promotion of the social and solidarity economy.

Figure 21 Most important sectors of operation for SEOs in Brittany



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

On average, subsidies were the income source that accounted for the highest proportion of organisational income, at a mean value of 41.2% of organisational income. This was followed by income from the sale of goods and services, which made up an average of 33.8% of funding in 2011.

Public contracts contributed an average 13.3% of income. The average income from membership fees was 7.1%, and the average income from grants or donations was 2.6%.

Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The mean number of FTE paid jobs provided by the responding organisations at the end of 2011 was 112.6. However, the number of jobs provided by individual organisations ranged from 0 to 3 000, and hence the median value of 7 is indicative of the fact that most organisations in the sample provided a much lower level of employment than the mean figure would suggest.

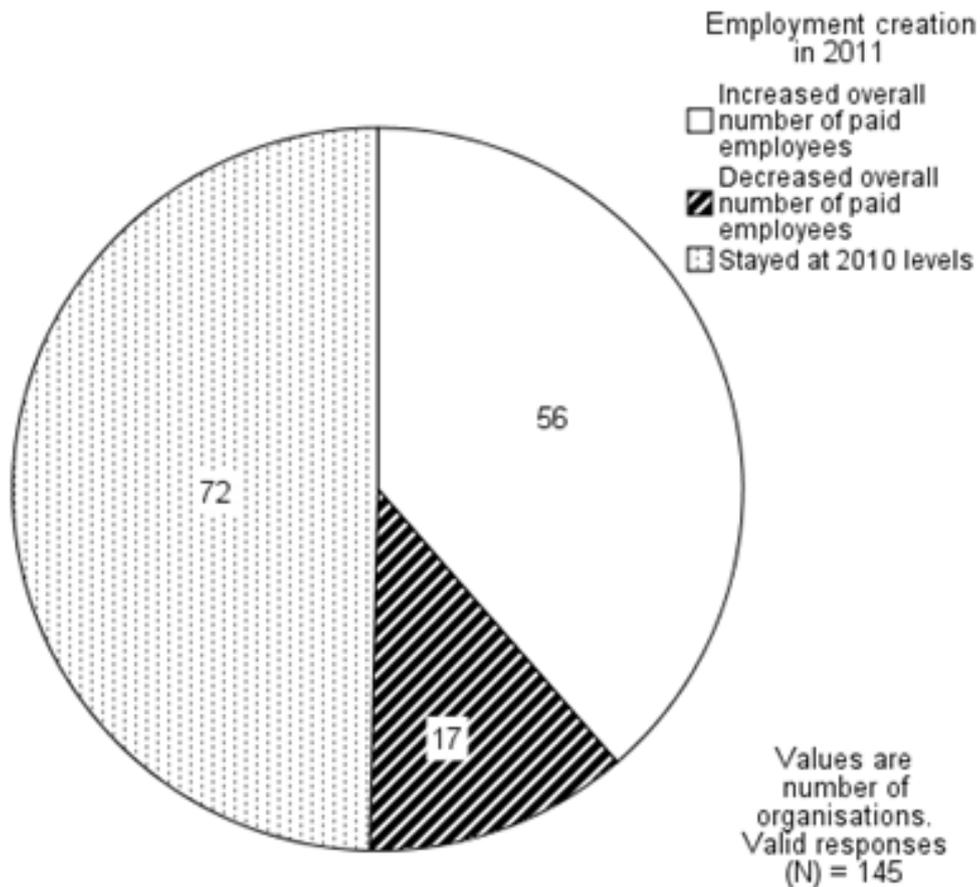
Whilst Figure 22 shows that the largest group of organisations (72; 49.7%) retained the same level of employment in 2011 as in 2010, 56 organisations (38.6%) had increased employment during

2011. Where this had been the case, the average increase in the number of FTE jobs was 7.7. Increased demand for staff was the most frequently cited reason for increasing employment (identified by 29 organisations; 60.4%), followed by increased sales of goods and services (23 organisations; 47.9%) and the award of public sector contracts (14 organisations, 29.2%).

For the 17 organisations in which employment had declined, the average decrease had been 3.6 FTE posts. These organisations identified decreased sales of goods and services and decreased subsidies as the most important reasons for the reductions.

Of the organisations that retained the same level of employment, 39 (54.9%) reported that there was no need for them to increase staff, while 24 (33.8%) said they wanted to increase staff numbers but could not, and 8 (11.3%) reported that they should have reduced the number of staff but chose not to do so. The majority of the organisations (19; 82.6%) that wanted to increase staff numbers but could not cited lack of financial resources as the main reason for this.

Figure 22 Changes in full time equivalent employment in SEOs during 2011 in Brittany



Suggested policy interventions to support social economy job creation and sustenance

Amongst the policy suggestions made by social economy actors, the following were those that appeared most frequently:

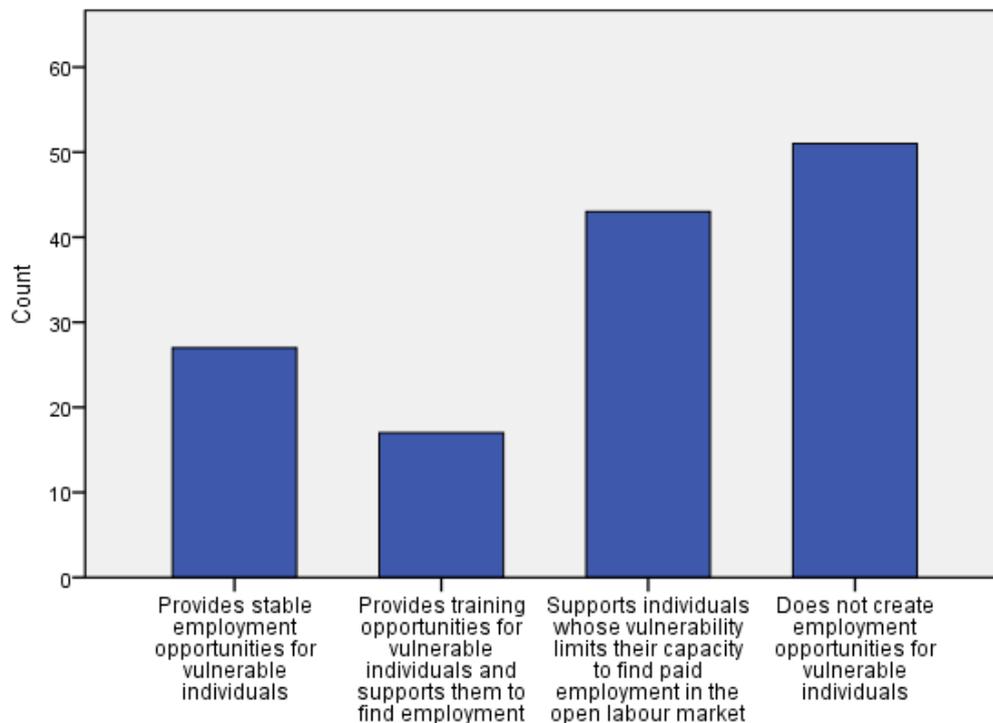
- provide longer term, that is multiple year, contracts and subsidies, at a level which takes living costs and salaries into account;
- include social clauses in public procurement;
- provide funding more sustainably, for example by funding operational costs rather than specific projects; this would enable organisations to develop greater capacities to become self-financing;
- provide greater clarity and consistency around public funding arrangements;
- support innovation/experimentation;
- encourage clustering of associations in order to share resources (such as in the area of human resources management);
- reduce use of public tendering (which creates additional preparation and evaluation work and diminishes the time that can be devoted to core business) and develop trust-based relations instead; and,
- adopt more qualitative evaluation methods which acknowledge that social outcomes are difficult to measure.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

When asked about their work with vulnerable groups, 51 organisations (37%) stated that they did not provide employment opportunities for vulnerable individuals. Twenty-seven organisations (19.6%) did however provide stable employment opportunities for such groups, while 43 organisations (31.2%) provided support to help vulnerable people find employment in the open labour market.

A smaller number of organisations (17; 12.3%) provided training for vulnerable individuals. Only 9 of these organisations provided data about the proportion of people who received training during 2011 that had successfully found employment elsewhere, but amongst those that did, the average figure was 42.4% of trainees. Lack of employment opportunities was the most frequently cited hindrance to such individuals' gaining employment.

Figure 23 Provision of employment, training and support to vulnerable groups amongst SEOs in Brittany

Fifteen of the organisations that provided employment for vulnerable people submitted data about the proportion of individuals they trained in 2011 who went on to secure employment within their organisation; the average amongst these organisations was 15.1%. Amongst the 17 organisations who provided data about the number of FTE positions filled by vulnerable individuals in their organisation; the average was 12.3. Twelve organisations responded to the question about changing levels of employment of vulnerable people, and of these, 8 reported that these had remained the same as in 2010, while 2 reported an increase and 2 reported a decrease.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

This question was not addressed by most respondents in the Brittany survey. This may be because their suggestions as to how policy makers can support job creation in general are also relevant to job creation for vulnerable groups.

Job quality in the social economy

Challenges in delivering job quality in the social economy

The 3 areas of job quality that were most frequently cited as amongst the most difficult for organisations to deliver were: career progression opportunities (selected by 44 organisations; 51.8%), security of employment (40 organisations; 47.1%), and provision of training (31 organisations; 36.5%).

Career progression was said to be difficult to deliver because non-hierarchical (or relatively flat) organisational structures, and the small size of some organisations, meant there was a lack of

opportunities. It was also suggested that redefining the identities of staff within the organisation, once promoted, was difficult.

Uncertainty about funding was central to difficulties in securing employment. This took a variety of forms from the short-term nature of public and other contracts to seasonal variations in activity. The instability of public policies and reduced public subsidies were also said to hinder the provision of employment security.

Lack of time and funding, in conjunction with the cost of training were the main reasons given for difficulties in providing training to staff. Respondents also said that adequate training was difficult to find.

Suggested policy interventions to improve job quality in the social economy

When asked how policy makers could help to improve job quality in the social economy, some of the key suggestions made by respondents were:

- the need for longer term (multiple year) funding contracts to reduce uncertainties;
- ensuring that contracts were funded sufficiently to meet objectives;
- fostering co-operation between social economy and public sector bodies, and within the social economy;
- public bodies could provide shared spaces for entrepreneurs in order to reduce operational costs and enable them to share best practices;
- providing funding for training and lifelong learning;
- reducing employer costs;
- reducing legal and administrative burdens; and,
- providing better social support funding for vulnerable groups.

LOMBARDY, ITALY

Profile

Lombardy is located in northern Italy. According to data from the Italian National Statistics Institute (ISTAT), Lombardy had a population of 9 917 714 in 2011. This represented 16.4% of the total population of Italy (60 626 442). The region's GDP in 2009 was EUR 317 026 million, relative to the national GDP of EUR 1 526 790 million (ISTAT).

The unemployment rate in Lombardy was 5.77% in 2011, which was lower than the national unemployment rate of 8.4%. The services sector was the largest contributor to employment, accounting for 2 756 000 jobs in 2010, compared to 65 000 in agriculture and 1 453 000 in industry (National Council for Economics and Labour (CNEL) data).

Data on the creation and failure of enterprises in Italy as a whole during the period 2008-2009 show that the new enterprise rate was lower than the failed enterprise rate, then with a negative net rate of turnover (-0.7 in 2008 and -0.4 in 2009) in every single area of the country, although with a different intensity in different areas. In 2011 the rate of new enterprise creation in Lombardy was 6.2%, while the rate of enterprise failure was 7.2%, giving a net turnover of -0.9% (CNEL data).

The Social economy in Lombardy

An ISTAT census of the non-profit institutions in Italy was underway at the time of data collection for this report. As a result it was not possible to update the findings from the previous 2000-2001 census. Instead, we draw on data from the sectoral surveys conducted by ISTAT, that were processed and put forward in the *First Report on the Social Economy*, 2008, as a result of the collaboration CNEL-ISTAT. These data relate to certain specific groups of non-profit institutions. In 2003, the human resources of voluntary organisations in Lombardy were estimated to include 139 971 paid employees and 1957 volunteers. Social co-operatives were estimated in 2005 to account for 28 000 employees and 8605 volunteers; whilst foundations had 45 703 employees and 13 852 volunteers (CNEL-ISTAT data).

The impact of the crisis on social economy institutions is an extremely complex concept for which it is difficult to provide objective data. The survival of the third sector over the years when the economic crisis began to be felt in Italy can be traced, in part, using data collected by ISTAT (and processed by Unioncamere in the periodic report on the labour market), presented by CNEL in the report on the labour market, mentioned above.

Data offered by the CENSIS institute (in 2010) suggests that approximately 2.5 million households claim to have had some form of help from SEOs, such as associations, the third sector or the voluntary sector. The aid covers a wide range of services and benefits, from health to social care, and education. In the economic crisis demand for aid and support is also soaring amongst those who would not normally have needed this, such as temporary workers who have lost their jobs; new unemployed workers over the age of fifty having difficulties re-entering the labour market; families

struggling with debts; and foreigners who have lost their jobs and are faced with returning to their own country. The social economy responded to these needs with many different initiatives.

Research suggests that families have turned to SEOs firstly because there were no other opportunities to meet their needs in their regions, but also because they believe that they are better able to provide quality services and performances, in a more personalised manner and with a higher degree of humanity and better relationships.

The operational capability demonstrated by the social economy in times of crisis, its widespread presence in the regions and its response towards people in need, have certainly helped to confirm the very high confidence that Italians have in it. In fact, over 85% of Italians declare to have confidence in social associations and in voluntary work. In addition, Italy has the highest percentage of citizens in the EU who, in the fight against poverty, express the utmost confidence in the social economy, a confidence which is higher than the one expressed in institutional organisations which would be the competent ones for the fight against poverty.

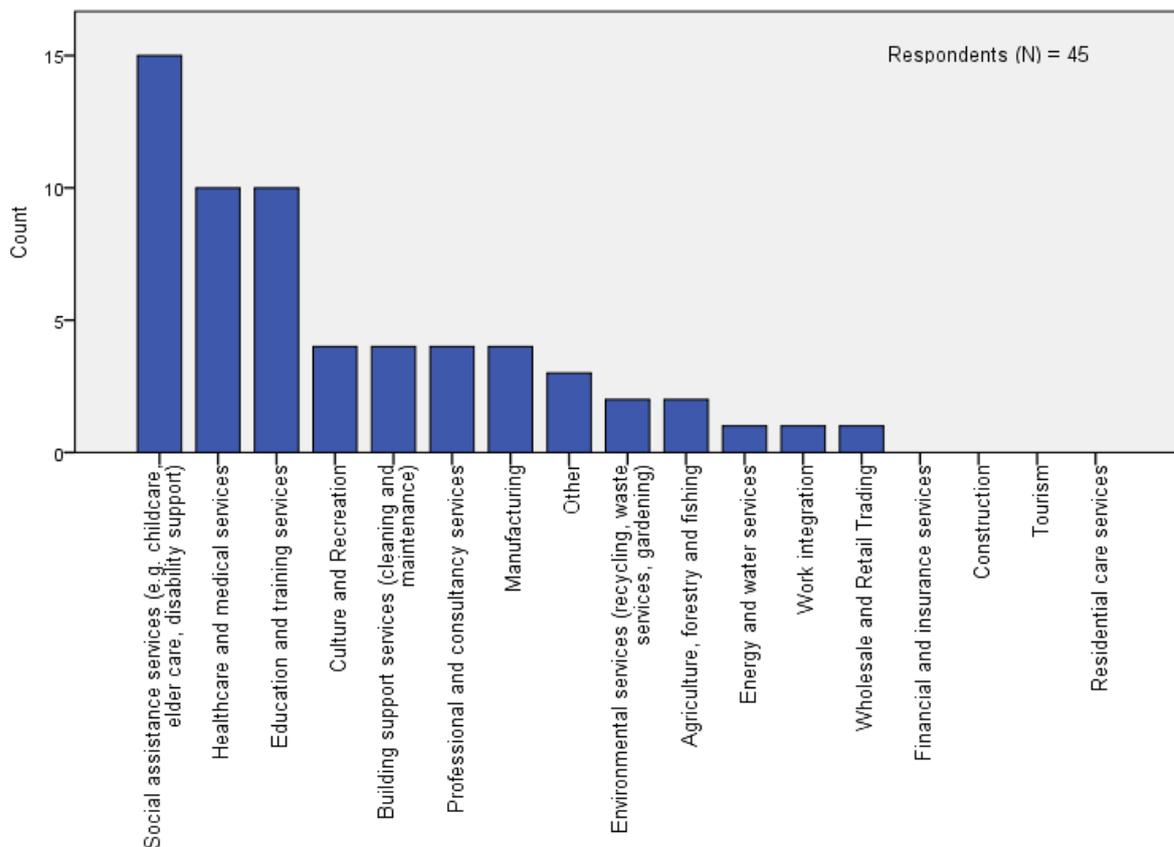
Survey Findings

The survey in Lombardy drew responses from 45 SEOs. The legal forms taken by these organisations included: social co-operatives (*cooperativa sociale (A o B)*), foundations (*fondazione*), voluntary organisations (*organizzazione di volontariato*), non-profit private organisations (*ONLUS*) and social promotion associations (*associazione di promozione sociale*).

Sectors in which social economy organisations operate

The most popular sector of operation amongst the responding organisations was social assistance services, which were identified by 15 organisations (33.3%) as one of the 2 most important sectors in which they operated. Health care and medical services were also among the better represented categories, each being an important sector of operation for 10 organisations (22.2%). Interestingly, only one organisation identified work integration as an important sector in which they operated.

Figure 24 Most important sectors of operation for SEOs in Lombardy



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

Sales of goods and service was the most significant income source overall, accounting for an average of 34.7% of organisational income in 2011, although the contribution made by this source varied considerably between organisations. Income from public contracts was also very important, making up an average of 31.2% of income, although again the importance of this source varied widely between organisations. Grants and donations made a smaller but still substantial contribution, on average (mean) 15.1%. However, the median figure of 3% shows that most organisations received very little income from this source. Membership fees accounted for an average of 9.5% of 2011 income, whilst subsidies made up on average 7.5%.

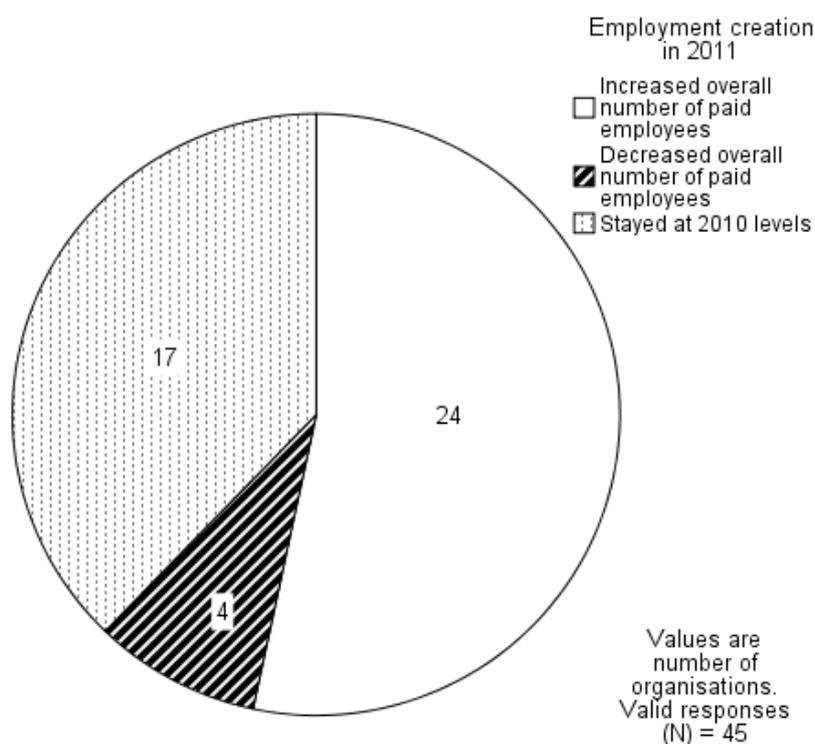
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of FTE jobs provided at the end of 2011 by the SEOs surveyed was 56.73. The median figure of 12 jobs, however, points to the fact that typical levels of employment amongst these organisations were lower than the mean figure would suggest.

Interestingly, the majority (24; 53% of the 38 organisations that answered this question) of organisations reported an increase in the number of overall paid employees during 2011. Four organisations (8.9%) reported a decrease, and in 17 cases (37.8%) employment remained the same.

Figure 25 Changes in full time equivalent employment in SEOs during 2011 in Lombardy



Twenty one of the organisations in which employment increased provided data about the extent of this increase, and amongst these, the average number of FTE jobs created was 6.2. However, the median number of new FTE jobs was 2.0, reflecting the wide spread of the values from 0.5 to 50. Amongst the 4 organisations with decreasing employment, the degree of change tended to be greater, with the mean value of 17.5 FTE jobs being exceeded by the median, 21.

In Lombardy, the reasons most frequently cited as important in relation to decisions about increasing employment were increased sales of goods and services (by 11 organisations; 52%) and award of public sector contracts (8 organisations; 38.1%). Conversely, the factors most frequently identified as important by organisations that had decreased employment were decreased sales of goods and services and loss of public sector contracts, as well as the prevailing economic conditions (all by 3 organisations; 75%).

Of those organisations that retained the same number of staff, the majority (ten organisations; 62.5%) had done so because there was no need to increase staffing. Three organisations said they should have reduced the number of staff but chose not to, whilst another three said they would have liked to increase staff numbers but could not.

Suggested policy interventions to support social economy job creation and sustenance

Respondents suggested that there was a need for greater political representation and promotion of SEOs and their activities, as well as a broader increased commitment of the public sector towards the needs of socially disadvantaged groups. In terms of funding, there was an emphasis on the need for support with organisational development and management costs, as opposed to project-based funding. It was suggested that policy makers could support the provision of apprenticeships to help young people enter the workforce, and one respondent said that legislation (Law 381/91) allowing government to turn to social co-operatives for direct work integration of disadvantaged people into jobs (such as cleaning, garden maintenance and refuse collection) should be put to greater use. In addition, respondents suggested that reducing labour costs for social economy employers, for instance through tax allowances, would help them to create more jobs. Finally three respondents suggested that policymakers should ensure parity between private and public education services.

Vulnerable individuals and the social economy*Jobs for vulnerable individuals created by social economy organisations in 2011*

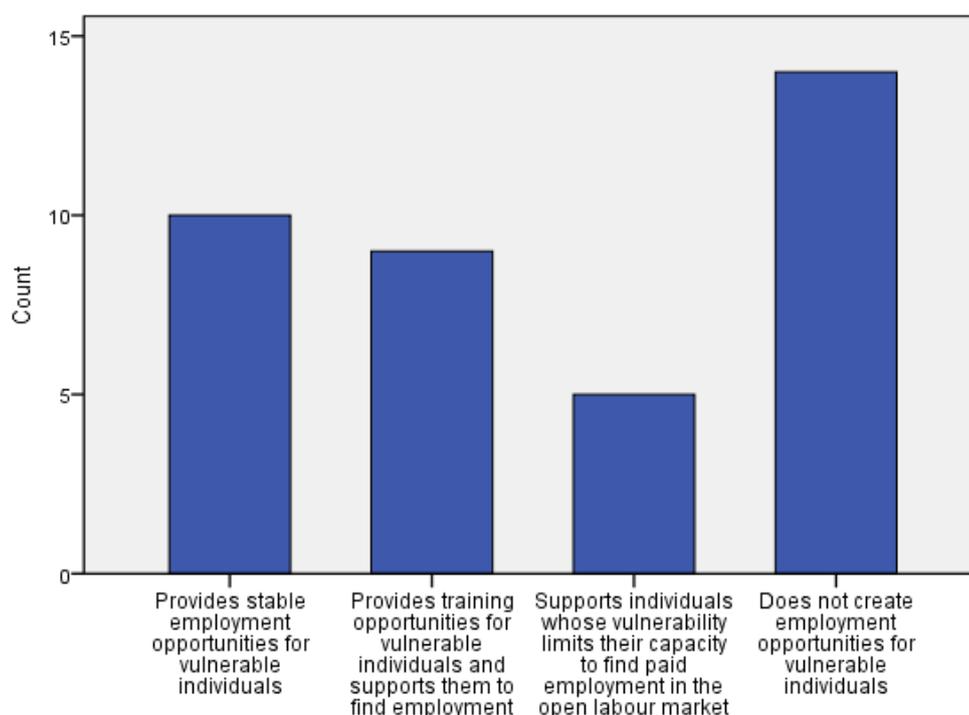
The largest group of organisations (14; 36.8% of the 38 organisations that responded to this question) did not provide employment for vulnerable people. However 10 organisations (26.3%) provided stable employment opportunities for vulnerable people, while 9 organisations (23.7%) provided training opportunities and 5 (13.2%) provided support for vulnerable people to help them find employment.

The organisations that provided training reported that on average 24.3% of those that they trained in 2011 had gone on to find employment outside the organisation: however, the individual percentages for organisations ranged from 0 to 100%, with the median of 5% indicating that the majority of cases were distributed towards the lower end of this range. Lack of employment opportunities was the reason most frequently identified (by 5 organisations) as a hindrance to these individuals finding employment.

Amongst organisations that did employ vulnerable people, the average proportion of those trained in 2011 who secured jobs within these organisations was 42.3%, and an average of 16.9 FTE jobs in these organisations were filled by vulnerable individuals at the end of 2011.

Four organisations reported an increase in the number of FTE opportunities they provided for vulnerable individuals during 2011; with the average increase being 1.5 FTE jobs. Meanwhile, 2 organisations reported a decrease in such opportunities, by an average 9 FTE jobs. Increased sales of goods and services was the most frequently identified factor contributing to increasing employment of vulnerable people, whilst prevailing economic conditions were most often identified as important by the organisations in which opportunities for vulnerable people had decreased.

Figure 26 Provision of employment, training and support to vulnerable groups amongst SEOs in Lombardy



Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Social economy actors suggested that new or improved forms of financial support for companies employing disadvantaged people to help them cover the additional costs of supporting employees would assist them in providing employment opportunities for vulnerable people. Increased public procurement from social co-operatives and other SEOs was recommended, and respondents also suggested that more streamlined bureaucratic procedures would help with this. One respondent suggested extending the categories legally defined as vulnerable groups for this purpose to include single mothers and long-term unemployed people, for instance.

Job quality in the social economy

Challenges in delivering job quality in the social economy

Security of employment was the aspect of job quality that was most frequently identified by respondents (15 organisations; 46.9% of the 32 that answered the question) as amongst the most difficult to deliver. This was primarily attributed to the short-term nature of contracts, public expenditure cuts, uncertainty about financial resources and dependency on public funding.

Eleven organisations (34.4%) considered career progression to be one of the most difficult aspects to deliver, whilst eight considered provision of training to be amongst the most challenging. Career progression was said to be difficult to deliver due to the small size and flat structure of organisations, which gave rise to few management opportunities, for example. The lack of funding for life-long training, an inability to meet the costs of training, and limited opportunities for any training to be used afterwards, contributed to making training difficult to provide.

Suggested policy interventions to improve job quality in the social economy

Social economy actors suggested a number of ways in which job quality in the social economy could be improved:

- ensure compliance with laws about work / life balance;
- give financial support to firms offering flexibility to workers;
- provide funding for life-long learning;
- allocate more resources to addressing social issues;
- reduce bureaucracy;
- provide access to finance and support for organisations in the start-up phase of new services;
- provide training for the social sector, for example regarding the employment of disadvantaged workers;
- provide longer term funding; and,
- increase public contracting with SEOs.

PUGLIA, ITALY

Profile

Puglia is located in the south west of Italy. In 2011 the population of the region was 4 091 259 (ISTAT), which represented 6.8% of the country's total population.

The regional GDP in 2009 was EUR 69 959 million (ISTAT). Unemployment, as measured by ISTAT in 2011, was high in Puglia, at 13.12% compared to the national unemployment rate of 8.4%. The services sector was the largest contributor to employment, providing 814 000 jobs in 2010 (CNEL). Agriculture accounted for 107 000 jobs and Industry provided 302 000 jobs (CNEL).

The rate of new enterprise formation in Puglia in 2011 was 7.1%, while the rate of enterprise failure was 8.1%, leading to a net turnover of -1.0% (CNEL).

Data from the *First Report on the Social Economy* (CNEL-ISTAT, 2008) provides an indication of the level of employment provided by certain types of SEO in Puglia. Voluntary organisations (2003 data) were estimated to have 80 employees and 17 034 volunteers, whereas social co-operatives were found to have 5 895 employees and 1 010 volunteers (2005 data). Foundations in Puglia were estimated to have 4 103 employees and 1 184 volunteers.

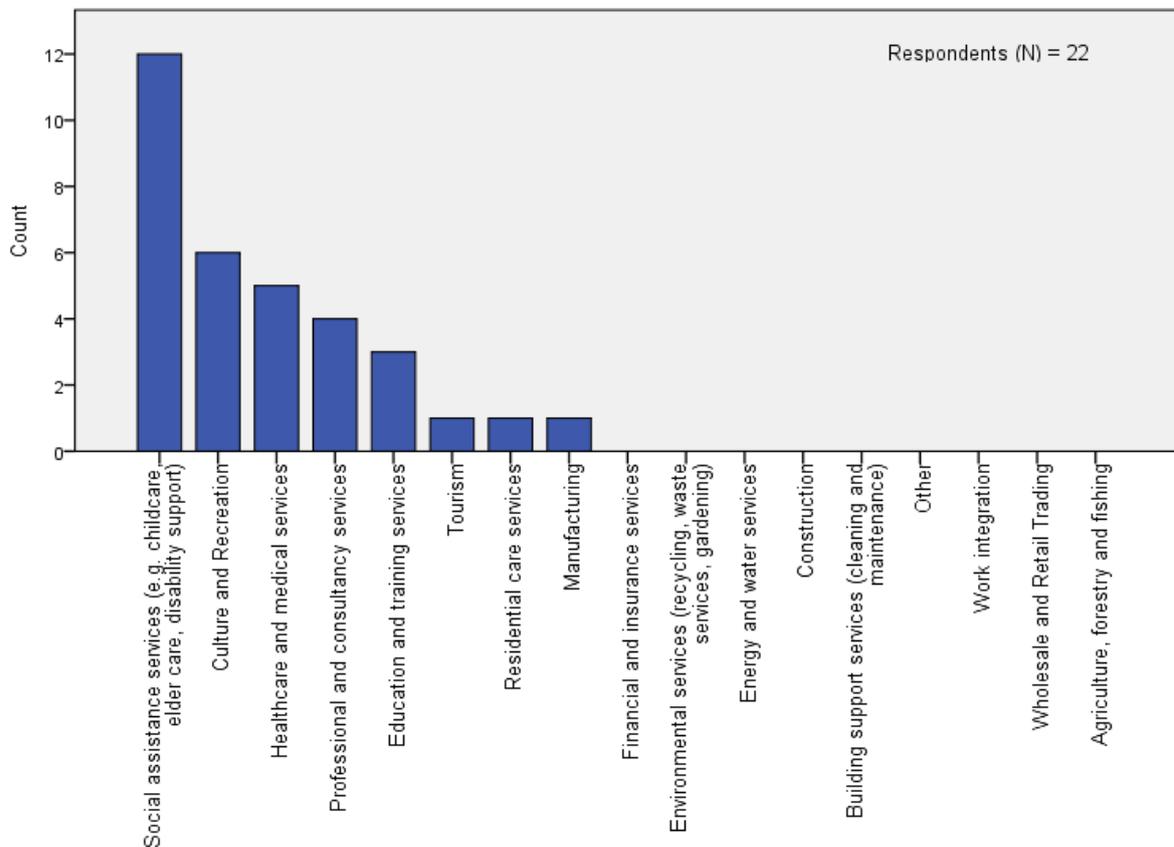
Survey Findings

Responses to the survey were received from 22 organisations in Puglia. The legal forms taken by the organisations surveyed included: social co-operatives (*cooperativa sociale (A or B)*), non-profit private organisations (*ONLUS*), social promotion associations (*associazione di promozione sociale*), and social enterprises (*impresa sociale*).

Sectors in which social economy organisations operate

The SEOs surveyed in Puglia were most active in the field of social assistance, with 12 organisations (54.5%) reporting this as one of the 2 most important sectors they operated in. The other sectors in which the responding organisations were active can be seen from Figure 27 (below).

Figure 27 Most important sectors of operation for SEOs in Puglia



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

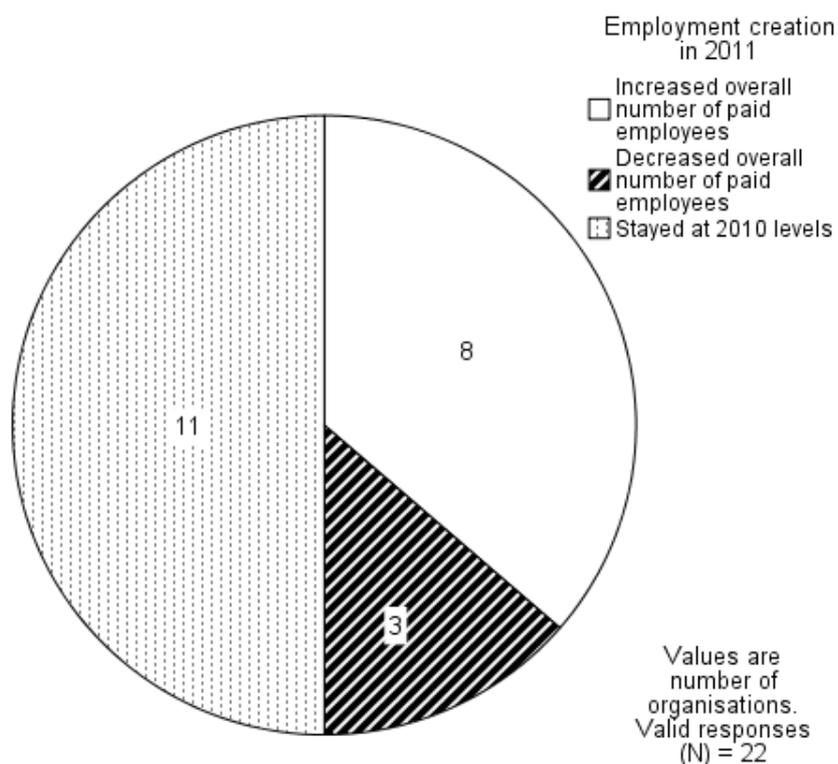
Funding from the sale of goods and services was the most important income source amongst the providers surveyed, accounting for an average of 34.7% of organisational income. This was followed by funding from public contracts, which made up on average 31.2% of the organisations' funding in 2011. However, this latter figure was rather skewed by some organisations' high dependence on public contracts, and the median proportion of income from this source was 8.7%.

Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The mean number of jobs provided by the 22 responding organisations during 2011 was 14.26 FTE positions, with the figures for individual organisations ranging from one to 75. When asked about changes in employment levels in 2011, 11 organisations (50%) had retained the same levels as in 2010; 8 (36.4%) reported an increase in FTE employees, and 3 (13.6%) reported a decrease. Where employment had increased, the average number of jobs created was 2.1 FTE. The average number of jobs lost amongst the three organisations in which employment decreased was three FTE.

Figure 28 Changes in full time equivalent employment in SEOs during 2011 in Puglia



The reason most frequently cited as important in deciding to increase employment in 2011 was increased sales of goods and services (five organisations). However, decreased sales of goods and services was the factor most often cited as important by three organisations that had reduced employment. Where employment had remained the same, five organisations said they should have reduced the number of staff but chose not to; two said there was no need to increase the number of staff; and three said they would have liked to increase staff numbers but could not.

Suggested policy interventions to support social economy job creation and sustenance

When asked how policy makers could support their organisations in creating and sustaining jobs, social economy actors made the following suggestions:

- reduce labour costs;
- provide support for people seeking to re-qualify;
- provide longer term public contracts to allow investment in training, not just cost reduction;
- ensure payments to organisations are on time;
- offer tax allowances to SEOs;
- support for structural regeneration and local development;

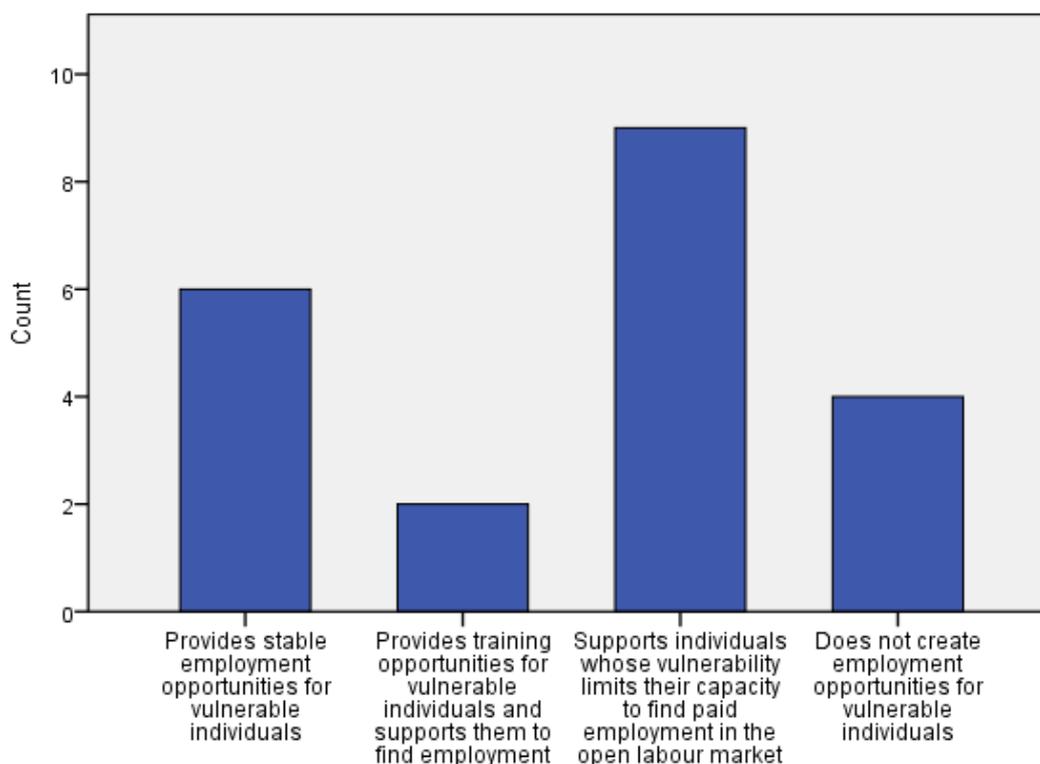
- provide increased support for youth services; and,
- invest in the third sector / social economy, which has been the first to have public funding cut in the economic crisis.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Six of the organisations that responded to the survey provided stable employment opportunities for vulnerable individuals. The largest group (nine organisations; 42.9%) was that which offered support to vulnerable individuals to help them find employment in the open labour market. Two organisations (9.5%) were involved in training provision, while 4 (19.0%) did not create employment opportunities for vulnerable individuals.

Figure 29 Provision of employment, training and support to vulnerable groups amongst SEOs in Puglia



On average 25% of the vulnerable individuals trained in 2011 by the 2 training organisations had successfully found employment outside of the organisation. Both organisations cited lack of employment opportunities as the main factor hindering such individuals from finding employment.

An average of 15% of those trained during 2011 by organisations providing employment had succeeded in securing paid employment inside these organisations. Amongst the 5 organisations that provided data, the average number of FTE positions filled by vulnerable people in an organisation was 24.1; however, given the spread of the values the median value of one FTE position is likely to be a better indicator of the level of employment of vulnerable people amongst these organisations. Only 3 organisations gave information about changing numbers of opportunities for vulnerable people in

2012: of these, 2 reported that these had increased (in one case by 2 FTE jobs, in the other by 50 FTE jobs) and one reported a decrease of 3 FTE jobs. The increase in FTE jobs was in one case attributed to the award of new public contracts and in the other to the ‘corporate mission’ of the organisation. In the case of reduced FTE employment of vulnerable people, this was said to be due to decreased sales of goods and services.

Suggested policy interventions to support social economy organisations’ work with vulnerable individuals

Respondents were asked how policy makers could support SEOs in providing employment or transition to employment opportunities for vulnerable people, and the following were among the responses given:

- increase funding for organisations who employ vulnerable people;
- reduce employment taxes;
- provide support and training for skills;
- increase public awareness of this issue; and,
- support collaboration between for-profit and non-profit firms in integrating disadvantaged people into employment.

Job quality in the social economy

Challenges in delivering job quality in the social economy

When asked which aspects of job quality were most difficult for their organisations to deliver, the factors most frequently identified by respondents were provision of training and security of employment (each by 8 organisations out of 17 that answered the question). Security of employment was reported to be difficult to deliver due to uncertainty in market opportunities: the lack of stability in public contracts, and insufficient funding from public contracts. Training provision was said to be inhibited by a lack of financial resources and by the fact that training was expensive; in particular it was noted that it was costly for an organisation to train staff who did not stay with them a long time.

Suggested policy interventions to improve job quality in the social economy

The measures suggested by social economy actors for improving job quality in the social economy included:

- the provision of financial support for specialised training (particularly in social and health services);
- increased investment in the third sector and in organisations that provide quality services;
- giving greater recognition to social co-operatives’ ability to respond efficiently to local needs;
- verifying that objectives are accomplished by organisations; and,

- reducing the bureaucracy and clarifying the processes associated with the administration of public contracts, which were considered at present to absorb excessive resources.

LUXEMBOURG

Profile

Luxembourg has a surface area of 2 586 square kilometres and according to the most recent census of 1 February 2011, its population is estimated at 512 353. Its main economic sectors are finance, insurance, telecommunications, ICT, transport and logistics, steel, crafts and trade.

In January 2012 there were some 373 050 employees (January 2012); migrant and frontier workers represent over 70% of the domestic workforce. The share of frontier workers increased from 3% in 1961 to 44% in 2012; almost one in 2 frontier workers resides in France. According to STATEC's (Luxembourg's statistical office) most recent estimates, the unemployment rate is expected to rise from 5.7% in 2011 to 6.2% in 2012 and 6.8% in 2013.

In 2008/2009, Luxembourg experienced a severe recession due to the international financial crisis. Output dropped dramatically and unemployment increased. Luxembourg's economy became largely exposed to the deterioration of global trade and its financial centre was severely affected. However, the monetary support measures that were adopted in the Eurozone together with a fiscal recovery programme, helped stabilise the economy. Growth is likely to be weaker in the coming years than before the crisis but living standards will remain high.

In Luxembourg, GDP per capita is 150% higher than the average for the Eurozone, while the difference in terms of disposable income and household consumption expenditure per capita is some 45% higher. However, income inequality worsened between 1985 and 2009, and particularly affects children and young people. One of the consequences of worsening income inequalities has been the rise in poverty. The poverty rate – defined as the share of people whose income⁴ is below 60% of the country's median income – increased from 13% in 1985 to 14.5% in 2009. The rise in poverty has mainly affected younger age categories, particularly children and young people below 18 who currently represent 20% of the population. Inversely, people aged over 65 have seen their situation improve very significantly, with a poverty rate decreasing from 16.5% in 1985 to less than 6% in 2009. Social transfer payments play a key role in reducing inequalities.

Luxembourgers are on average 38.7 years old, albeit with an ageing population. The youth dependency ratio shows the number of children and young people aged below 14 per 100 people aged between 15 and 64. This ratio has decreased from 28.2% in 2001 to 25.2% in 2011. The dependency ratio of elderly people shows the number of people aged over 65 per 100 people aged between 15 and 64 has slightly decreased from 20.7% in 2001 to 20.4% in 2011.

The social and solidarity economy in Luxembourg

Studies in this field are still quite rare in Luxembourg. According to the most recent study – published in 2010 but referring to 2008 data – the social and solidarity economy is estimated at 4.2% with regard to institutions and at 5.9% in terms of employment.

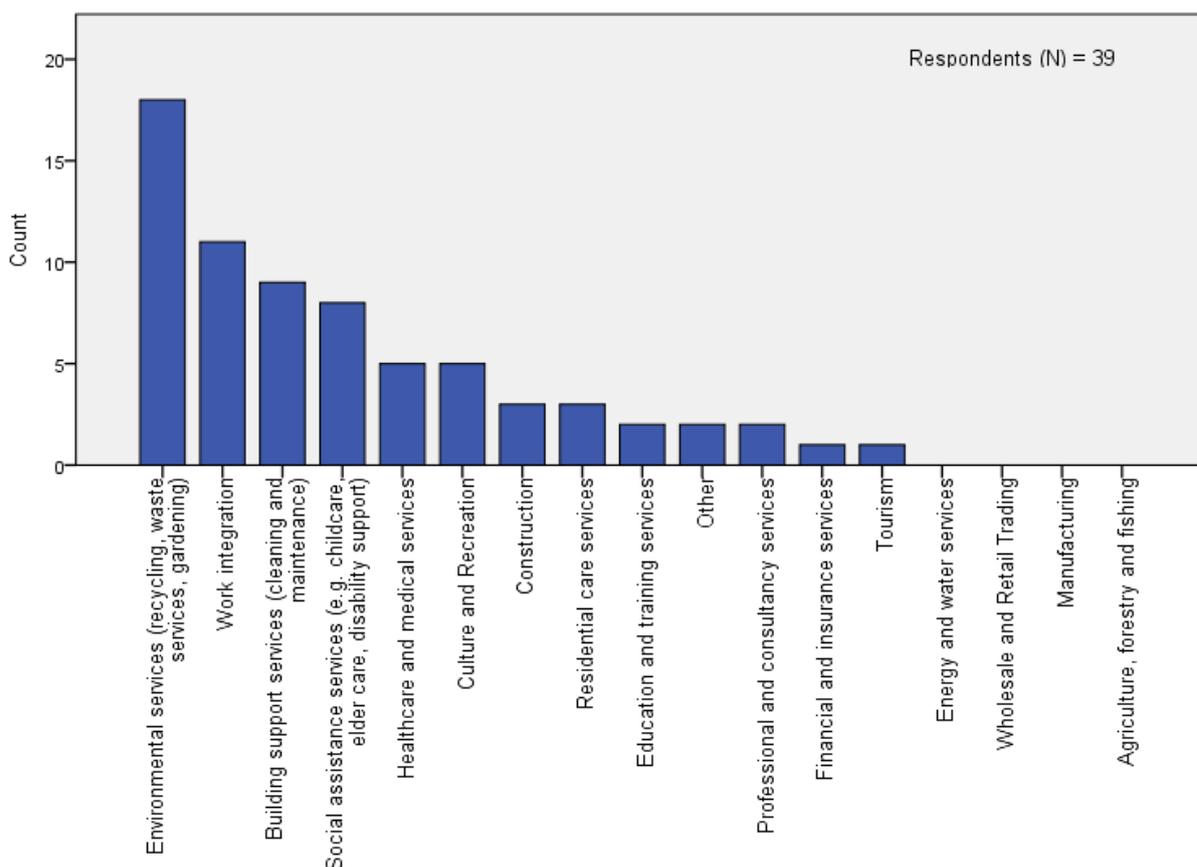
Survey Findings

The Luxembourg survey elicited responses from 40 SEOs. The majority of these took the legal form of non-profit organisation (*association sans but lucrative*).

Sectors in which social economy organisations operate

Environmental services was the sector most frequently selected by SEOs in Luxembourg as one of the two most important sectors in which they operated (by 18 organisations; 46.2%). This was followed by work integration (11 organisations; 28.2%) and building support services (nine organisations; 23.1%). The range of other activities in which the organisations that responded were involved can be seen in Figure 30 below.

Figure 30 Most important sectors of operation for SEOs in Luxembourg



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

In terms of income sources, subsidies were by far the most important source for the organisations that responded. The average proportion of organisational income from subsidies in 2011 was 59.85%. Income from the sale of goods and services was the next largest category, accounting for an average of 16.86% of annual income. This was followed by income from public contracts which made up on

average 13.85% of organisational income. Funding from membership fees contributed a relatively small average proportion of income (4.89%) as did funding from grants and fees (3.81%).

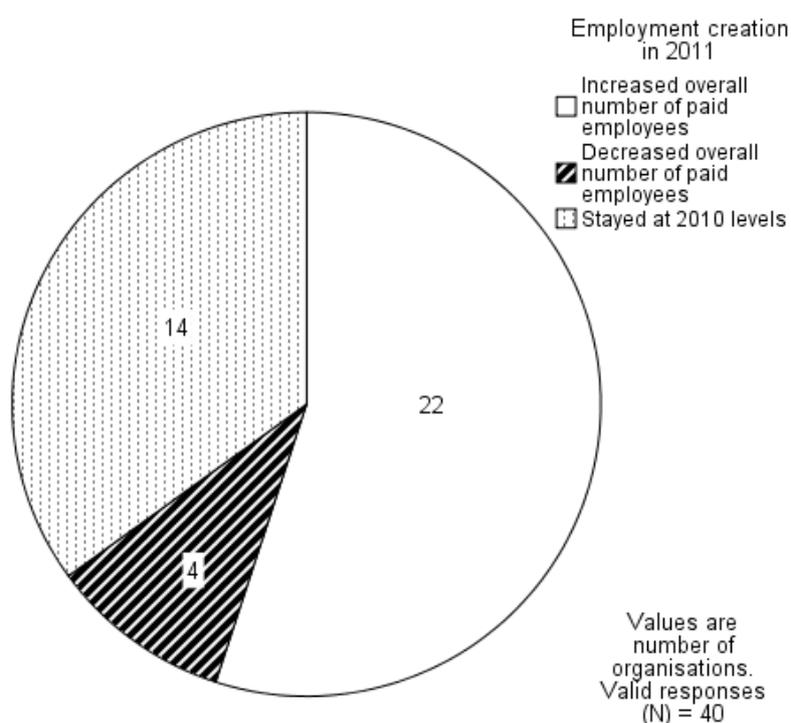
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The mean number of jobs provided by the organisations surveyed in 2011 was 97.1 FTE positions. However, due to the relatively wide range of the data from 1 to 1444 FTE employees, the median value of 38 FTE employees per organisation may be a better indicator of typical employment levels amongst the organisations that responded to the survey.

When asked about changes in employment during 2011, the majority of organisations (22; 55%) reported that they had created additional jobs during the year. Fourteen organisations (35%) had retained the same number of paid employees as at the end of 2010, while 4 (10%) had reduced their paid workforces.

Figure 31 Changes in full time employment in SEOs during 2011 in Luxembourg



Amongst those that increased employment, the average number of FTE positions created was 15.3; whereas amongst those that reduced the number of employees, an average of 5 FTE positions were lost. When asked which factors were important in the decision to increase employment, the reasons most frequently highlighted by organisations that had increased their workforce were: increased demand for staff (16 organisations; 72.7%); increased subsidies (13 organisations; 59.1%); and increased sales of goods and services (12 organisations; 54.5%). Where employment had decreased, the reason most frequently given (by 2 organisations) was reduced demand for staff. Of the 14 organisations that had retained the same level of employment, the majority (11 organisations;

78.6%) had wanted to increase the number of staff but could not. Lack of financial resources was the reason frequently given by these organisations for not being able to increase staff numbers.

Suggested policy interventions to support social economy job creation and sustenance

When asked to suggest ways in which policy makers could support SEOs in creating and sustaining employment, respondents emphasised the need for both political and financial support. Requests for financial support included: increased subsidies; providing a budget for the Ministry of Social Economy; providing funding for operating costs; and, investing in job creation rather than unemployment benefit. It was also recommended that public procurement should be adapted to support the social economy, for instance, by including social and environmental criteria. As one respondent put it, 'public procurement needs to be seen as an investment rather than a cost'. Similarly, another pointed out the need for policy makers to recognise the added value that their organisation can bring to citizens and to the problem of unemployment.

Field-specific initiatives, such as supporting innovative tourism projects or organic food production were also suggested as means of supporting employment in the social economy, and in addition the need to match skills demand and supply so that people are appropriately skilled for new jobs being created was highlighted.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

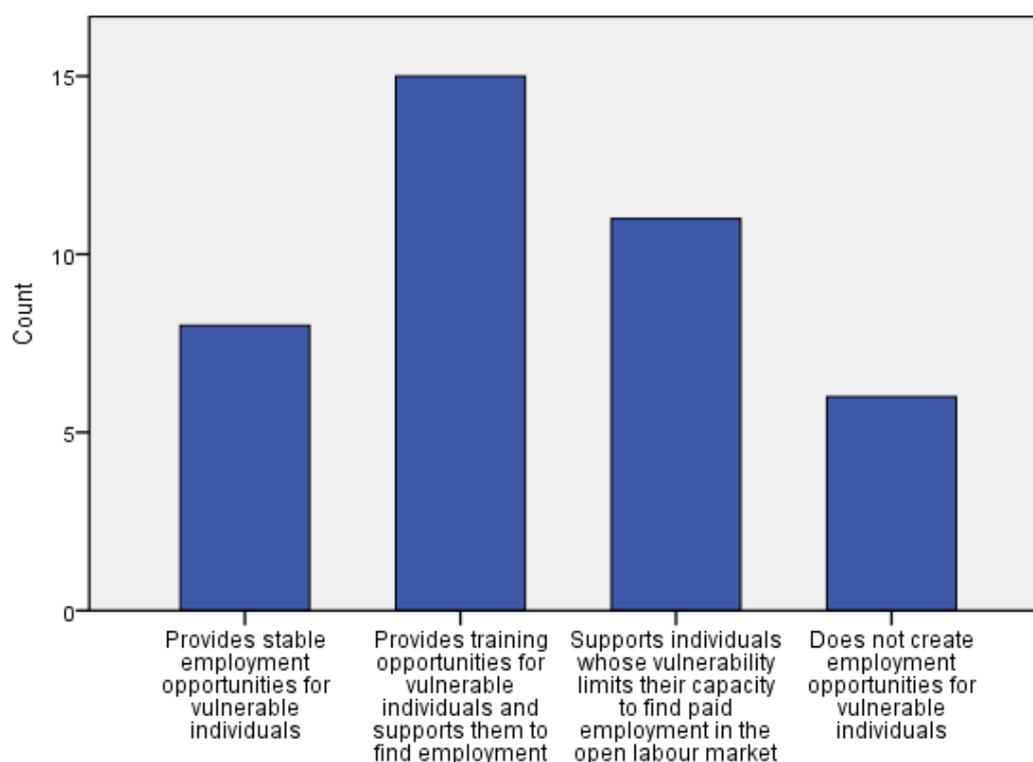
Fifteen (37.5%) of the responding SEOs provided training for vulnerable people and supported them to find employment outside of their organisations; 11 organisations (27.5%) provided support to vulnerable individuals in finding employment in the open labour market; while 8 organisations (20%) actually provided stable employment opportunities for vulnerable people themselves. Six organisations (15%) did not provide employment opportunities for vulnerable individuals.

The factors most commonly identified by SEOs providing training as preventing vulnerable individuals from finding employment outside their organisations were lack of skills (8 organisations; 57.1%) and lack of employment opportunities (7 organisations; 50%).

For organisations that provided employment for vulnerable individuals themselves, the average proportion of individuals trained in 2011 who had secured employment within the organisations was 22.6%. Eight organisations submitted information about the number of FTE positions in their organisation that were filled by vulnerable individuals at the end of 2011: these figures ranged from 5 to 73, the average being 33.1 FTE positions.

Nine organisations provided information about change in the level of internal opportunities (for example in training and employment) for vulnerable people in their organisation during 2011. Of these, six reported that they had increased opportunities, one had reduced them, and in two organisations they had remained the same. Five organisations provided data about the number of FTE opportunities created for vulnerable individuals in 2011, and amongst these, the average increase was 33.4 FTE jobs. Where employment of vulnerable people had increased, the reasons given for this included the award of new public sector contracts and increased sales of goods and services. In the case where employment of vulnerable people had decreased, five FTE positions had been lost and this was attributed to the loss of public sector contracts and prevailing economic conditions.

Figure 32 Provision of employment, training and support to vulnerable groups amongst SEOs in Luxembourg



Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Respondents were asked how policy makers could best support their organisation's work with vulnerable individuals and again, providing political and financial support for the social economy emerged as strong themes amongst the suggestions. There was also the recommendation that longer term support be provided for vulnerable individuals; the two years' support currently offered was seen as insufficient to help them enter the labour market. It was also suggested that businesses be made to comply with laws on quotas for employing disabled people but that, as occurs in Germany, they could be given the option to outsource this to social enterprises.

Job quality in the social economy

Challenges in delivering job quality in the social economy

Providing security of employment emerged as the main challenge in relation to job quality: 12 (66.7%) of the 19 organisations that provided information about job quality identified this as among the most difficult aspects to deliver. This was reported to be due to lack of financial resources; lack of political will; and the short-term nature of public funding which did not permit the creation of permanent jobs.

Career progression was identified by eight respondents (44.4%) as particularly problematic. This was said to be because of the very limited number of jobs (and specifically management positions)

available, the short-term nature of contracts, funding constraints, and the fact that progression could only be based on the achievement of diplomas.

Suggested policy interventions to improve job quality in the social economy

Social economy actors' suggestions as to how policy makers could help improve job quality in the social economy included:

- providing strong political support for social economy development and committing to considering it as a full economic actor alongside the private and public sector;
- offering longer term contracts to vulnerable individuals for training; and,
- evaluating projects based on their innovative potential and on the quality of jobs they create, not just on financial results.

REGIUNEA CENTRU, ROMANIA

Regional Profile

Romania's Regiunea Centru is situated in the central part of Romania. With a surface of 34 100 square kilometres, it represents 14.3% of Romanian territory, and is the fifth largest of Romania's eight development regions. The centre Region has considerable hydro-energetic potential and diversified natural vegetation as well as valuable forestry potential (woods and forested areas occupy approximately one third of the whole region's surface). At the beginning of 2010, the population of the centre region was 2.524 million inhabitants, with a density of 74 inhabitants per square kilometres. Due to the share of urban population (59.4%), Regiunea Centru is ranked among the most urbanised regions of Romania, after the Bucharest-Ilfov region and the west region. Most of the cities have a population smaller than 200 000 inhabitants, and only one city, Brasov, has a population over 200 000 inhabitants.

The population of Regiunea Centru is characterised by a great ethnic, linguistic and religious diversity. Romanians form 65.3% of the region's total population, Hungarians 29.9%, Roma people 4% and Germans 0.6%.

The general unemployment rate in Regiunea Centru, at the end of 2010, was 10.7% of the active population, compared to 6.9% for Romania as a whole.

In 2008, the Gross Domestic Product per capita in Regiunea Centru, expressed at the Purchasing Power Standard, was of RON 22 820 (Romanian Lei) (44.8% of the European Union's average and a little below Romania's average). In regard to the total amount of foreign investments, Regiunea Centru ranks in second position, after the Bucharest-Ilfov region.

The Social Economy in Regiunea Centru

Compared to the other development regions, Regiunea Centru has the largest number of SEOs (5 044; 18% of the national total) and the largest number of social economy employees (63 679). More than one-third of the total number of jobs created in the social economy in Romania are registered in this region. The most important forms of SEO associations (20% out of the country's total) and co-operatives (14% out of the country's total) are well represented. Associations and foundations and consumer co-operatives provide the largest shares of the social economy jobs provided in the regions. The most highly represented field of activity for the regions associations and foundations was 'social and charity' (990 organisations), followed by 'sports and hobby activities' (820 organisations); however, in terms of the percentage share of the national number of organisations operating in a given field, the region's largest contribution is to 'agricultural associations/commons' (612 organisations; 26.9% of national total) (Institute of Social Economy IES Romania, 2012).

Table 23. Distribution of SEOs in Regiunea Centru (2009)

Region	SEOs	SEOs as a % of total SEOs	Associations and Foundations (% of total)	Credit Unions (% of total)	Co-operatives (% of total)
Regiunea Centru	5 044	18%	20%	11%	14%
Romania	25 744	100%	100% (23 100)	100% (897)	100% (1 747)

Source: National Institute of Statistics Romania 2009 - data processed by the Institute of Social Economy IES Romania 2011.

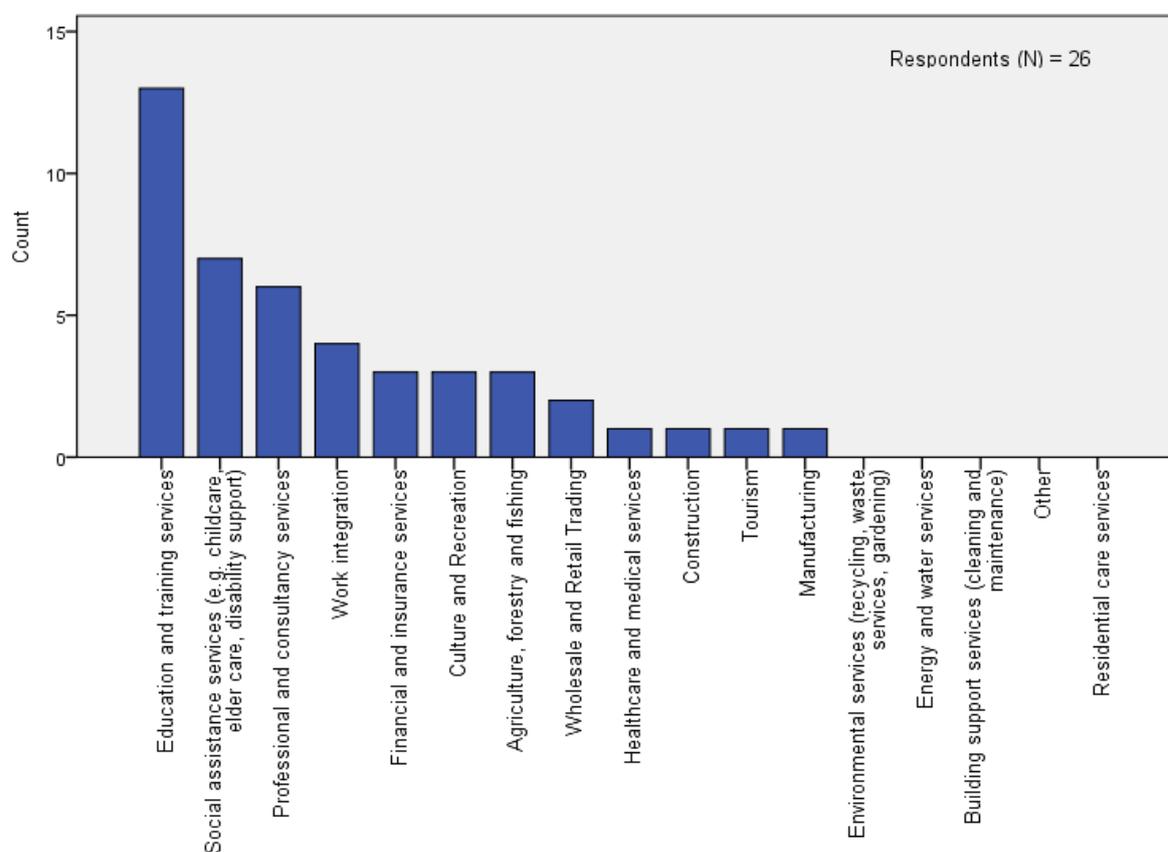
Survey Findings

The Regiunea Centru survey was responded to by 26 organisations. The majority of these took the legal form of an association (*asociație*), but organisations taking the forms foundation (*fundatie*), public institutes (*institutie publica*), co-operative (*cooperativă*), and credit unions (*casă de ajutor reciproc a salariaților*) were also represented.

Sectors in which social economy organisations operate

Education and training services was the sector most widely reported (by 13 organisations; 50%) of the organisations surveyed as being one of the two most important sectors in which they operated. Figure 33 shows that the organisations were active across a range of different sectors, including social assistance services and professional and consultancy services.

Figure 33 Most important sectors of operation for SEOs in Regiunea Centru



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

The income source that made the largest average contribution to organisations' income in 2011 was funding from grants and donations, at an average of 37.7% of total income. This is interesting because it differs from most other regions in the study. The next most important source was income from the sale of goods and services which represented an average of 17.5% of organisational income. This was followed by funding from membership fees at 14.8%, on average. However, it is important to note that there was considerable variation between organisations, and not all of these sources contributed to the income of each organisation.

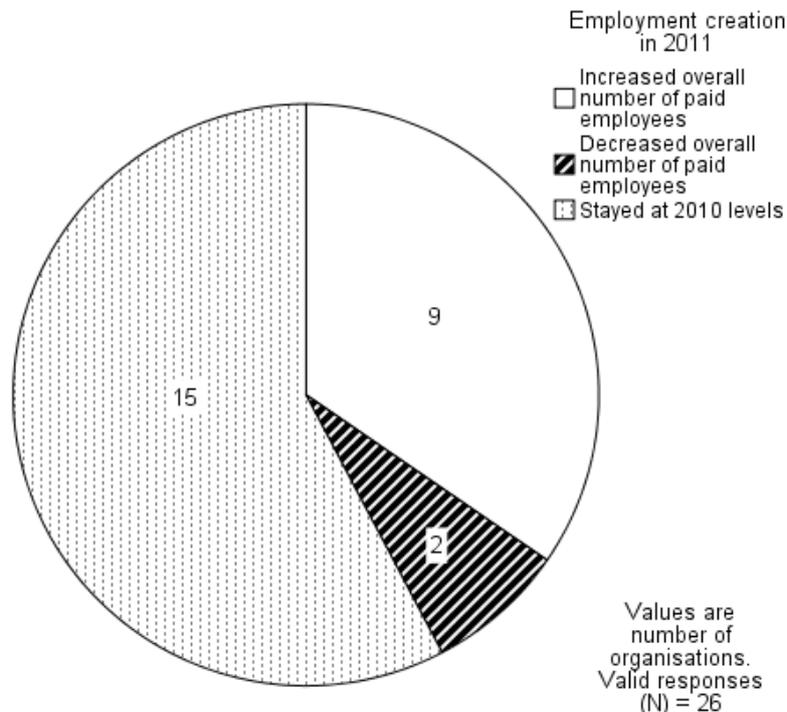
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of FTE equivalent jobs provided by the organisations surveyed in 2011 was 13.3 FTE. However, the median value was somewhat lower than this at 7 FTE. When asked about employment creation, the majority of organisations (15; 57.7%) retained the same number of employees that they had at the end of 2011. Nine organisations (34.6%) had increased the number of paid employees, while 2 (7.7%) had seen a reduction in staff numbers. Amongst those that had

increased employment levels, the average number of jobs created was 2.7 FTE. Where employment had decreased, this was by an average of 2.5 FTE jobs.

Figure 34 Changes in full time equivalent employment in SEOs during 2011 in Regiunea Centru



The main reasons given for increasing employment were increased demand for staff (seven organisations) and increasing grant or donation funding (six organisations). Of the organisations that had retained the same number of staff, nine reported that there had been no need to increase the number of staff, whereas five would have liked to have increased staff numbers but could not. Amongst the latter group, the main reason given for not increasing staff numbers was lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

The following suggestions were made by social economy actors when asked how policy makers could support the social economy in creating and sustaining jobs:

- recognise the added [or public] value created by their activities;
- set up tax incentives related to the degree to which social problems are alleviated in the area in which a social enterprise operates;
- provide greater transparency in the allocation of contracts and other funding;
- reduce the level of contributions that have to be made to that state from each salary (reported to be 47.5% of the gross salary currently);

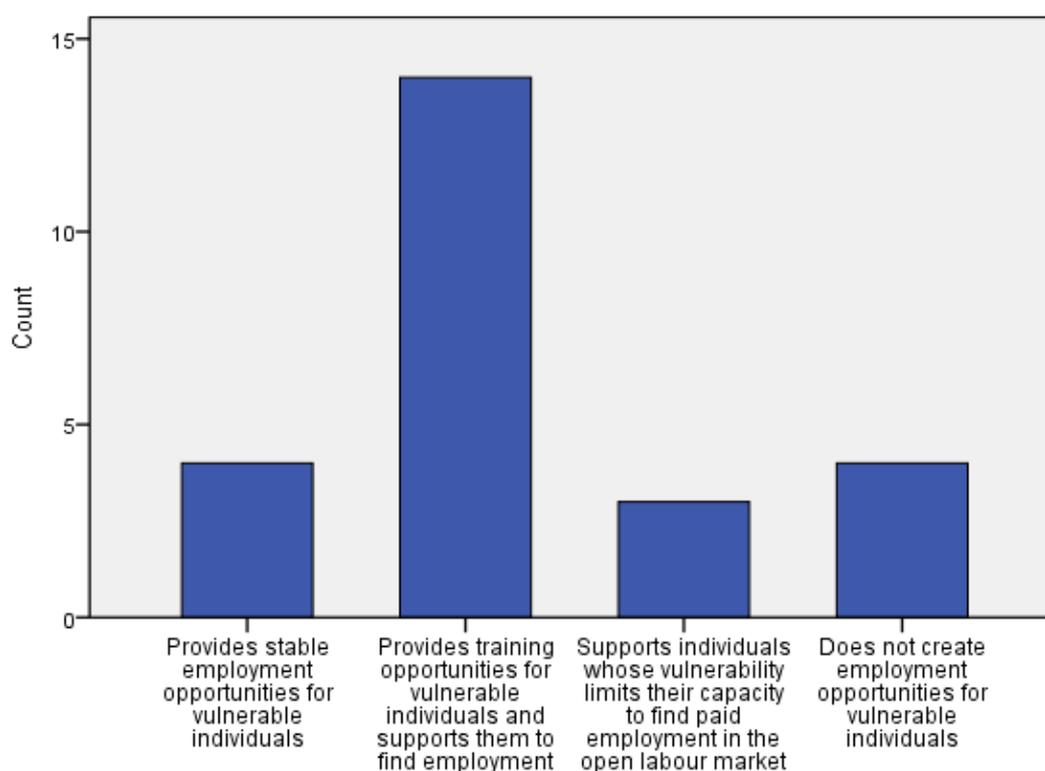
- enable non-profit organisations to access finance/credit facilities;
- support the activities of SEOs operating in specific fields , for example through subsidies; and,
- provide support in accessing grant funding.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

The majority of the organisations that responded to the survey were involved in the provision of training for vulnerable individuals and supporting them to find employment (14 organisations; 56.0%). Four organisations (16%) provided stable employment opportunities for vulnerable individuals, and 3 (12.0%) provided support to help such individuals find employment in the open labour market.

Figure 35 Provision of employment, training and support to vulnerable groups amongst SEOs in Regiunea Centru



Amongst the organisations that provided training, an average of 37.1 % of those trained in 2011 went on to secure employment outside of the organisation (based on 10 organisations that provided data). Lack of employment opportunities was the most frequently cited (by 12 organisations) hindrance to vulnerable individuals finding employment outside of these organisations.

The organisations that provided employment opportunities for vulnerable people reported that on average 50% of vulnerable individuals that they trained in 2011 successfully found employment

within their organisation. Amongst these 4 organisations, the average number of FTE positions filled by vulnerable individuals was 1.8.

When asked about changes in the level of internal opportunities (for example in training and employment) during 2011 the majority of organisations (11; 61.1%) reported that these had remained the same as in 2010, but 7 (38.9%) reported an increase. The increases in FTE opportunities for vulnerable individuals reported by these seven organisations ranged from 1 FTE position to 100 FTE positions, with the median being 7.5 FTE jobs. Amongst these organisations increased demand for staff, increased grant or donation funding, and prevailing economic conditions were the main reasons given for the decision to increase opportunities for vulnerable people.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

When asked how policy makers could support SEOs in creating training and employment opportunities for vulnerable people, respondents made the following suggestions:

- introduce measures to assist employers in providing suitable working conditions, for example the free installation of platforms for people with disabilities;
- create incentives, such as through tax, for employers to take on vulnerable individuals, especially 'deinstitutionalised' young people;
- give social service beneficiaries priority in accessing employment and professional training, for example, through communicating about vacancies to the organisations supporting them;
- develop a funding programme to support the creation of new workplaces;
- require commercial banks to make a percentage (c. 1-2%) of their income available as loans to social enterprises at advantageous (or zero) interest rates; and,
- develop public-private partnerships (for example, for projects for disabled people).

Job quality in the social economy

Challenges in delivering job quality in the social economy

Security of employment was the aspect of job quality that respondents in this region most frequently cited as difficult to deliver, with 8 (42.1%) out of 19 responding organisations highlighting this issue. The reasons for this were mainly due to financial insecurity, both in the economy more broadly and within the organisations. There was uncertainty about the continuity of income through contracts and through European funding, and one organisation reported decreasing donated income year on year. Lack of government support for social services and the insecurity of the business environment (and of the legal framework governing it) were also given as reasons for this difficulty.

Providing adequacy of pay and the provision of training were both identified as problematic by seven organisations (36.8%). Adequacy of pay was said to be difficult to deliver because of having insufficient or inconsistent financial resources to support the provision of decent salaries. One respondent conceded that 'the lack of a constant income of the organisation can lead to the deprivation of salaries for some periods of time'. Reasons for difficulties in providing training also included

financial constraints as well as the high cost and poor range of training available and what was termed ‘employee migration’.

Suggested policy interventions to improve job quality in the social economy

When asked how policy makers could support SEOs in providing job quality, respondents emphasised the need for genuine political interest and engagement with the social issues and with organisations providing social services, which a number of them perceived to be lacking. Other suggestions included:

- provide subsidies for the modernisation of work places;
- organise meetings and debates on the subject of the quality of life at the workplace and consider how this might be defined differently than it is at present;
- include , and favour, NGOs in public-private partnership legislation; and,
- provide free training courses for personnel involved in providing social services.

REGIUNEA SUD EST, ROMANIA

Regional Profile

Regiunea Sud Est in Romania covers 35 762 square kilometres or 15% of the country's total surface, and is the second largest of the 8 development regions of Romania. The region has 35 of Romania's 320 cities, and the counties that comprise this region are: Brăila, Buzău, Constanța, Galați, Tulcea and Vrancea. Regiunea Sud Est includes the Danube Delta, and is bordered on the east side by the Romanian Black Sea's coast.

At the beginning of the year 2010, the region had a population of 2.81 million inhabitants, representing 13.1% of the country's population; the density of the population is 79.7 inhabitants per square kilometres, below the country's average of 90.9 inhabitants per square kilometres. The cities make up 55.5% of the population. The population of the region is characterised by a relative ethnic homogeneity. Romanians constitute 95.2% of the region's total population, Roma (1.7%), Turks (1%), Lipovans (0.9%), other ethnic groups (1.2%). Farming and agriculture hold a major share in the region's economy, 40.4% of the occupied population working in this sector. The agricultural fields cover 65% of the region's total surface.

In 2008, the GDP per capita in Regiunea Sud Est, expressed at the Purchasing Power Standard, was of RON 19 814 (Romanian Lei) (83% of Romania's average). With a GDP representing 11.3% of the country's economy (2004), the region ranks in sixth place, while the GDP/inhabitant is below the national average. Regiunea Sud Est has an employment rate of 55.4% which is below Romania's average (58.6%) and an unemployment rate of 7.5%, which is above the national average (6.9%).

The social economy in Regiunea Sud Est

SEOs register a relatively low presence in Regiunea Sud Est. The region is characterised by a relatively low presence of associations and foundations and a relatively high presence of credit unions (16% of the nation's total) and co-operatives (14%).

Table 24. Distribution of SEOs in Regiunea Sud Est (2009)

Region	SEOs	SEOs as a % of total SEOs	Associations & Foundations (% out of total)	Credit Unions (% out of total)	Co-operatives (% out of total)
Sud Est	2 173	8%	8%	16%	14%
Romania	25 744	100%	100% (23 100)	100% (897)	100% (1 747)

Source: National Institute of Statistics Romania 2009 data processed by the Institute of Social Economy IES Romania 2011

According to data from the National Institute of Statistics Romania 2009 (processed by the Institute of Social Economy IES Romania 2011) SEOs in Regiunea Sud Est had a total income of RON 623 991 914 and had 11 833 employees. These were distributed amongst 2 172 organisations, but the types of organisation making the greatest contribution to employment were associations and

foundations (accounting for 5 471 jobs) and handicrafts co-operatives (3 442 jobs) (Institute of Social Economy IES Romania, 2012).

Within the associative sector, Regiunea Sud Est represents a significant share of Romania's agricultural associations and agricultural co-operatives, due to its important agricultural potential.

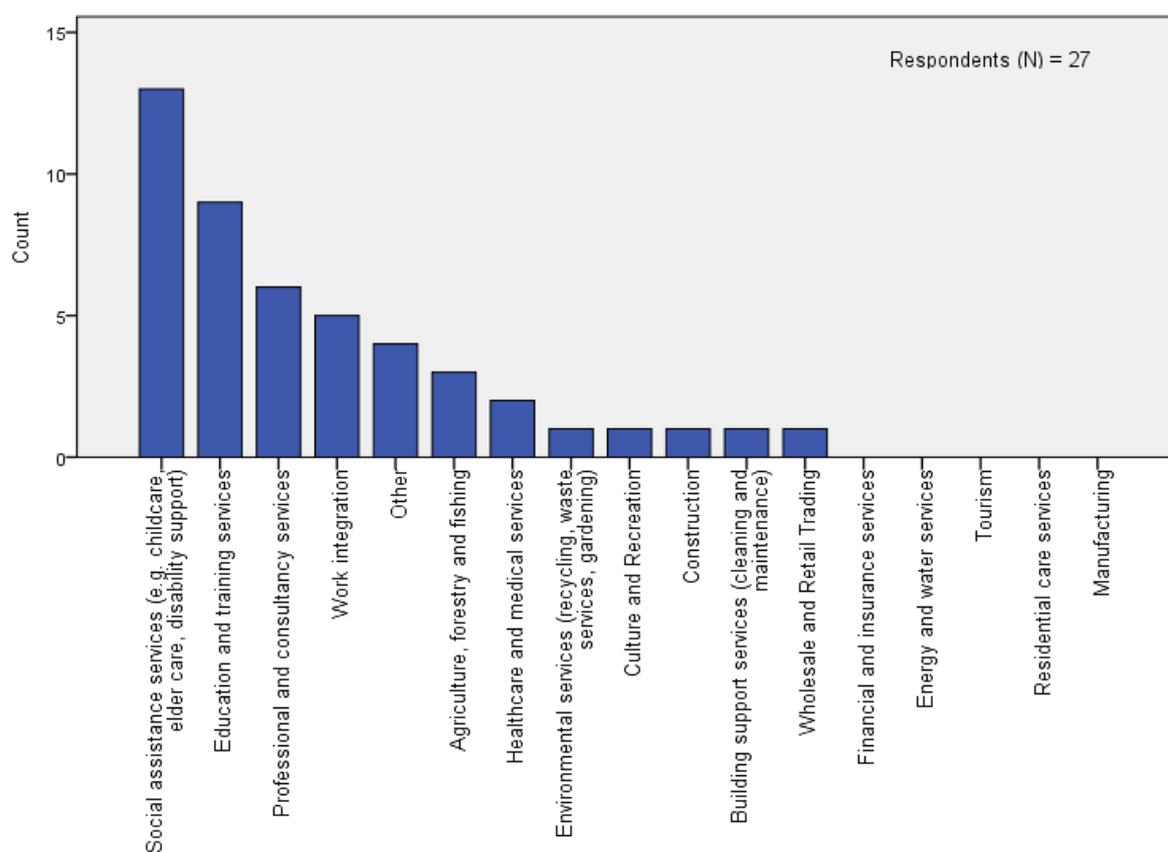
Survey Findings

The survey in Regiunea Sud Est was responded to by 27 organisations. Of these, 16 took the legal form of an association (*asociatie*), 7 were foundations (*fundatie*) and 2 were federations (*federatie*). In addition one organisation was a company (*societate comercială*) and one was an agricultural society (*societate agricolă*).

Sectors in which social economy organisations operate

The sector most frequently identified as one of the two most important sectors in which organisations were active was social assistance services, selected by 13 organisations (48.1%). This was followed by education and training services, which was an important sector of operation for 9 organisations (33.3%). The variety of sectors in which the organisations surveyed were active is shown in Figure 36 below.

Figure 36 Most important sectors of operation for SEOs in Regiunea Sud Est



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

Twenty-three organisations in Regiunea Sud Est provided information about their income sources in 2011. The source that made up the largest average share of organisational income amongst respondents was grants or donations, at 32.9%. This was followed by membership fees, which made up an average of 27.3% of organisations' funding; however, values for this source were particularly widespread and many of the organisations received no funding from membership fees. Income from sales of goods and services made up an average of 13.5% of organisational income, with subsidies accounting for an average of 12.4%.

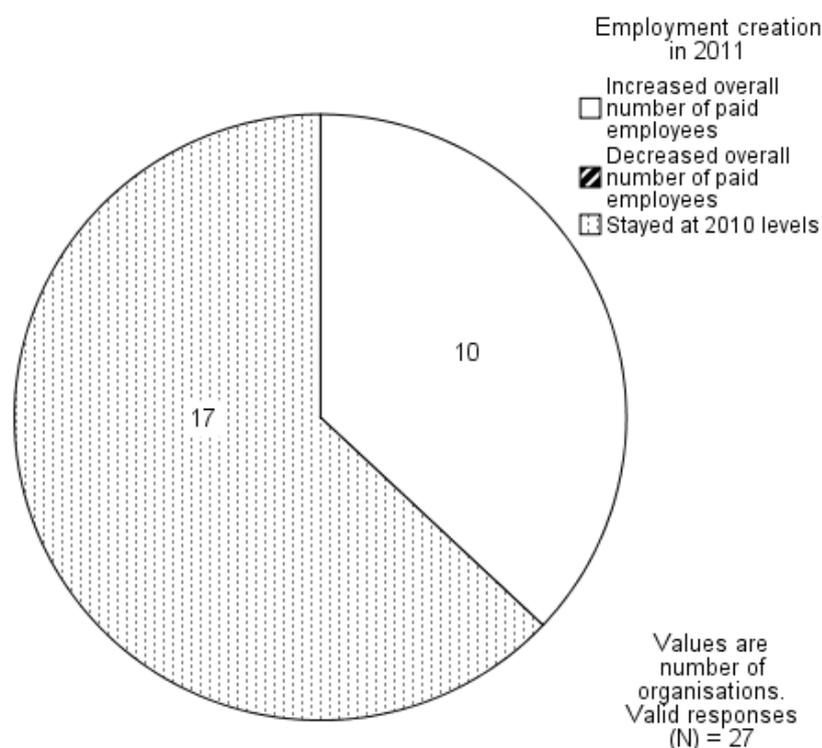
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of FTE jobs provided by the responding organisations at the end of 2011 was 6.3. When asked about changes in employment during 2011, the majority of organisations (17; 63.0%) reported that they had retained the same number of paid staff as at the end of 2010; however, 10 (37.0%) said that they had increased staff numbers, the average increase being by 4 FTE positions. The factors most frequently cited as important in contributing to the decision to increase employment were increased demand for staff and increasing grant or donation funding (both by 8 organisations; 80%).

Where organisations had retained the same level of employment, seven reported that there was no need to increase the number of staff, but eight reported that they would have liked to increase staff numbers but could not; all of these said that lack of financial resources had prevented them from doing so.

Figure 37 Changes in full time equivalent employment in SEOs during 2011 in Regiunea Sud Est



Suggested policy interventions to support social economy job creation and sustenance

When asked what measures policy makers could take to support the social economy in creating and sustaining jobs, respondents made a range of generic and more specific suggestions, which included:

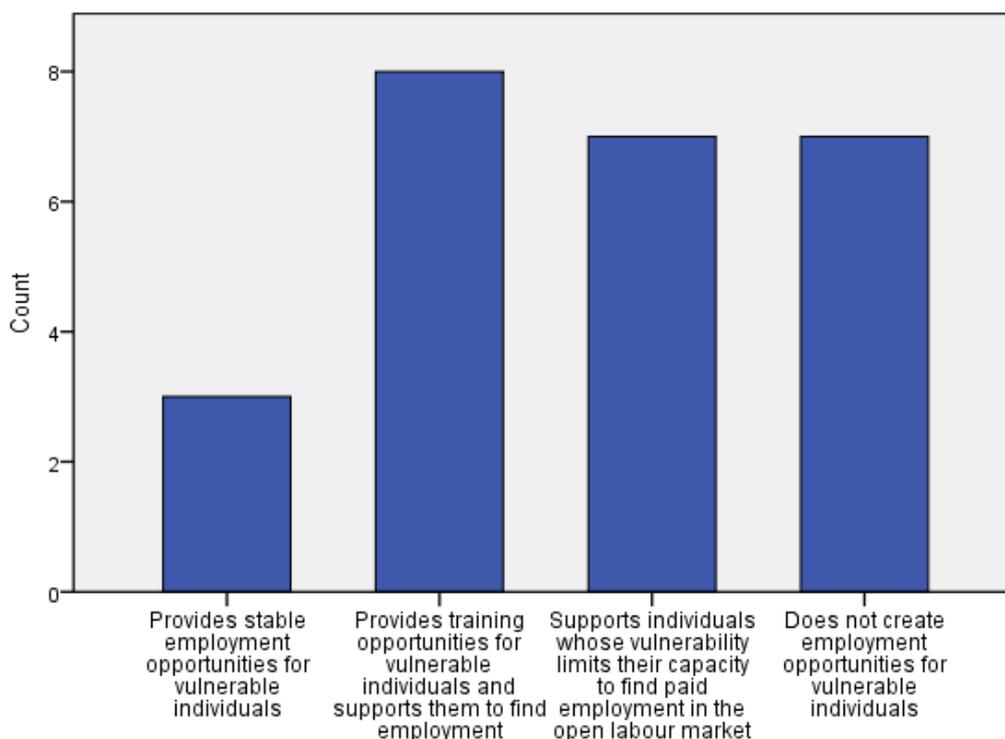
- increasing existing political support for cross-border co-operation activity;
- greater government support for NGOs that are developing quality social services, enabling them to sustain jobs and services;
- consulting civil society organisations about legislation;
- supporting efforts to create new social economy structures (entities) that increase the scope for integrating disabled people into labour markets;
- paying grant monies on time, and repaying VAT owed;
- funding workplace based training for young employees;
- simplifying the procedures of the Labour Code; and,
- providing fiscal facilities for NGOs that are also employers.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Only 3 (12%) of the responding organisations provided stable employment opportunities for vulnerable individuals. Eight (32.0%) were involved in the provision of training and support in seeking employment for such individuals; 7 (28.0%) were involved in providing support; and 7 (28.0%) did not provide employment opportunities for vulnerable individuals.

Figure 38 Provision of employment, training and support to vulnerable groups amongst SEOs in Regiunea Sud Est



Amongst the organisations that provided training, an average of 13.3% of the vulnerable individuals that were trained in 2011 went on to secure employment outside of the organisation. Lack of employment opportunities was the factor most frequently cited as hindering these individuals from finding employment. In the 4 organisations that provided employment for vulnerable people, an average of 12.5% of the individuals trained in 2011 went on to secure employment within these organisations.

Ten organisations responded to the question about change in the number of internal opportunities, such as employment and training, for vulnerable individuals during 2011; of these, 7 organisations had retained the same level of opportunities and 3 had increased them. Amongst these 3 organisations, the average number of FTE positions created for vulnerable people was 14. Increased grants or donations was the factor most frequently cited as important in taking the decision to increase employment of vulnerable people.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Asked to suggest how policy makers might best support their organisations in working with vulnerable individuals, social economy actors made the recommendations:

- create social services and social economy legislation that correspond with one another;
- establish county-level offices for collaboration with the non-governmental sector;
- develop investment services; and,
- ensure that there is a genuine link between training and employment or self-employment opportunities.

Job quality in the social economy

Challenges in delivering job quality in the social economy

The aspects of job quality most frequently cited as amongst the most difficult to deliver by social economy actors in this region were security of employment (13 organisations; 56.5%), adequacy of pay (11 organisations; 47.8%) and provision of training (ten organisations; 43.5%).

Difficulties in providing security of employment were reportedly caused by economic instability and unfavourable labour market conditions, very high dependence on grants and subsidies, and having insufficient funds to pay salaries and the contributions associated with them. Underfunding and insufficient resources were also identified as reasons for difficulties in providing adequate pay.

Suggested policy interventions to improve job quality in the social economy

The suggestions made by respondents when asked how policy makers could support SEOs in improving job quality included fostering public-private partnerships and making legislation more 'honest, balanced and predictable'. One respondent raised concerns about the lack of support for the non-governmental sector.

ÖSTERGÖTLAND, SWEDEN

Regional Profile

Östergötland is located in the eastern part of Sweden. With approximately 430 000 inhabitants, the region represents approximately 4% of the total Swedish population. According to the last official available regional level figures (2008) Östergötland has a per capita GDP of SEK 286 500 (Swedish Kronor) (approximately EUR 34 200), which is below the national average. The population is distributed in 13 municipalities, although almost half of the population lives in the two main towns of Linköping and Norrköping.

The human health and social work activities sector made up the largest contribution to employment in the region, providing 32 356 jobs. Manufacturing and extraction were the next largest field of employment (30 970 jobs), followed by trading and education.

The unemployment rate in Östergötland in 2011 was 7.3%. The unemployment was higher amongst men than women, and was particularly high amongst young people, with a rate of 11.5% unemployment being recorded for the 18-24 age group. People born outside Sweden also experienced a higher rate of unemployment (15.1%) and consequently were considered to be a vulnerable group, together with people with low education levels, persons receiving sickness benefits and individuals receiving social security allowances.

Concerning employment in SMEs, according to available figures, in 2009 there was a turnover of 2 477 units in the sector. At the same time, the number of jobs in the social economy counted almost 1 650 units (although statistics are incomplete and sometimes contradictory). Additionally, there are figures providing evidence that in 2009 approximately 21 000 persons received some kind of revenue from the social economy system.

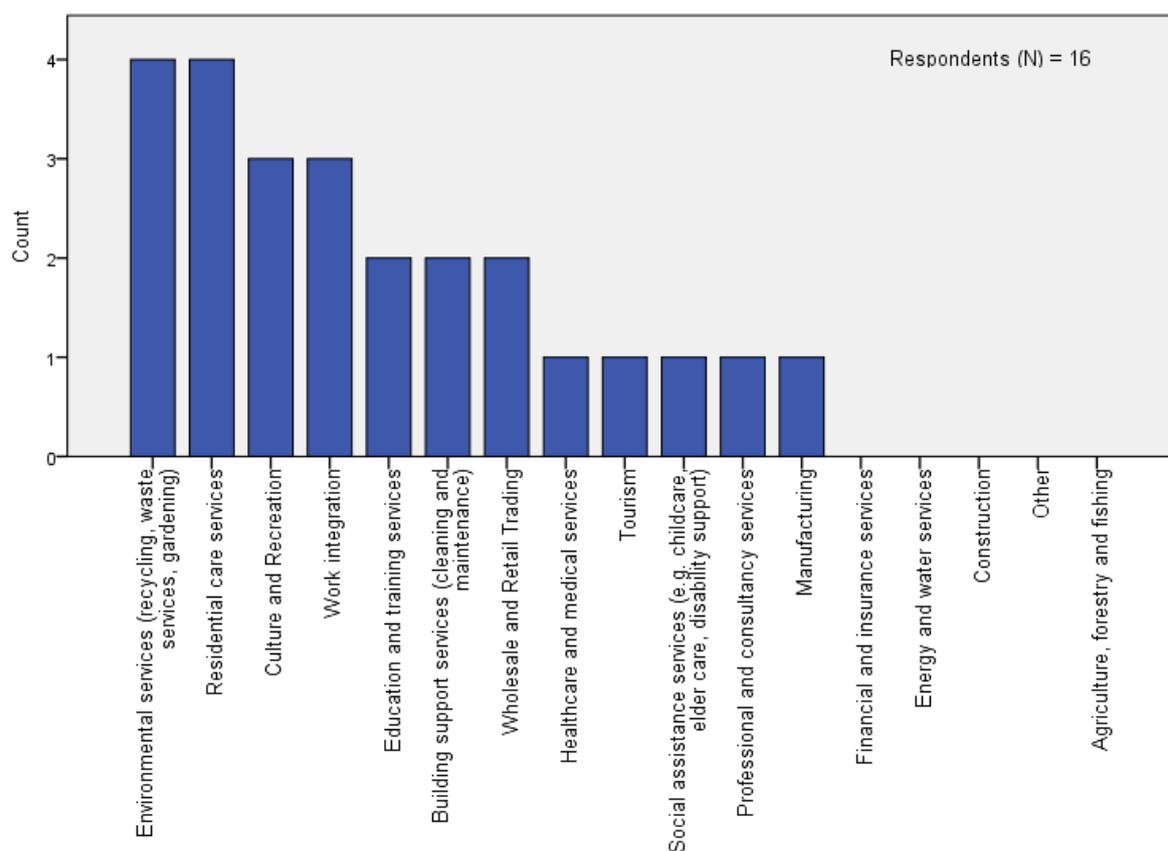
SEOs in Östergötland are mainly active in the sector of services to persons (44% of these services include cultural and wellness services); the second largest sector relates to services to enterprises and dwellings (36%), while educational services represent the third largest area of activity (9%).

Survey Findings

Sixteen organisations responded to the survey in Östergötland. Five of these took the legal form of co-operatives (*ekonomisk förening*), while 11 were associations (*förening*).

Sectors in which social economy organisations operate

The two most common sectors of operation amongst the organisations that responded were environmental services (4 organisations; 25%) and residential care services (4 organisations; 25%). Figure 39 below shows the range of other sectors in which the organisations surveyed were active.

Figure 39 Most important sectors of operation for SEOs in Östergötland

Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

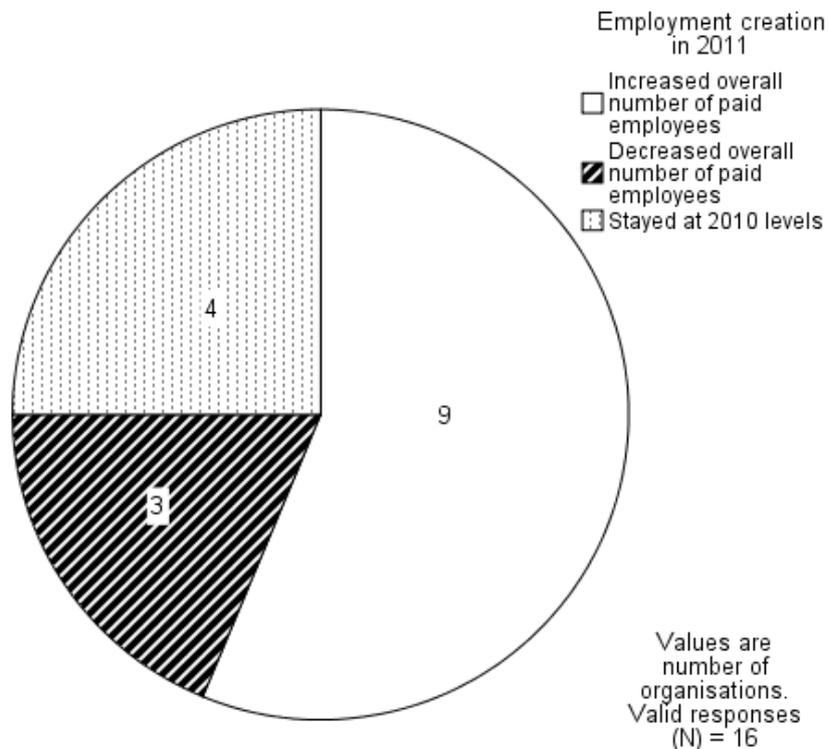
On average, income from the sale of goods and services made up the largest proportion of organisational income in 2011 for the organisations surveyed, at 39.5%. Subsidies, however, made a similar average contribution of 36.9%. Funding from public contracts made up an average of 18.6% of organisational income, whilst membership fees and grants and donations each accounted for averages of less than 3% of the organisations' funding.

Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of FTE paid jobs at the end of 2011 in the organisations surveyed was 14, although the median value was somewhat lower at 5.3 FTE. Nine organisations reported that they had increased their overall number of paid employees during 2011; three had reduced the number of paid employees; and in 4 organisations the paid workforce had been retained at 2010 levels. The level of increase amongst the 9 organisations that had created jobs ranged from one to 40 FTE positions, with the average being 6.9 FTE positions. The main reasons given for these increases were increased demand for staff, increased sales of goods and services, and the award of public sector contracts. Where employment had decreased, two organisations cited prevailing economic conditions as an important reason for this.

Figure 40 Changes in full time equivalent employment in SEOs during 2011 in Östergötland



Suggested policy interventions to support social economy job creation and sustenance

A number of suggestions were made by social economy actors when asked how policy makers could support them in creating and sustaining employment. These included:

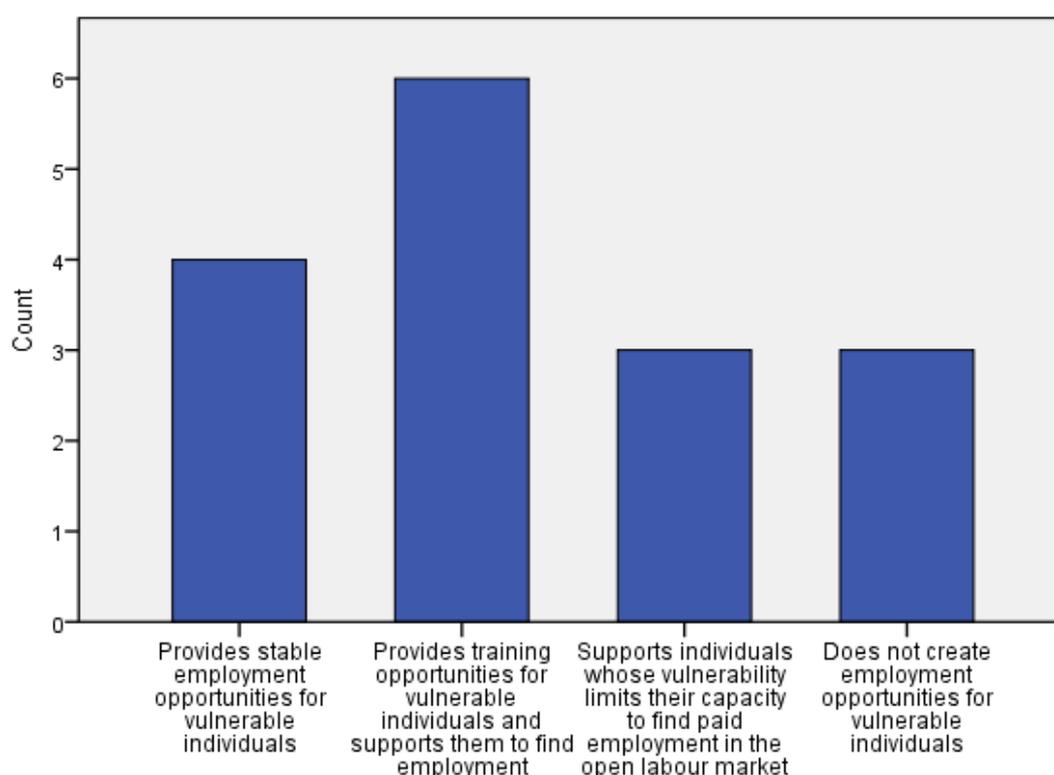
- foster co-operative partnerships with SEOs, especially around working with vulnerable individuals;
- divert funding from social benefits to wage subsidies;
- provide longer term contracts (longer than one year);
- give SEOs greater responsibility for achieving particular outcomes and provide financial compensation for this;
- educate the public about SEOs and their services; and,
- provide support to create more social enterprises.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

Four of the organisations that responded provided stable employment opportunities for vulnerable individuals; six were involved in the provision of training and support for such individuals; three provided support, and a further three were not involved in creating employment opportunities for vulnerable people.

Figure 41 Provision of employment, training and support to vulnerable groups amongst social economy organisations in Östergötland



Amongst the organisations that provided training, an average of 15% of the vulnerable individuals trained in 2011 had secured employment outside of these organisations. The factor most frequently cited as hindering these individuals from obtaining employment was the lack of employment opportunities (four out of six organisations).

For organisations that offered employment to vulnerable individuals, the percentage of individuals trained in 2011 that successfully secured employment within these organisations ranged from 1% to 40%, with the average being 14.3%.

Eight organisations responded to the question about changes in the number of opportunities (for example in training or employment) and of these three had retained the same number of opportunities as at the end of 2010, while five reported that they had increased these opportunities. Amongst these organisations the average increase was 4.0 FTE positions. Prevailing economic conditions were the factor most often cited (by four organisations) as important in the decision to increase employment of

vulnerable people, while three organisations also said that increasing demand for staff was important in this.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Few suggestions were made by respondents when asked how policy makers could support the social economy in creating training and employment opportunities for vulnerable people; however, one provider suggested increasing the level of the subsidies provided by government for employing vulnerable people, and another suggested assigning greater and more specific responsibilities to social economies organisations in this area, to be accompanied by financial recompense for this.

Job quality in the social economy

Challenges in delivering job quality in the social economy

Security of employment was identified by 8 organisations (61.5% of 14 that responded) as one of the most difficult elements of job quality for their organisations to deliver. This was said to be due to financial dependency, either on decisions about employment subsidies, or on grant or project based funding.

Seven organisations (53.8%) identified providing career progression opportunities as problematic, typically because of flat organisational structures and limited opportunities within the organisation. In addition one respondent pointed out that career progression for very vulnerable employees was limited by the fact that they needed very close support from supervisors.

Suggested policy interventions to improve job quality in the social economy

When asked how policy makers could support SEOs in providing job quality, respondents made the following suggestions:

- provide financial support;
- remove employment tax for social enterprises;
- provide long-term contracts; and,
- be prepared to pay for social economy sector's services, and give them the same conditions as other actors in the same field.

VÄSTRA GÖTALAND, SWEDEN

Regional Profile

Västra Götaland is in the south-western area of Sweden. Its capital is Gothenburg, the second largest city of the country. With approximately 1.6 million inhabitants, the region represents 17% of the total Swedish population and has, according to last official available regional level (2008) a per capita GDP of SEK 337 000 (Swedish Kronor) (approximately EUR 40 410) which is above the national average.

The population is distributed in 49 municipalities, although the population living in Gothenburg represents more than 25% of the total. The Gothenburg port is the main national transport hub and 25% of total Swedish trade is concentrated in the region. This is reflected also in the distribution of activities by sector. Activities relating to trade and transport represent 19.2% of the total businesses in the region. The manufacturing sector's share of the region's businesses (16.7%) is also higher than the national average, as is health care, which accounts for the third largest share of the region's businesses (16.6%).

The unemployment rate in 2011 was 6%, and was higher for men (6.4%) than for women (5.8%). Unemployment was also higher than average amongst young people aged 18-24 (10%). People born abroad also experienced a rate of unemployment (13%) that was more than double the national average. As such, people born abroad were considered to be a vulnerable group in employment terms, along with those with low education levels, in receipt of sickness benefits and /or receiving social security allowances.

Concerning SMEs and social economy enterprises, according to available figures, in 2009 17 559 new jobs were created in SMEs, thus substantially balancing the 17 398 jobs lost in the same sector. At the same time, the number of jobs in the social economy counted almost 27 000 units, mainly concentrated in associations having between 1 and 9 employees, accounting for 3.5% of total employment in the region in 2010.

Although there are no clear data concerning the impact of the crisis on SEOs, it is possible to notice a total decrease of 819 job-units between 2005 and 2010 in the social economy sector.

Survey Findings

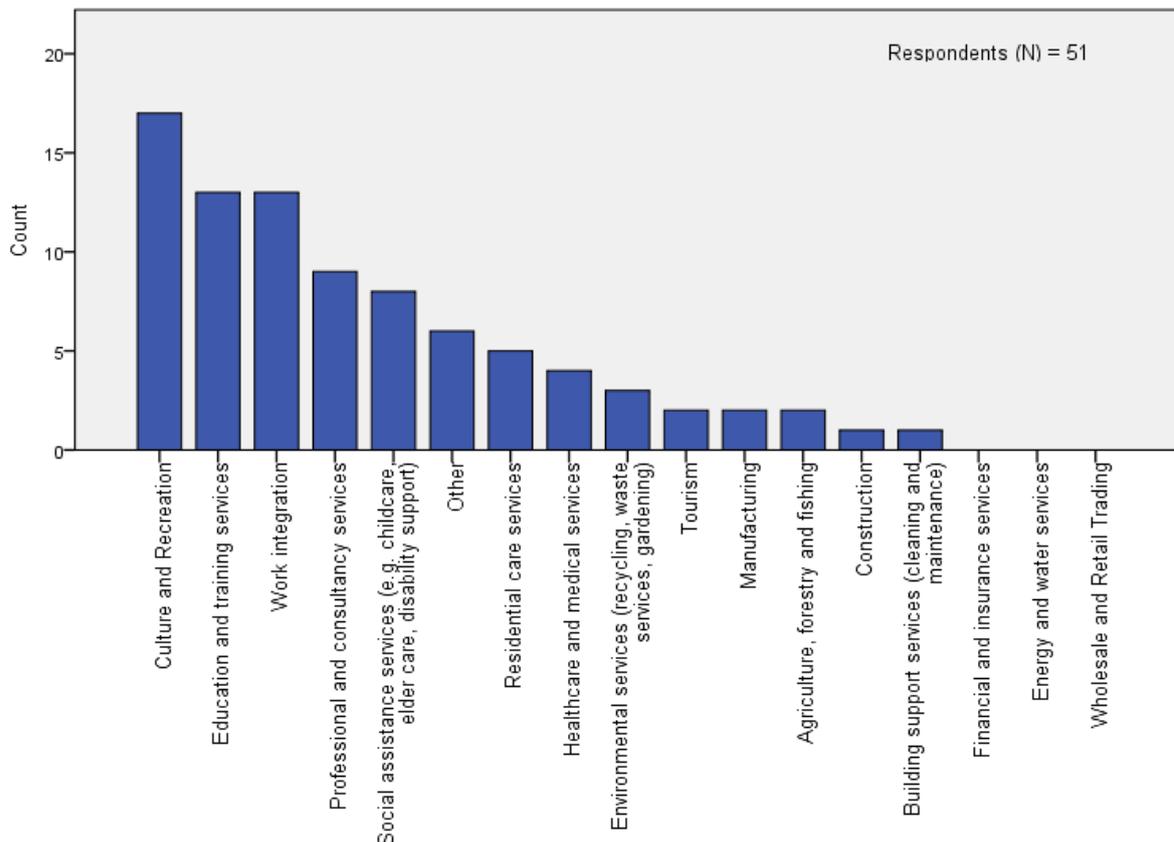
In Västra Götaland, 52 SEOs responded to the survey. Of these, 23 took the legal form of associations (*förening*), 22 were co-operatives (*ekonomisk förening*), 4 were foundations (*stiftelse*), two were limited companies (*aktiebolag*) and one was a non-profit organisation.

Sectors in which social economy organisations operate

The organisations surveyed were active in a wide range of sectors, as Figure 42 shows. The sector most frequently cited (by 17 organisations; 33.3%) as amongst the two most important areas in which

organisations operated was culture and recreation. This was followed by education and training services (13 organisations; 25.5%) and work integration (13 organisations; 25.5%).

Figure 42 Most important sectors of operation for SEOs in Västra Götaland



Note: Respondents could select up to two sectors, hence counts sum to greater than N.

Funding sources of social economy organisations

The income source that accounted for the largest average share of total 2011 income amongst the 50 organisations that provided data was subsidies, which made a mean contribution of 32.6%. However, the median value of 13% shows that many of the organisations did not receive such a large proportion of their income from this source. Public contracts were the next most important funding source, making up an average of 25.3% of organisational income, although again the lower median value of 2.5% showed that this source was not important for all organisations. Sales of goods and services made up an average of 22.0% of organisations' income. Funding from grants and donations averaged at 10.7% and the mean contribution to total income made by membership fees was 7.7%; however, for each of these sources the median values of less than one indicated that for most organisations these sources made little or no contribution.

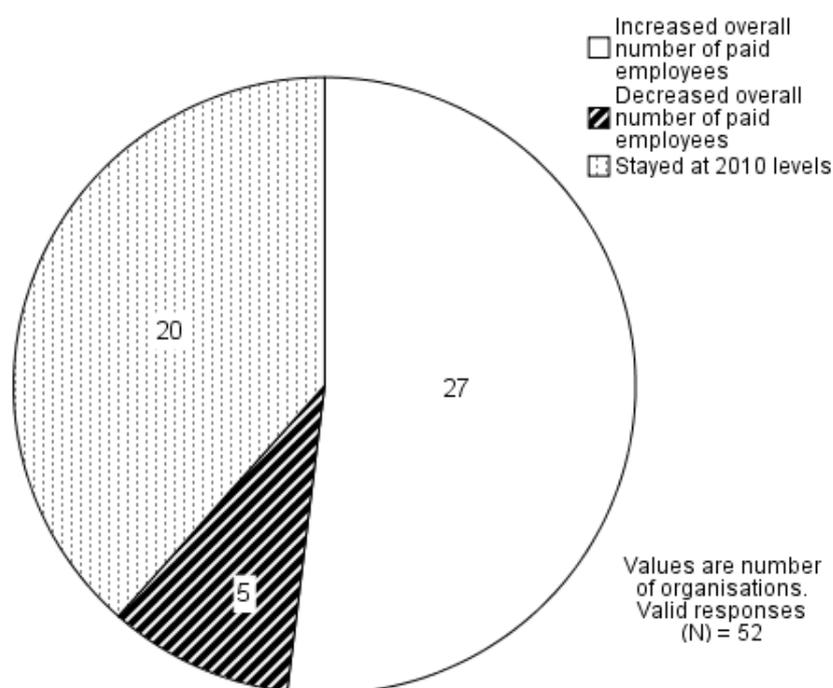
Employment creation in the social economy

Jobs provided and created by social economy organisations in 2011

The average number of full time equivalent jobs provided by the organisations in the survey was 17.1. The figures for employment in individual organisations ranged from one to 350 FTE positions, but the median value of 4 FTE positions shows that 50% of organisations provided between 1 and 4 FTE jobs.

When asked about change in employment levels, 27 organisations (51.9%) reported that the number of FTE jobs they provided had increased during 2011. Five organisations (9.6%) reported that there had been a decrease in FTE employment, while 20 organisations (38.5%) had retained the same levels of employment as at the end of 2011. Amongst organisations that had increased employment, the average number of jobs created was 2.8 FTE. Where employment had decreased, this was by an average of 1.7 FTE jobs.

Figure 43 Changes in full time equivalent employment in SEOs during 2011 in Västra Götaland



The reasons most frequently identified as important in making the decision to increase employment were: increased demand for staff (16 out of 27 organisations; 59.3%); prevailing economic conditions (15 organisations; 55.6%); award of public contracts (13 organisations; 48.1%); increased sales of goods and services (13 organisations; 48.1%) and increased grant or donation funding (12 organisations; 44.4%).

Where employment had decreased, reduced grant or donation funding was the reason most often identified as important (by 4 out of 5 organisations); followed by prevailing economic conditions (3 organisations). Amongst the 20 organisations that had retained the same level of employment, 10 organisations (55.6%) said there had been no need to increase the number of staff; 7 organisations (38.9%) said they would have liked to increase the number of staff but could not; while 1 organisation (5.6%) said they should have reduced the number of employees but chose not to. All 7 of the organisations that wanted to increase staff numbers but could not, reported that they were prevented from doing so by lack of financial resources.

Suggested policy interventions to support social economy job creation and sustenance

A number of themes could be discerned from respondents' suggestions as to how policy makers could support SEOs in creating and sustaining jobs. Firstly, there were concerns about policy making *per se*, with requests for clear policy on social entrepreneurship, and clarification about what is expected of social enterprises. Associated with this there was perceived to be a need for better understanding of the contribution that SEOs make, particularly in relation to empowerment, as well as for closer co-operation and greater trust between public sector and social economy actors.

A range of suggestions were made regarding funding, with an emphasis on the need for longer term funding arrangements. The suggestions included facilitating better access to finance/credit; establishing an investment fund for social enterprises; providing structural (rather than project based) funding; and offering fiscal incentives. It was also recommended that policy makers encourage public procurement from SEOs through the use of social clauses.

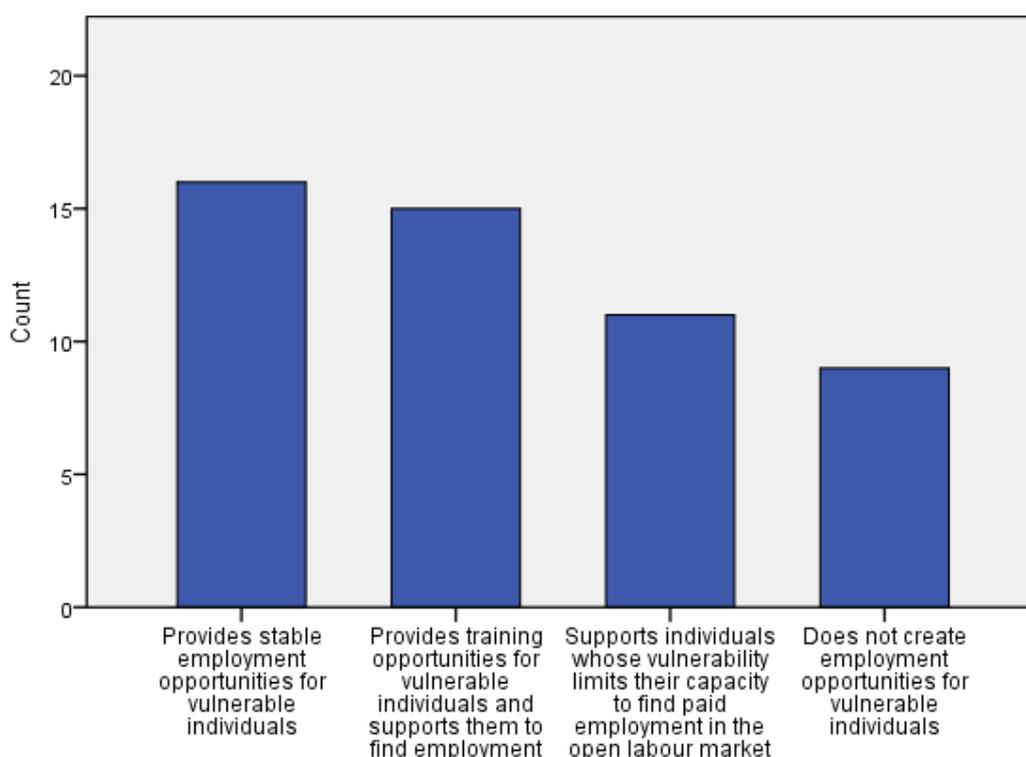
One respondent also said that the state employment agency needs to be more proactive in matching unemployed people with employers, and in some cases support for particular fields in which social enterprises operated (such as theatre and disability sport) were identified as ways of aiding job creation and sustenance.

Vulnerable individuals and the social economy

Jobs for vulnerable individuals created by social economy organisations in 2011

When asked about their organisations' work with vulnerable people, 16 respondents (31.4%) reported that their organisations provided stable employment opportunities for vulnerable individuals. Fifteen organisations provided training for vulnerable people and support to help them find employment; while 11 focussed on providing support to find employment and 9 stated that they did not provide employment opportunities for vulnerable individuals.

Figure 44 Provision of employment, training and support to vulnerable groups amongst SEOs in Västra Götaland



Amongst the organisations that provided training, the average proportion of vulnerable individuals trained in 2011 who successfully found employment outside these organisations was 21.40%. Lack of employment opportunities was the factor most commonly cited by these organisations as hindering vulnerable people from finding employment (cited by 10 organisations), although lack of skills and discrimination or stigma were also highlighted as barriers (each by 5 organisations).

Organisations that provided employment opportunities for vulnerable people had seen an average of 29.3% of the individuals they trained in 2011 secure employment within their organisation. Fourteen organisations provided data about the number of FTE positions in their organisation that were filled by vulnerable individuals at the end of 2011, and amongst these the average was 9.9 FTE positions.

Asked about changes in the number of internal opportunities (employment, training, etc.) for vulnerable people during 2011, the majority (19 organisations; 74.1%) of the 25 organisations that responded reported that these had increased. Seventeen organisations provided data about the number of new FTE opportunities created for vulnerable people, which came to an average of 4.62 FTE jobs. The factors most frequently identified as important in making decisions about these increases were: prevailing economic conditions (13 organisations); award of new public contracts (13 organisations); and increased demand for staff (ten organisations). Seven organisations (25.9%) reported that the level of internal opportunities had remained the same as at the end of 2010. No data were given about the extent of, or reasons for, these decreases.

Suggested policy interventions to support social economy organisations' work with vulnerable individuals

Few of the social economy actors interviewed offered suggestions as to how policy makers could support SEOs' work with vulnerable individuals; however, many of the measures identified in relation to general job creation (above) apply to this issue. One respondent did suggest the need for a change to the Swedish insurance system to enable vulnerable individuals to try working without risking losing their benefits.

Job quality in the social economy

Challenges in delivering job quality in the social economy

When asked about the aspects of job quality that were most difficult to deliver, the most frequently selected aspect (amongst the 45 organisations that responded) was security of employment (selected by 21 organisations; 47%). The reasons for this were mainly associated with uncertainties due to short-term funding, dependence on subsidies or employment services grants, and wider economic conditions.

Sixteen organisations (36%) stated that providing career progression was particularly difficult, and the explanations for this included the small size of organisations and the disabilities of staff. One respondent pointed out that rather than seeking to provide career progression themselves, their aim was that their staff would move on to find employment with other organisations.

Delivering adequacy of pay was deemed to be amongst the most problematic aspects by 15 organisations (33%) and insufficient financial resources were the main factor preventing organisations from offering better wages. It was also noted that wages are in some cases dependent on the level of subsidies.

Suggested policy interventions to improve job quality in the social economy

Social economy actors' suggestions as to how policy makers could help their organisations improve quality were mainly related to financial support, but there were different ideas about the form this could take. One respondent suggested extending the duration of support provided by employment services (*Arbetsförmedlingen*). It was suggested that the level of employment subsidies could be increased, that SEOs' access to procurement could be increased, and that longer term decisions should be made about funding. Another respondent also pointed to the need for start-up capital for SEOs.

In addition to these funding related ideas, one respondent suggested that policy makers should involve SEOs in dialogue from an early stage, and another pointed out the need for improved support for people with learning difficulties, especially with transition from childhood to adulthood, highlighting the need for consideration of these issues across as well as within policy fields.

ANNEX 1

Table 25. Proportion of SEOs' funding received from different income sources in 2011

		Public contracts	Sale of goods/services	Donations / grants	Membership fees	Subsidies	Other sources
Tasmania (N = 16)	Mean	19.1	43.8	29.0	.6	.0	7.6
	Std. Dev.	30.1	29.7	34.0	1.7	.0	14.5
	Median	.0	36.5	15.0	.0	.0	.0
Western Sydney (N = 15)	Mean	20.5	30.5	42.7	.1	2.3	3.9
	Std. Dev.	33.1	33.8	43.9	.5	6.5	15.0
	Median	.0	12.0	20.0	.0	.0	.0
Flanders (N = 48)	Mean	10.2	38.1	4.0	.7	44.3	.0
	Std. Dev.	14.0	18.4	10.4	2.5	17.3	.0
	Median	2.0	45.7	.0	.0	48.0	.0
British Columbia (N = 36)	Mean	26.2	27.1	32.9	2.4	.4	11.0
	Std. Dev.	35.5	31.4	31.7	4.3	1.8	29.0
	Median	3.5	13.0	22.5	.1	.0	.0
Quebec (N = 84)	Mean	1.1	47.8	3.1	5.4	38.1	4.6
	Std. Dev.	4.0	35.7	7.6	17.0	35.5	16.3
	Median	.0	48.0	.0	.0	30.4	.0
Burgundy (N = 69)	Mean	13.0	31.6	3.0	11.5	35.0	5.9
	Std. Dev.	25.9	37.4	10.2	27.8	33.4	19.9
	Median	.0	13.0	.0	.0	25.0	.0
Brittany (N = 124)	Mean	13.3	33.8	2.6	7.1	41.2	2.0
	Std. Dev.	23.9	33.6	8.4	16.2	36.2	10.5
	Median	.0	21.0	.0	1.0	38.0	.0
Lombardy (N=40)	Mean	31.2	34.7	15.1	9.5	7.5	1.9
	Std. Dev.	37.2	37.8	25.9	23.7	13.3	8.8
	Median	8.7	20.0	3.0	.0	.8	.0
Puglia (N = 19)	Mean	52.6	16.5	4.3	1.3	13.7	1.1
	Std. Dev.	37.6	26.3	8.1	2.7	26.2	4.6
	Median	60.0	5.0	.0	.0	.0	.0
Luxembourg (N = 37)	Mean	13.9	16.9	3.8	4.9	59.8	.7
	Std. Dev.	30.9	23.5	16.7	20.8	39.0	4.1
	Median	.0	10.0	.0	.0	80.0	.0
Regiunea Centru (N = 24)	Mean	4.0	17.5	37.7	14.8	9.4	12.5
	Std. Dev.	13.2	30.7	36.7	33.1	24.4	29.2
	Median	.0	.0	30.0	.8	.0	.0
Regiunea Sud Est (N = 23)	Mean	6.1	13.5	32.9	27.3	12.4	7.9
	Std. Dev.	21.5	28.4	39.5	42.2	22.5	23.3
	Median	.0	.0	10.0	.0	.0	.0
Östergötland (N = 16)	Mean	18.6	39.5	1.3	2.1	36.9	1.6
	Std. Dev.	28.3	32.2	2.9	6.2	36.7	5.7
	Median	.0	36.0	.0	.0	25.5	.0
Västra Götaland (N = 50)	Mean	25.3	22.0	10.7	7.7	32.6	1.7
	Std. Dev.	33.5	28.3	22.4	15.0	37.9	7.0
	Median	2.5	10.0	.0	.5	13.0	.0
Total (N = 601)	Mean	15.4	31.8	10.5	7.1	30.6	3.9
	Std. Dev.	27.8	33.2	23.2	20.1	34.5	15.5
	Median	.0	20.0	.0	.0	15.0	.0

Notes: The standard deviation is an indicator of variation from the mean. If the distribution is normal, 68% of cases fall within one standard deviation of the mean. 95% of cases fall within two standard deviations of the mean.

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ENDNOTES

- ¹ SEOs providing stable employment opportunities for vulnerable individuals are classified as employment providers. SEOs providing training opportunities for vulnerable individuals and helping them to find employment outside of the organisation are classified as training providers. SEOs providing support to individuals whose vulnerability limits their capacity to find employment in the open labour market are classified as support providers. SEOs not creating employment opportunities to vulnerable individuals are classified as other.
- ² Of course questions arise as to how to legislate for this. These questions fall largely outside the scope of this study, but have been discussed elsewhere. For example see Smith and Teasdale (2012), for a discussion of how to regulate in order to positively discriminate in favour of organisations incorporating a minimum level of democratic participation. Teasdale *et al.* (2012) explore the case of the Public Services Act in England which requires public authorities to consider social value when procuring public services. Also the European Commission (2010) provides an excellent overview of how public procurement can take into account social considerations.
- ³ Note that ‘important’ here represents the summing together of two categories (‘important’ and ‘very important’) from an original set of four categories. ‘Moderately important’ [and ‘not important at all’] were not included.
- ⁴ Here we refer to household disposable income by consumption unit. This income applies to each member of the household (children and adults) as an estimation of their living standard.