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The "ELEXIES" Project

This project is specifically concerned with the different types of social enterprise for integration, also known as work integration social enterprise (WISE) in 12 EU countries. Its aim is to identify and describe their main characteristics as social enterprises, the type of work integration they provide, their numbers, and how they have developed and are supported. The ultimate goal of the project is to build a database accessible on internet.

The study is conducted using the EMES Network definition of social enterprise as a common reference point and guideline for determining the social enterprises to be included in the study. The EMES definition distinguishes, on the one hand, between criteria that are more economic and, on the other hand, indicators that are predominantly social.¹

Four factors have been applied to corroborate the economic and entrepreneurial nature of the initiatives.

a) A continuous activity producing goods and/or selling services
Social enterprises, unlike the traditional non-profit organisations, are normally not engaged in advisory activities as a major goal or in the redistribution of financial flows (as, for example, grant-giving foundations). Instead they are directly involved in the production of goods and the provision of services to people on a continuous basis. The provision of services represents, therefore, the reason, or one of the main reasons, for the existence of social enterprises.

b) A high degree of autonomy
Social enterprises are voluntarily created by a group of people and are governed by them in the framework of an autonomous project. Although they may depend on public subsidies, public authorities or other organisations (federations, private firms, etc.) do not manage them, directly or indirectly. They also have the right of participation and to terminate the project.

c) A significant level of economic risk
Those who establish a social enterprise assume totally or partly the risk of the initiative. Unlike most public institutions, their financial viability depends on the efforts of their members and workers to secure adequate resources.

d) A minimum amount of paid work
As in the case of most traditional non-profit associations, social enterprises may also combine monetary and non-monetary resources, voluntary and paid workers. However, the activity carried out in social enterprises requires a minimum level of paid workers.

To encapsulate the social dimensions of the initiative, five indicators have been selected:

i) An initiative launched by a group of citizens
Social enterprises are the result of collective dynamics involving people belonging to a community or to a group that shares a certain need or aim. They must maintain this dimension in one form or another.

ii) A decision-making power not based on capital ownership
This generally means the principle of "one member, one vote" or at least a voting power not distributed according to capital shares on the governing body which has the ultimate decision-making rights. The owners of the capital are obviously important, but the decision-making rights are shared with the other stakeholders.

iii) A participatory nature, which involves the persons affected by the activity
Representation and participation of customers, stakeholder orientation and a democratic management style are important characteristics of social enterprises. In many cases, one of the aims of social enterprises is to further democracy at local level through economic activity.

iv) Limited profit distribution
Social enterprises not only include organisations that are characterised by a total non-distribution constraint, but also organisations like co-operatives in some countries, which may distribute profits only to a limited extent, thus avoiding a profit-maximising behaviour.

v) An explicit aim to benefit the community
One of the principal aims of social enterprises is to serve the community or a specific group of people. To the same end, a feature of social enterprises is their desire to promote a sense of responsibility at local level.

The database of work integration social enterprise has been produced for each country. Due to different circumstances in each country (especially legislative frameworks) there have been slightly varied approaches to mapping the sector. Researchers have generally made a great effort to ensure that the most interesting and progressive initiatives are represented. There are certain types of social enterprise which have their own legislative framework, and which are exclusively concerned with work integration. The second type, concerns those social enterprise which are exclusively engaged in work integration, but though they are recognisable as a distinctive type, they do not enjoy a complete and specific legal recognition, and thus generally operate under a range of different legal forms also used by organisations out of the field of work integration. Other types of social enterprise do not have their own specific legislation, and only a proportion of that type will be engaged with work integration. Researchers have made particularly strong efforts to ensure that the first two categories are included, but lack of data has meant that some of the latter category may be missing.
Introduction

The development of social enterprises aiming to create jobs for lowly-qualified workers dates back essentially to the 1960s, when the first "sheltered workshops" were created to provide work for handicapped people. From the end of the 1970s on, and especially during the 1980s, other initiatives targeting disadvantaged groups were created. Progressively, public authorities created a legal framework for these various types of work-integration social enterprises and implemented subsidies to support them. Nowadays, the responsibility for these social enterprises lies with the regional authorities; consequently, the identification sheets will be based on a regional classification.

The relevant types of social enterprises in Flanders are social workshops (sociale werkplaatsen, or SWPs), work-care centres (arbeidszorgcentra, or AZCs), work-integration enterprises (invoegbedrijven, or IBs) and sheltered workshops (beschutte werkplaatsen, or BWs). They all target very different groups. BWs provide permanent jobs for physically, mentally or sensorially handicapped people. AZCs aim to provide long-term jobs for a very diversified target group, whose common feature is that they suffer from a cumulation of various serious problems such as a very low level of qualification or drug-addiction. SWPs concentrate on people who have been inactive for at least five years. And finally, IBs, whose entrepreneurial dimension is stronger, hire, on open-ended contracts, workers able to reach a certain level of productivity. This diversity in the target groups results from the will of public authorities to cover as completely as possible the heterogeneity of jobseekers excluded from the mainstream labour market.

In Wallonia and Brussels, work-integration initiatives are usually under the responsibility of the different regional authorities, but they are very alike, which explains why we have chosen to group, for each type of social enterprises, the initiatives from the two regions together in a single identification sheet. The various types of initiatives studied include work-integration enterprises (entreprises d'insertion, or EIs), on-the-job training enterprises (entreprises de formation par le travail, or EFTs), adapted work enterprises (entreprises de travail adapté, or ETAs) - formerly known as "sheltered workshops" (ateliers protégés) - and non-recognised work-integration social enterprises. Except for the EFTs, which provide training for a period not exceeding 18 months, all types of work-integration social enterprises in Brussels and Wallonia provide permanent work for people excluded from the mainstream labour market for various reasons: handicap, low qualification, psychosocial problems, etc.
Finally, it has to be noted that the Walloon and Brussels regions do not have WISEs of the "social workshop" type, i.e. work-integration enterprises providing stable jobs for people who are seriously disadvantaged from a social point of view but are not physically or mentally handicapped.
Work-integration enterprises certified by the Walloon Region and the Region of Brussels-Capital

1. Brief historical description

Since 1993 the public authorities in both Wallonia and Brussels have demonstrated a real will to support initiatives aiming at offering stable jobs to lowly-qualified workers. The legal recognition of work-integration enterprises (entreprises d'insertion, or EIs) is however more recent (decree of 1998 in Wallonia). In Brussels, they are governed by a regulation dating from 1999. Even if there are differences between EIs in Brussels and Wallonia, EIs which are certified by the Region of Brussels-Capital follow on the whole the same logic as those certified by the Walloon Region. We will thus concentrate mainly, in this identification sheet, on Walloon EIs.

2. Key features

2.1. Legal form(s) and structure of ownership

EIs are companies with a social purpose (sociétés à finalité sociale, or SFSs). SFSs must adopt the legal status of a commercial company and have the following characteristics: the aim of serving its members or the collectivity rather than making profit, management autonomy, management according to a democratic process and respect for the primacy of people and work over capital.

2.2. Goals pursued

According to the Economy and Employment Unit of the Ministry of the Walloon Region, besides an economic aim (the production of goods and services), "the EI has as its social aim the social and occupational integration of lowly-qualified workers and particularly hard-to-place jobseekers, through a production activity of goods and services in the Walloon Region". The law on SFSs provides that the service provided to the members and/or the collectivity must prevail over the financial results.

EIs in the Region of Brussels-Capital have the same aims as their Walloon counterparts.

2.3. Types of jobs provided

EIs aim to provide - through a market activity - stable jobs to people in great socio-occupational difficulty. Consequently, the vast majority of contracts are open-ended ones.
2.4. Importance of training

Work in an EI presupposes a minimum level of know-how: it is not possible to put immediately to work lowly-qualified people who have never been confronted with a work activity. For instance the EI "Retrival" provides a six-month training period before hiring a worker. The practical training (welding, recycling, machinery driving etc.) is usually continuous. It has to be noted that when an EI is created on the initiative of an on-the-job training enterprise (entreprise de formation par le travail, or EFT), the EFT carries out the necessary preliminary training. Other training, linked to working conditions (security, hygiene, first aid etc.), is also provided in some EIs. Social guidance (such as help to fill in administrative forms or to solve housing problems) can also be considered as a training session in itself.

2.5. Types of workers employed

In order to be granted recognition, Walloon EIs commit themselves - among other requirements - to hire a minimum percentage of especially hard-to-place jobseekers resident in the Walloon Region. This percentage must be at least 20% in the first year of operation, 30% in the second year, 40% in the third year and 50% from the fourth year onwards. An "especially hard-to-place jobseeker" (demandeur d’emploi particulièrement difficile à placer, or DEPP) is defined in Wallonia as a jobseeker who has been registered as such by FOREM\(^2\) for at least 24 months, who does not have a secondary school diploma and who, in the last 12 months, has not benefited from any full-time training nor worked for more than 150 hours as a salaried employee or more than three months as a self-employed independent worker. Some categories are assimilated (for example, jobseekers on social benefits or in receipt of the minimum income, people registered by the Walloon Agency for the Integration of Disabled People, workers who have completed a training course in an on-the-job training enterprise recognised by the Walloon Region etc.). According to partial statistics of the Walloon Region for 27 EIs, in 2001, DEPPs represented 66% of the total staff.

2.6. Types of resources

Besides all the forms of financial support available to any commercial company (reduction of social security contributions as part of the campaign for the promotion of the recruitment of jobseekers, laws of economic expansion etc.), EIs also get specific subsidies.

The Walloon Region grants a start-up subsidy to recognised EIs to support the launching of their activities and more precisely to partly cover the pay of the chief executive. The Walloon Region also makes a grant to recognised EIs for hiring workers considered as particularly hard-to-place jobseekers (DEPPs). This grant, which tapers off in the four years following the hiring of the worker, amounts to €4,958 for each DEPP worker hired on a full-time contract for the first year, €3,718 for the second year, €2,479 for the third year and €1,239 for the fourth year. It is intended to offset the lower productivity of the worker and costs linked to the special monitoring which is needed when employing particularly hard-to-place jobseekers.

\(^2\) FOREM is the Belgian Training and Employment Office.
But this system of tapering subsidies can have perverse effects if, after four years, the worker has not reached yet a normal level of productivity; instead of this worker, the EI will then sometimes hire a new worker, who will benefit from the grant. The European Social Forum sometimes funds part of the remuneration of some workers but this is marginal. Since subsidies taper off over the years, they represent a decreasing part of the enterprise's income, compared to the share of income generated by the commercial activity. In general EIs use few volunteers.

2.7. Links with public policies

In the Walloon region (decree of 16 July 1998) certification is granted for a two-year period, and can be renewed for another two years. Subsequently, it can be renewed for renewable four-year periods.

In Brussels the regulation of 22 April 1999 provides that certification is granted directly for a four-year period. A renewal for a 36-month period is possible.

Through the creation of the Walloon Council for the Market-Oriented Social Economy (Conseil wallon pour l'économie sociale marchande, or CWESMa), the Walloon government demonstrated its will to work in a spirit of co-operation. CWESMa is a forum for meeting and debate between the traditional social partners, actors in the market-oriented social economy and the government.

2.8. Basic data

On 1 October 2001, there were 41 EIs recognised by the Walloon Region. Twenty-seven of these 41 integration enterprises employed 197 workers, i.e. each enterprise employed on average about 7 workers.

In 2001, there were 5 EIs recognised by the Region of Brussels-Capital. They employed 24 workers (5 workers belonged to the monitoring team and 19 workers were engaged in the work-integration process).

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

In order to be recognised, EIs must - among other conditions - have the legal form of a company with a social purpose (société à finalité sociale, or SFS); consequently, they all are commercial companies. All EIs thus clearly have a continuous activity producing goods and services.

3.2. A high degree of autonomy

The majority of EIs have a high degree of autonomy: the law on SFSs (as already underlined, all EIs are SFSs) provides that SFSs have management autonomy. The subsidies and grants that EIs receive from public authorities do not imply at all that the latter intervene in the management or business decisions of the EIs.
3.3. A significant level of economic risk

Since EIs have a commercial activity, there is a significant level of economic risk. However, since the recognition of the first EI in the Walloon region only dates back to April 1999, it is still difficult to establish significant statistics in this respect (since the subsidies granted to EIs taper off over the years, their viability and the risks that they assume will have to be studied after the subvention period). To date, only 4 EIs out of a total of 41 have disappeared from the Walloon list of recognised EIs.

3.4. A minimum amount of paid work

EIs are obliged by law to employ each year at least one disadvantaged worker (full-time equivalent). In practice, it seems that nearly all the workers are paid.

3.5. An explicit aim to benefit the community

Companies with a social purpose must have as their main aim the provision of a service to their members or to the collectivity, rather than profit-making. In the case of EIs, this is achieved in concrete terms in two ways: on the one hand, EIs aim to employ particularly hard-to-place jobseekers; on the other hand, they operate in activities (recycling, neighbourhood services etc.) which are generally ignored by the public and private sectors.

3.6. An initiative launched by a group of citizens

No reliable statistics on this subject are available. However, we can put forward the hypothesis that most EIs are private initiatives and originate in civil society.

3.7. Decision-making not based on capital ownership

The law on companies with a social purpose provides that they (and, consequently, all EIs) must have a democratic decision-making process.

3.8. A participatory nature involving the persons affected by the activity

In general, there is no systematic participation of the workers in the management of the company.

3.9. Limited profit distribution

Dividends distributed to the members of a company with a social purpose cannot exceed the interest rate set by the law, which is currently of 6%.

4. Supporting umbrella structures

EIs are grouped into three networks:
- RES (Réseau Entreprises Sociales or, in English, Social Enterprises Network): it is a pluralist network composed of enterprises aiming at the creation of lasting jobs which give their workers the possibility to start a process of re-conquest of their citizenship;
5. Innovative features

A 1988 decree of the Walloon region and a 1999 regulation of the Brussels region define the subsidy framework and methods for these WISEs (work integration social enterprises). All of them have the legal status of companies with a social purpose. Several pilot initiatives studied by the Centre for Social Economy of the University of Liège (from 1985 to 1997) served as the basis for the drafting of the decree. The decree of the Walloon region was revised by the public authorities at the end of the year 2002. A new decree will replace the 1998 decree in a near future. It provides for two important modifications: EIs will be granted the services of social guidance staff and the target group "in integration" will be re-defined.
Adapted work enterprises recognised by the Walloon region and the Region of Brussels-Capital

1. Brief historical description

The first law on the occupational integration of disabled people dates back to 16 April 1963. This law provided, on the one hand, that private enterprises and public administrations had to employ a defined percentage of disabled workers and, on the other hand, that sheltered workshops should be created - these were later renamed adapted work enterprises (entreprises de travail adapté, or ETAs).

Even though there are differences between ETAs in Brussels and those in the Walloon region (regarding, for instance, the classification of the disabled), ETAs recognised by the Region of Brussels-Capital follow more or less to the same logic as those recognised by the Walloon Region. In this identification sheet, we will focus mainly on Walloon ETAs.

2. Key features

2.1. Legal form(s) and structure of ownership

Most ETAs are non-profit organisations (associations sans but lucratif, or ASBLs).

2.2. Goals pursued

According to the General Directorate for Economy and Employment of the Ministry of the Walloon Region, "adapted-work enterprises (ETAs) have a hybrid nature: they pursue a goal which is both social (the social and occupational integration of the disabled) and economic (a commercial activity)". The social aim of ETAs is expressed in two main aims: on the one hand, ETAs enable disabled people to perform useful and paid work in a suitable context and, on the other hand, they enable disabled people to improve their occupational status with the ultimate aim of helping them to achieve integration in the traditional labour market. However, according to the Walloon Agency for the Integration of Disabled People (Agence wallonne pour l’intégration des personnes handicapées, or AWIPH), fewer than 1% of disabled workers reintegrate into the traditional labour market after working in an ETA.

2.3. Types of jobs provided

The vast majority of the workers of ETA are hired on an open-ended contract. Moreover, ETAs are obliged to pay their workers according to the so-called "minimum guaranteed average monthly income" (revenu minimum moyen mensuel garanti).

2.4. Importance of training

ETAs must ensure as far as possible that their disabled workers’ skills are used and improved through continuous training. This training must be likely to allow the
workers to be promoted within the ETA or to transfer to an ordinary job. In concrete terms, during the year 2000, the Walloon Association of Adapted Work Enterprises (Entente Wallonne des Entreprises de Travail Adapté, or EWETA), organised 51 training sessions (on first aid, the internet, fire prevention, the euro etc.) for a total of 348 people working in 25 ETAs.

2.5. Types of workers employed

Workplaces in ETAs must be reserved as a matter of priority for disabled people who cannot - temporarily or permanently - work under normal conditions. One of the criteria for obtaining certification as an ETA in Wallonia provides that non-disabled workers cannot represent more than 30% of the number of disabled workers employed under a work contract.

2.6. Types of resources

Resources from economic activities represent on average 60% of the total financial income of ETAs. The Walloon Agency for the Integration of Disabled People (AWIPH) even states that, in Walloon ETAs, "resources obtained from economic activities represent nearly two thirds of all financial income". The subsidies granted by AWIPH constitute the second main source of income. These subsidies take various forms: funding of part of the salaries of the disabled workers, subsidies related to disabled hard-to-place jobseekers or to monitoring staff, maintenance grants, support for the running of training units, and finally financial support for the creation, enlargement and adaptation of ETAs. According to the Federation of Adapted Work Enterprises of the Province of Liege (Fédération des Entreprises de Travail Adapté de la province de Liège, or FETAL), the fact that ETAs receive subsidies allowing them to balance their budget is justified: even though, thanks to adequate monitoring, the handicapped workers in ETAs do achieve "total quality" in their production, they nevertheless work at a slower pace and need more monitoring than workers in a normal company. ETAs also benefit from certain advantages linked to their legal status as non-profit organisations (associations sans but lucratif, or ASBLs) - they can for example receive "hiring subsidies" under programmes against unemployment (programmes de résorption du chômage, or PRCs). Finally, ETAs use voluntary resources (for example, the members of the board of directors are often volunteers).

2.7. Links with public policies

In order to receive subsidies from the Walloon Agency for the Integration of Disabled People (AWIPH), ETAs must first be certified by the latter. In Brussels, ETAs must be recognised by Brussels French-speaking Service for Disabled People (Service bruxellois francophone des personnes handicapées) of the Commission of the French-speaking Community (Commission communautaire française).

Co-operation between employers and worker organisations and collective work agreements between them are well-developed in Belgium. The Belgian model rests on the idea of representative organisation and it is based on a multi-level, pyramidal

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structure. The National Labour Council (*Conseil National du Travail*) is situated at the top of the pyramid; it is an organisation with inter-professional competencies, within which employees and employers are equally represented. At the level of the various sectors, equal-representation commissions and sub-commissions play a central role in the process of negotiation and co-operation between employees and employers. The collective work agreements that are reached at this level cover a large range of subjects in the area of work relations. Negotiations for the establishment of collective work agreements in ETAs are conducted within the equal-representation committee 327 for ETAs and social workshops.

### 2.8. Basic data

In 2000, the 61 ETAs recognised by AWIPH employed 6,075 disabled workers and 857 non-disabled workers.

The 15 recognised ETAs of the Region of Brussels-Capital currently employ 1,450 disabled workers. The monitoring staff represents more than 135 full-time equivalents.

### 3. Relation to the EMES socio-economic criteria

#### 3.1. A continuous activity producing goods and/or selling services

ETAs have a continuous activity of production of goods and services. In Wallonia the main sectors of activity are packaging (35%), woodwork (14%), cleaning (5%), assembling and fabricating electrical appliances (4.5%), textile industry, quality control, horticulture and gardening, printing, construction etc. ETAs carry out around 85% of these activities as subcontractors.

#### 3.2. A high degree of autonomy

Most ETAs are non-profit organisations (*associations sans but lucratif*, or ASBLs). Consequently, we can put forward the hypothesis that they enjoy a high degree of autonomy. In order to be recognised by AWIPH, ETAs must fulfil various - relatively strict - conditions (send their annual financial report, accept inspection by AWIPH etc.), but this does not appear to imply any loss of autonomy in the management or decisions of the ETA.

#### 3.3. A significant level of economic risk

Since income from economic activities makes up on average 60% of their total revenue, ETAs bear a significant level of economic risk. AWIPH insists that "ETAs must ensure their viability by setting up an infrastructure and by applying management techniques which are reliable and, above all, suited to the constraints and the reality of the market".
3.4. A minimum amount of paid work

ETAs represent the majority of the paid jobs in the work integration social economy sector in the Walloon Region and in Brussels. The minimum guaranteed income in this sector amounts to € 6.78 per hour.

3.5. An explicit aim to benefit the community

The main aim of ETAs and of AWIPH is the integration - whenever possible - of severely handicapped people. The search for profitability is secondary to this fundamental aim.

3.6. An initiative launched by a group of citizens

Most ETA were born of private initiatives, including those of parents of handicapped people who wanted to create suitable jobs for their children.

3.7. Decision-making not based on capital ownership

Since most ETAs have adopted the legal form of non-profit organisations (associations sans but lucratif, or ASBLs), decision-making is not based on capital ownership. In ASBLs decision-making power is held by the General Assembly formed by all the members, who in principle have equal voting rights. The statutes of the ASBL specify, among other things, the roles of the General Assembly, the identity of the members, and the qualifications for membership.

3.8. A participatory nature involving the persons affected by the activity

The public authorities encourage ETAs to set up a participatory management, involving as far as possible the disabled people and their families in the decision-making process, carrying out qualitative evaluations with the participation of the disabled people, their families and the authority, and encouraging external contacts and collaboration with the local community. However, no reliable statistics are available as to whether these directives are actually applied.

3.9. Limited profit distribution

Since most ETAs are ASBLs, they do not distribute their profits.

4. Supporting umbrella structures

The federations of ETAs are:
- AWIPH (Agence Wallonne pour l'Intégration des Personnes Handicapées or, in English, Walloon Agency for the Integration of Disabled People);
- EWETA (Entente Wallonne des ETA or, in English, Walloon Association of Adapted Work Enterprises);
- RESsources (Réseau des entreprises d'économie sociale actives dans la récupération et le recyclage or, in English, Network of Social Economy Enterprises with Recycling Activities);
5. Innovative features

More and more ETAs are developing significant market activities, to the point that their status as ASBLs might now be questioned: should they be allowed to retain this status, or should they be obliged to (and/or will it be more advantageous for them) to become commercial companies with a social purpose?

For the last three years all disabled workers have received the minimum inter-professional guaranteed wage, which is a very positive element for them but a financial challenge for many ETAs.
On-the-job training enterprises recognised by the Walloon Region and on-the-job training workshops recognised by the Commission of the French-speaking Community (Region of Brussels-Capital)

1. Brief historical description

Throughout the 1980s several small enterprises were created with the status of non-profit organisations (ASBLs) to offer training to lowly-qualified young people. In 1987 these enterprises were recognised as occupational training enterprises (entreprises d’apprentissage professionnel, or EAPs) by the Walloon authorities. The first rules regulating recognition and subsidies date back to 1991. In 1995 EAPs were renamed "on-the-job training enterprises" (entreprises de formation par le travail, or EFTs).

On-the-job training workshops (ateliers de formation par le travail, or AFTs) are located in Brussels, but they share the same spirit as EFTs; consequently, we do not consider it necessary to create separate identification sheets. All the points mentioned in the present identification sheet concern EFTs in the Walloon Region and apply, except for a few details, to AFTs in the region of Brussels.

2. Key features

2.1. Legal form(s) and structure of ownership

EFTs must take the form of non-profit organisations (associations sans but lucratif, or ASBLs) or be organised by a "public centre for social assistance " (centre public d'aide sociale, or CPAS). It should be stressed that, according to the statistics of the Walloon Region, 90% of EFTs are ASBLs.

2.2. Goals pursued

According to the Directorate-General for Economy and Employment of the Ministry of the Walloon Region, EFTs aim to ensure the training of the trainees through a specific pedagogy. This pedagogy is based on carrying out productive work accompanied by theoretical training adapted to the individual needs of the trainees and psychosocial monitoring.

The training aims at the acquisition or the reinforcement of the skills that jobseekers who experience serious integration problems on the labour market need to subsequently obtain a work contract or to gain access to qualifying training.

2.3. Types of jobs provided

What this type of WISE provides is training, and not a paid job with a fixed-term or an open-ended contract.
2.4. Importance of training

The training programme followed by each trainee has a minimum of 300 hours per year and cannot have more than 2,100 hours in total. The effective training period cannot be longer than 18 months, including the periods of work in a company. Moreover EFT must pay each trainee, for the duration of the training, a minimum of €0.99 per hour, provided this does not affect the social benefits that the trainee is entitled to. This "training allowance" is linked to the consumer price index.

2.5. Types of workers employed

EFT trainees must be young people under 26 who are not subject to compulsory education, who do not hold a "lower secondary school" diploma (certificat d'enseignement secondaire inférieur, or CESI) and who are not registered in a full-time school.

The EFT can also have trainees over 25, provided they do not hold a CESI and they are recipients of the minimum income (minimum de moyens d'existence, or minimex), of social care or of unemployment benefits, or they have no resources. Some exceptions to these conditions exist, but the trainees whose recruitment is made possible by these exceptions must not represent more than 20% of the total number of trainees in any EFT.

According to surveys carried out by CERISIS (see Gaussin [1997] and Pinxteren [2001]), most trainees are young people who have dropped out of the school system: 87% of them are under 30, 74% are men, 60% have a very low level of education (they hold only the primary school certificate or no diploma at all), 50% have not worked for more than one year and 90% were unemployed, recipients of the minimum income or had no revenue at all before starting the training.

2.6. Types of resources

Besides the advantages linked to the legal status of ASBL (such as the possibility of obtaining subventions to hire staff under programmes against unemployment (programmes de résorption du chômage, or PRCs), recognised EFTs benefit from subventions towards the running and staff costs of their training activities. The subventions are strictly reserved for the training activities and cannot be used to support production activities in any way.

The subsidies are mainly granted by the Walloon Region (58%) and the European Social Fund (36%). The Federal State and the French-speaking Community also grant subsidies (Lauwereys and Nicaise, 1999, p. 93).

EFTs use few volunteers.

Turnover from market activities usually represents just over 35% of revenue.
2.7. Links with public policies

The Walloon region grants recognition for a three-year period. The renewal request must be introduced at least two months before the expiration of the recognition in force.

2.8. Basic data

According to the statistics of the Walloon region, there were, in 2000, 64 recognised EFTs; during the same year, these EFTs trained 2,609 trainees (2,052 eligible and 557 non-eligible, i.e. whose hiring was made possible by exceptions to the selection criteria described above). EFT staff (in full-time equivalents) paid from the enterprise’s own pocket represented hardly more than 10% of the full-time jobs: in 2000, the staff of EFT comprised 508 full-time equivalents, of whom 59 were paid in this way.

There are currently nine on-the-job training workshops in the Region of Brussels.

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

EFTs are allowed to produce and commercialise goods or to sell services only insofar as this is needed to achieve their social aim. In other words, most EFTs have a production or selling activity, but this activity is conducted on a small scale and is strongly linked to the alternation of the training and the productive work periods of the workers.

3.2. A high degree of autonomy

Most EFTs being non-profit organisations (ASBLs), we can put forward the hypothesis that they have a high degree of autonomy. The fact that they are largely financed by public authorities does not involve any loss of management autonomy.

3.3. A significant level of economic risk

The economic risk run by EFTs is moderate, since they are largely subsidised. However, some EFTs regularly have financial problems due to the late payment of subsidies by the European Social Fund. Finally, it has to be underlined that there are differences among EFTs: some are more market-orientated than others.

3.4. A minimum amount of paid work

The only workers who are really salaried are the monitoring and training staff. As regards the workers engaged in the integration process, EFTs are only obliged to pay a minimal compensation of €0.99 per hour.
3.5. An explicit aim to benefit the community

Owing to their social aim (i.e. to train young jobseekers who are at a disadvantage on the labour market with a view to professionally reintegrating them) EFTs serve the community.

3.6. An initiative launched by a group of citizens

In this respect we do not have reliable data. However, we can put forward the hypothesis that most EFTs constituted as ASBLs are private initiatives (they are generally created by a social entrepreneur) and originate in civil society.

3.7. Decision-making not based on capital ownership

As far as ASBLs are concerned, decision-making power is never based on capital ownership. In fact, the ultimate decision-making power is in the hands of the general assembly, formed by all the members, who in principle have equal voting rights. The statutes of the ASBL fix among other things the powers of the general assembly and the identity of the members.

3.8. A participatory nature involving the persons affected by the activity

EFTs constituted as ASBLs do not seem to develop a particularly participative management: neither the customers nor the workers engaged in the integration process are much involved in decisions about the direction of the EFT.

3.9. Limited profit distribution

An ASBL is, by definition, "an association that does not carry out industrial or commercial activities or that does not aim to give a material profit to its members" (Art. 1, Law of 21 June 1921 on ASBLs and foundations [établissements d'utilité publique]). Given this non-profit character, EFTs cannot aim at the direct enrichment of its members through the distribution of the profits generated by its activity.

4. Supporting umbrella structures

The federal structures for EFTs are:
- CAIPS (Concertation des ateliers d’insertion professionnelle et sociale, or Grouping of Social and Occupational Integration Workshops), which brings together 22 EFTs;
- ALEAP (Association libre d’entreprises d'apprentissage professionnel, or Free Association of Occupational Training Enterprises), which groups together 16 EFTs;
- ACFI (Action coordonnée de formation et d'insertion socioprofessionnelle, or Coordinated Action for Social and Occupational Training and Integration), which groups together 11 EFTs;
- AID (Actions intégrées de développement, or Integrated Actions for Development), which brings together 8 EFTs.
These four federations are grouped together in an Interfederation. Several EFTs are also members of RESsources (Réseau des entreprises d'économie sociale actives dans la récupération et le recyclage, or Network of Social Economy Enterprises with Recycling Activities).

5. Innovative features

EFTs are initiatives which were created by social entrepreneurs, and only later on recognised and subsidised by public authorities. In EFTs the accent is on training, whereas other types of work-integration structures emphasise integration through work.
Non-recognised integration social enterprises in the Walloon Region and in Brussels: the Solid'R social enterprises

1. Brief historical description

Work-integration social enterprises (WISEs) recognised by the public authorities (integration enterprises, on-the-job training enterprises, adapted work enterprises etc.) constitute the largest group (in terms of employment, activity sectors, etc.) among WISEs. However, there exist other WISEs active in the field of work-integration which are not recognised.

The overwhelming majority of non-recognised work-integration social enterprises are active in the field of salvage, recycling and reuse of waste. These activities were initiated on a large scale 50 years ago by social economy organisations pursuing a humanitarian and/or social aim (in the present identification sheets, we will not study the few non-recognised work-integration social enterprises active in other sectors, which only represent a very small minority in comparison with the sector as a whole). The RESsources network groups together the majority of WISEs (16 recognised and 25 non-recognised) in the sector of salvage and recycling. Among the 25 non-recognised WISEs which are members of RESsources, one can distinguish two main groups: on the one hand, social enterprises that are signatories to the Solid'R Charter (which will be described in the present identification sheet) and, on the other hand, those whose activities are more occupational (which will be covered in the following identification sheet).

The Solid'R label is an ethical label for social economy organisations active in the field of recycling and reuse (see website http://www.solid-r.be). The Solid'R Charter defines various criteria that signatory enterprises must respect: commitment to the ethics of the social economy; ethical character and transparency of the means employed; submission to independent inspection. The signatories to this charter are De Bouche à Oreille, Oxfam solidarité, La Poudrière, Tricoop, Terre, Les magasins du monde Oxfam and les Petits Riens (note that les Petits Riens being an on-the-job training workshop, it is not taken into account in the present identification sheet - see the identification sheet on EFTs-AFTs).

2. Key features

2.1. Legal form(s) and structure of ownership

Most social enterprises which are signatories to the Solid'R Charter are non-profit organisations (associations sans but lucratif, or ASBLs).

2.2. Goals pursued

Generally, these enterprises pursue a twofold objective: on the one hand, they aim to develop a recycling and reuse activity of materials and objects and, on the other hand, they aim to provide a gratifying job for lowly-qualified workers.
2.3. Types of jobs provided

These social enterprises usually offer stable and permanent jobs.

2.4. Importance of training

These enterprises provide, whenever possible, qualifying training related to the jobs offered.

2.5. Types of workers employed

They mainly hire lowly-qualified workers or workers without any other employment prospects.

2.6. Types of resources

Most of these enterprises receive public subsidies, but from various origins and in various proportions:
- for OXFAM Solidarité ASBL, public subsidies received in 1999 represented 10% of turnover. To these subsidies, one must add various subventions granted under programmes against unemployment, which cover the wages of 60 workers;
- for Terre ASBL, public support for employment and public aids linked to projects represented, in 1999, respectively 14% and 3% of turnover. Nearly one-third of the workers are subsidised through by the Walloon Region under programmes against unemployment;
- for De Bouche à Oreille ASBL, public aids - under the form of employment subsidies granted by the Walloon Office for Professional Training and Employment (Office wallon de la formation professionnelle et de l'emploi, or FOREM) - represented an estimated 13% of the turnover in 1999;
- la Poudrière carries on an autonomous community life: its financing comes from the pooling of the financial resources of the people working outside the community and the incomes generated by all the activities (recovery and other activities);
- Tricoop (a co-operative society) does not receive any help from public authorities. These social enterprises use voluntary resources to different extents. For example, les Magasins du Monde Oxfam make extensive use of voluntary workers in their shops. Conversely, there are few voluntary workers at Terre.

2.7. Links with public policies

There are few links with public policies.

2.8. Basic data

Two hundred and twenty persons work for Terre; Oxfam Solidarité employs 96 full-time equivalents (FTE); Tricoop provides work to 40 FTEs, De Bouche à Oreille to 7 FTEs, and Magasins du Monde Oxfam to 75 FTEs. La Poudrière has a community lifestyle.

\[\text{\footnotesize Data come from Centre d'Economie Sociale (2001). We do not have accurate data for the Magasins du Monde Oxfam.}\]
3. **Relation to the EMES socio-economic criteria**

3.1. **A continuous activity producing goods and/or selling services**

All these social enterprises have a production and/or service activity in the field of recycling and reuse of waste (sorting, collecting and recycling large-size waste, textile, papers and cardboard etc.).

3.2. **A high degree of autonomy**

One of the criteria of the Solid'R Charter states that signatory enterprises must have an autonomous management, that is to say that the majority of capital shares or votes in the general assembly cannot be held by one or more members belonging to the public sector.

3.3. **A significant level of economic risk**

These enterprises have a high level of economic risk because of their strongly developed commercial activity.

3.4. **A minimum amount of paid work**

They practically all have a minimum number of employees. The Solid'R Charter provides that the highest gross salary cannot be higher than four times the lowest gross salary. La Poudrière constitutes a somewhat particular case since, as already mentioned, it has a community lifestyle: people living in the community are not paid but, in exchange for their work collecting and sorting waste, they receive accommodation and food.

3.5. **An explicit aim to benefit the community**

Given their activity sector (recycling and recovery) and their social aim (to provide employment to lowly-qualified people), Solid'R social enterprises benefit the community.

3.6. **An initiative launched by a group of citizens**

All these enterprises originated in civil society initiatives.

3.7. **Decision-making not based on capital ownership**

One of the criteria of the Solid'R Charter underlines the importance of a democratic decision-making process. The decisions of the general assembly are taken according to the "one person, one vote" rule or by limiting voting power to 5%.

3.8. **A participatory nature involving the persons affected by the activity**

The charter insists on a management style in which the workers are regularly informed and consulted on the results of the organisation and its strategic choices.
3.9. **Limited profit distribution**

Since most of these WISEs are ASBLs, they do not distribute their profits.

4. **Supporting umbrella structures**

WISEs which are signatories to the Solid’R Charter are grouped together within the RESsources network.

5. **Innovative features**

The arrival of new private organisations in the sector of recycling, sometimes under pseudo-humanitarian cover, becomes a source of confusion for the public. This is why the organisations that signed the Solid’R Charter want to affirm their social economy aim and the transparency of their management through committing themselves voluntarily to respect ethical rules and to undergo inspection by an independent organisation.
Non-recognised work-integration social enterprises in the Walloon Region and in Brussels: other social enterprises active in the field of salvage and recycling

1. Brief historical description

As announced in point 1 of the previous identification sheet, the present identification sheet concerns non-recognised WISEs which are active in the field of salvage and recycling but which have not signed the Solid'R Charter. These social enterprises carry out activities with a predominantly occupational character. This group of WISEs includes, among others, Armée du Salut, Banc d'essai, Emmaüs communauté ouvrière and Solidarité Aubange.

2. Key features

2.1. Legal form(s) and structure of ownership

Most of these WISEs are non-profit organisations (associations sans but lucratif, or ASBL). They have no share capital.

2.2. Goals pursued

These social enterprises, which all carry out recovery or recycling activities, aim to fight exclusion and/or reintegrate lowly-qualified workers.

2.3. Types of jobs provided

These enterprises carry out occupational activities. They also conduct re-socialisation actions by means of various activities (cleaning, recovery of waste etc.).

2.4. Importance of training

These enterprises provide, whenever possible, qualifying training related to the jobs provided.

2.5. Types of workers employed

These enterprises mainly employ lowly-qualified workers or workers without any other employment prospects. When their first objective is the fight against exclusion (as is the case for the Armée du Salut, for example), they employ socially excluded recipients of the minimum income (minimex), alcoholics, people seriously in debt, etc.

2.6. Types of resources

Since the social enterprises studied in the present identification sheet are quite different from each other, it is difficult to define a common scheme regarding their
financial and voluntary resources. Most of them benefit from public subsidies, but from multiple sources and in various proportions:
- for the Armée du Salut, for example, public aid received in 1999 financed two-thirds of the wages of all workers. Donations and the contributions of people accommodated (€12.5 per night) amounted to €270,000, against €300,000 for turnover and €200,000 for public aid;
- for Banc d'essai (collection of large-size wood waste), employment subsidies represent twice the turnover;
- in the work community Emmaüs, all the people in the community (20 to 25 people) can be regarded as volunteers, since they do not receive any kind of remuneration. The results of their work make it possible to finance the life of the community.\(^5\)

2.7. Links with public policies

There are few links with public policies.

2.8. Basic data

There are currently 17 non-recognised social enterprises which are not signatories to the Solid'R Charter and which conduct occupational activities. No data are available as to the number of beneficiaries.

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

All these social enterprises have an activity producing goods and/or services in the field of recycling and re-use of waste (sorting, collecting and recycling of large-size waste, textile, papers and cardboard, etc.).

3.2. A high degree of autonomy

Since most of these social enterprises are non-profit organisations (ASBLs) set up as private initiatives, they enjoy a high degree of autonomy.

3.3. A significant level of economic risk

Given the heterogeneity of this group of social enterprises, it is impossible to put forward a firm statement on this subject. Nevertheless, we think that these social enterprises are characterised by a relatively low level of economic risk because of the occupational character of their activities.

3.4. A minimum amount of paid work

These enterprises practically all have a minimum - but limited - number of employees. The people hosted are normally not paid. In exchange for their work collecting and sorting waste, they receive accommodation and food.

\(^5\) Data from the Centre d'Economie Sociale (2001).
3.5. An explicit aim to benefit the community

Given their activity sector (recycling and recovery) and their social aim (to develop activities of re-socialisation for people in difficulty), these social enterprises serve the community.

3.6. An initiative launched by a group of citizens

All these social enterprises originate in initiatives of the civil society (private individuals, associations, groups of inhabitants, etc.).

3.7. Decision-making not based on capital ownership

Most of these social enterprises have adopted the legal form of non-profit organisations (associations sans but lucratif, or ASBLs); the rest are co-operative societies. Consequently, decision-making power is not based on capital ownership.

3.8. A participatory nature involving the persons affected by the activity

We do not have reliable data on this subject. However, we think that they do not have a strongly participatory nature.

3.9. Limited profit distribution

ASBLs cannot distribute their benefits. In co-operative societies, profit distribution is strictly limited.

4. Supporting umbrella structures

Non-recognised work-integration social enterprises active in the field of the salvage and recycling of waste and which are not signatories to the Solid'R Charter are grouped together within the RESsources network (Réseau des entreprises d'économie sociale actives dans la récupération et le recyclage, or Network of Social Economy Enterprises with Recycling Activities).

5. Innovative features

Most of these initiatives were created by people who observed the social and economic difficulties experienced by the weakest social classes. These enterprises fight exclusion, and recycling and reuse activities are one of the weapons they use in this fight.
Social workshops recognised by the Flemish Region

1. Brief historical description

In Flanders, until the beginning of the 1980s, the possibility of working in a protected environment was only available to handicapped people, in the sheltered workshops (beschutte werkplaatsen). With the creation of the social workshops (sociale werkplaatsen, or SWPs), the possibility of working in a protected environment was extended to some categories of people who were particularly disadvantaged, able-bodied but "socially disabled", with serious social and professional handicaps (lowly-qualified people, illiterates, former convicts, people with difficult family situations etc.).

A decree from the Flemish Region, passed on 14 July 1998, gave the experience of the SWPs a definitive legal framework.

2. Key features

2.1. Legal form(s) and structure of ownership

The law allows SWPs to choose between the status of company with a social purpose (société à finalité sociale, or SFSs) and that of non-profit organisation (association sans but lucratif, or ASBL - which has no share capital). The SFS must take the form of a business company and have the following characteristics: to have as its purpose service to its members or to the collectivity rather than the realisation of profits, to be managed autonomously and in a democratic way and to respect the primacy of people and work over the remuneration of capital.

In fact, all SWPs are ASBLs.

2.2. Goals pursued

SWPs aim to provide a stable job to the most disadvantaged jobseekers, in a protected occupational framework, without discouraging or excluding the possibility of reintegration into the mainstream labour market.

2.3. Types of jobs provided

The jobs offered are permanent jobs. Most contracts are open-ended contracts.

2.4. Importance of training

According to Nicaise, Lauwereys and Matheus (2001, p.78), among the various types of WISEs existing in Flanders, SWPs offer the least in terms of training.

Placement in an SWP must be part of an individual reintegration path on the part of the hard-to-place jobseeker. In this framework, the monitoring person can, in agreement with the SWP, allow the worker to follow, during the employment period, a training course recognised by a Flemish public body.
2.5. Types of workers employed

SWPs mainly employ the most disadvantaged jobseekers, i.e. those who, due to an accumulation of personal circumstances, cannot find or keep a stable job in the mainstream labour market (Decree of the Flemish Region, 14 July 1998, art. 5).

SWPs receive subsidies from the Flemish Region when they hire very hard-to-place jobseekers who fulfil the following criteria: having been inactive for at least 5 years without interruption; having low level of qualification; experiencing difficulties from a social, physical or psychological point of view; being registered as a jobseeker by the Flemish Service for Placement and Professional Training (Vlaamse Dienst voor Beroepsopleiding en Arbeidsbemiddeling, or VDAB).

2.6. Types of resources

For each worker belonging to the target group, the enterprise receives a compensation wage premium which amounts to €14,838 per year for the first and second years, and to €13,386 from the third year onwards.

When a worker receives a reintegration allowance granted by the federal state in the framework of the SINE measure (a programme aiming to put very hard-to-place jobseekers back to work), the compensation wage premium is reduced by the amount of the reintegration allowance. When the working time reaches at least four-fifths of a full-time job, the allowance amounts to €545 per month and the employer benefits from an exemption (not limited in time) from employer's social security contributions. The amount of the re-integration allowance is first paid by the Public Centre for Social Assistance (Centre public d'aide sociale, or CPAS) and then reimbursed by the federal state.

SWPs also receive a monitoring allowance of €11,115 per year for each staff member monitoring five workers of the target group.

SWPs are non-profit organisations (ASBLs) and thus benefit from the advantages linked to this status (such as the possibility of hiring workers under an "ACS" contract). The running costs are covered through the sale of products and services, which represents about 50% of SWPs’ financial income.

SWPs use few volunteers.

2.7. Links with public policies

The decrees regarding SWPs are the following:
- 14 July 1998 - Decree on social workshops;
- 8 December 1998 - Decree of the Flemish Government providing for the implementation of the decree on social workshops;

ACS” stands for "agent contractuel subventionné", i.e. a worker whose salary is subsidised and who is placed at the disposal of public authorities or associations. These workers are hired under a programme to fight unemployment.
SWPs are represented in "equal representation committee 327" (commission paritaire 327), where negotiations are conducted, at sector level, between employers and employees in adapted-work enterprises and social workshops. At sector level, the equal representation committees and sub-committees are at the very heart of the "social dialogue", between employers and employees. The collective work conventions concluded at this level cover a large range of issues related to work relations.

2.8. Basic data

There are currently 110 social workshops active in Flanders; they employ 2,400 full-time workers, who are monitored by nearly 500 staff members.

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

SWPs have a continuous activity producing goods and services. This can take the form of administrative work, building work, personal services (social restaurants, for example), recycling, organic agriculture, etc. In general, SWPs choose activities which are labour-intensive, since their main objective is the creation of jobs.

3.2. A high degree of autonomy

SWPs must take the legal form of non-profit organisations (associations sans but lucratif, or ASBLs) or companies with a social purpose (sociétés à finalité sociale, or SFSs). Consequently, we put forward the hypothesis that they enjoy a high degree of autonomy.

3.3. A significant level of economic risk

SWPs continuously receive subsidies (compensation premiums) to cover part of their salary costs. Apart from the risk of delay in the payment of subventions, the economic risk run by SWPs is limited to the need to cover, by their market activities, running costs and a part of salary costs. It has to be remembered, however, that sales revenue represents 50% of the income of SWPs.

3.4. A minimum amount of paid work

As already mentioned, SWPs aim to offer stable and remunerated jobs to jobseekers. Moreover, SWPs must pay their workers a salary superior to a minimum wage level set in the framework of the equal representation committee 327 (commission paritaire 327).
3.5. An explicit aim to benefit the community

SWPs provide employment to people who are generally excluded from the labour market. But the positive aspect of SWPs’ action for society is not limited to this integration aim, since the activities developed nearly always have a social utility.

3.6. An initiative launched by a group of citizens

No reliable data are available on this subject. However, we put forward the hypothesis that, given their legal status (non-profit organisations or companies with a social purpose), most SWPs are private initiatives (generally launched by a social entrepreneur) and originate in civil society.

3.7. Decision-making not based on capital ownership

Given the legal form of most SWPs, decision-making cannot be based on capital ownership.

3.8. A participatory nature involving the persons affected by the activity

The legal texts regarding SWPs do not provide for participation. However, in practice, some SWPs work in a participative way.

3.9. Limited profit distribution

Owing to their legal status (non-profit organisations or companies with a social purpose), SWPs cannot distribute their profits or they can only do so to a limited extent. When an SWP makes profits, these must be reinvested to further its social aim, i.e. the creation of new jobs for long-term unemployed people.

4. Supporting umbrella structures

The Co-operative Grouping of Social Workshops (Samenwerkingsverband Sociale Werkplaatsen, or SSW) was formed in 1988 to obtain accreditation for, and to support the development of, SWPs. Currently, the vast majority of SWPs and work-care centres (arbeidzorgcentra, or AZCs, which are described in the following identification sheet) are part of the Co-operative Group for Social Employment (Samenwerkingsverband Sociale Tewerkstelling, or SST), which replaced SSW and promotes all forms of social employment in Flanders.

5. Innovative features

Based on the Dutch model, the Flemish recycling and reuse centres (kringloopcentra) pursue a threefold objective: salvaging and recycling discarded household items in order to reduce the mass of waste dumped or incinerated; selling second-hand but still usable goods at low prices in recycling shops (kringloopwinkels); and offering work to disadvantaged people (people with a low level of qualification and/or long-term unemployed).
In 2000, 39 recycling and reuse centres were active in Flanders. They provided work to 1,330 persons (1,046 full-time equivalents). Among these centres, 30 were recognised as SWPs and four had the status of integration enterprises (invoegbedrijven). Consequently, the criteria studied regarding SWPs also apply to most recycling and re-use centres.

Besides the abovementioned grants supporting the employment of disadvantaged people in SWPs, the recycling and reuse centres receive start-up support and financial aids linked to their waste recycling activities, and they benefit from a reduction (from 21% to 6%) of the VAT on the items on sale.
Work-care centres in the Flemish Region

1. Brief historical description

In Flanders, since the early 80s, the social workshops (sociale werkplaatsen, or SWPs) have offered work to particularly weak jobseekers. On 14 July 1998, a decree of the Flemish Region gave SWPs a definitive legal framework. However, some SWPs are not recognised by the Flemish authorities and are thus not eligible for subsidies; these social workshops are designed by the term "work-care centres" (arbeidszorgcentra, or AZCs).

2. Key features

2.1. Legal form(s) and structure of ownership

Most AZCs are non-profit organisations (associations sans but lucratif, or ASBLs).

2.2. Goals pursued

The main aim of AZCs is to offer a job to people who, for personal reasons or reasons linked to their social environment, cannot (or can no longer) work under normal conditions within the mainstream employment market.

2.3. Types of jobs provided

The jobs provided are permanent jobs. Most contracts are open-ended contracts.

2.4. Importance of training

Most workers benefit from a particularly personalised monitoring to help solve their problems. This monitoring takes the form of an agreement between the employer and the worker and by a personalised monitoring plan that includes a "training" section. This mainly focuses on work-behaviour training (timekeeping, respect for the hierarchy etc.).

2.5. Types of workers employed

Since AZCs are not regulated by a decree, they are not obliged to respect specific criteria regarding their target population group. Consequently, the latter is very heterogeneous and includes long-term unemployed people, lowly-qualified people, jobseekers with serious personal problems (such as alcoholism), workers with serious psychiatric and/or psychic problems, and mentally, physically and/or sensorially disabled people. It should be underlined that the workers hired are generally more seriously handicapped than the workers hired by social workshops.
2.6. Types of resources

Unlike social workshops, AZCs are not entitled to specific funding from the Flemish public authorities. They receive the subsidies available to most ASBLs (such as subsidies for the employment of workers under specific contracts as part of programmes against unemployment). Generally, they also receive subsidies from the provinces and municipalities.

Running costs are partly covered by the sale of goods and services.

AZCs use few volunteers.

2.7. Links with public policies

AZCs are in the limelight of many debates and studies in Flanders regarding their possible future recognition by public authorities.

2.8. Basic data

The fact that AZCs are not regulated by any decree makes it difficult to compile statistics. In 1998, about 55 AZCs were active in Flanders.

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

AZCs have an activity of production of goods and services. The latter can take the form of building work, services to people (social restaurants, for example), recycling, gardening etc.

3.2. A high degree of autonomy

Most AZCs are non-profit organisations (ASBLs). For this reason, we put forward the hypothesis that they enjoy a high degree of autonomy.

3.3. A significant level of economic risk

Since AZCs are not systematically subsidised by the Flemish authorities, we put forward the hypothesis that their activities involve a significant level of economic risk.

3.4. A minimum amount of paid work

AZCs’ main objective is to offer a lasting and paid work to severely marginalised people.
3.5. An explicit aim to benefit the community

AZCs offer employment to people generally excluded from the world of normal work. Their positive action for society is not limited to this objective of reintegration, since the activities of AZCs, like those of social workshops, almost always have a social utility.

3.6. An initiative launched by a group of citizens

No reliable statistics on this subject are available. Nevertheless, we put forward the hypothesis that, given their legal status (non-profit organisations), the majority of AZCs are private initiatives (they are generally launched by a social entrepreneur) and originate in civil society.

3.7. Decision-making not based on capital ownership

The legal form of non-profit organisation (ASBL) makes it impossible to base decision-making on capital ownership.

3.8. A participatory nature involving the persons affected by the activity

The heterogeneity of the AZC sector makes it impossible to generalise on this matter. However, the individualised approach to each worker as well as the will of AZCs to be part of the life of the community suggest that they have a participatory dimension.

3.9. Limited profit distribution

Given their legal status (non-profit organisations), AZCs cannot distribute their profits.

4. Supporting umbrella structures

The "Co-operative Group for Social Employment" (Samenwerkingsverband Social Tewerkstelling, or SST) co-ordinates both social workshops (sociale werkplaatsen) and work-care centres (arbeidszorgcentra).

5. Innovative features

In Flanders, work-care centres (as well as sheltered workshops) played an innovative role by offering, since the 80s, work within a protected framework to people other than the handicapped (for whom this possibility already existed in the sheltered workshops, or beschutte werkplaatsen), namely able-bodies but "socially disabled" people.
Integration enterprises recognised by the Flemish Region

1. Brief historical description

As early as 1993, various signs demonstrated a real will, on the part of public authorities, to support initiatives to offer stable employment to lowly-qualified workers. The legal recognition of integration enterprises (*invoegbedrijven*, or IBs) in Flanders is however more recent.

2. Key features

2.1. Legal form(s) and structure of ownership

Flemish integration enterprises are commercial companies. More than two-thirds of IBs are co-operative societies.

2.2. Goals pursued

IBs are commercial enterprises whose objective is to create lasting jobs for jobseekers who have been registered as such for at least twelve months.

2.3. Types of jobs provided

IBs must hire the workers in integration under open-ended contracts.

2.4. Importance of training

The pressure of productivity, caused by the facts that the subsidies granted to the workers in integration taper off and that IBs must become financially autonomous in the medium term, makes it difficult to organise training. However, IBs generally provide technical and on-the-job training.

2.5. Types of workers employed

Three years after the date of notification of the decision of recognition, workers in integration must represent at least 30% (in full-time equivalents) of the total number of workers employed by the enterprise.

Workers in integration must meet the following criteria: they must be registered as jobseekers, have a low level of qualifications (at most a secondary school diploma) and they must have been recipients of unemployment benefits for at least a year or be recipients of the minimum income (*minimum de moyens d'existence*, or minimex).

2.6. Types of resources

IBs benefit from wage subsidies granted by the Flemish Region. These subsidies are supposed to make up for the costs of integration and the loss of productivity linked to
the type of workers employed. IBs must first make up a realistic staff plan over four years.

The initial wage subsidy tapers off: the wage cost of each worker in insertion as planned in the initial staff plan is subsidised by 80% during the first year, 60% during the second year, 40% during the third year and 20% during the fourth year. After the first four years, wage subsidies are not granted any more. IBs which are active in the environment benefit from a specific measure: from the fourth year on, they are entitled to a wage subsidy amounting to 35% of the wage cost for each worker in insertion, and that for all the duration of their recognition as an IB.

When, after the initial launching phase, IBs hire additional workers in integration, the granting of a wage subsidy for the latter is limited to a maximum of three years. For the first, second and third years, these subsidies amount respectively to 60%, 40% and 20% of the wage cost. However, an extension of the initial number of jobs for workers in integration can only be requested during a seven-year period starting from the day when the first worker in integration starts working.

There are no additional subsidies for the monitoring staff.

2.7. Links with public policies

The recognition as an IB is granted for a ten-year period starting from the day when the first worker in integration starts working.

2.8. Basic data

At the beginning of 2002, there were 26 IBs. They employed approximately 240 persons, of whom 67% were workers in integration.

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

IBs clearly have a continuous activity of production of goods and services. When submitting a request for recognition, they must be able to demonstrate their potential profitability on the basis of a commercial activity. IBs generally choose economic activities which are highly labour-intensive, environment-friendly, have a social added value, and which are not carried out spontaneously by the traditional private sector (for example, recycling and reconditioning of computers, school restoration, sorting of building and demolition waste, express mail delivery by bike).

3.2. A high degree of autonomy

The legal status of IBs is that of commercial companies. We thus put forward the hypothesis that the majority of IBs enjoy a high degree of autonomy. The subsidies and grants they receive from the public authorities do not imply that the latter will intervene in their management or their commercial decisions.
3.3. **A significant level of economic risk**

Since IBs carry out a commercial activity and only receive subsidies for a limited period of time, they have to face a significant level of economic risk.

3.4. **A minimum amount of paid work**

When introducing a request for recognition, IBs commit themselves to pay their workers in integration in accordance with the current wages in the sector of activity.

At least three workers in integration - full-time - must be hired within three years following the date of notification of the recognition decision.

3.5. **An explicit aim to benefit the community**

The first aim of IBs is to create lasting jobs for the long-term unemployed. Moreover, in order to be recognised, IBs must develop activities which generate a social added value: the products or the production process must be environment-friendly; the product or the service must contribute to a sustainable development and must have a social utility.

3.6. **An initiative launched by a group of citizens**

No reliable statistics are available regarding this issue. Nevertheless, since most IBs have the legal status of commercial co-operative societies, we put forward the hypothesis that the majority of IBs originate in private initiatives and emanate from civil society or from entrepreneurs active within an associative movement.

3.7. **Decision-making not based on capital ownership**

Given the legal form of most IBs, decision-making cannot be based on capital ownership.

Moreover, IBs must respect the principles of the "plural economy charter" established in Flanders. They are thus invited to ensure that the interests of all the actors concerned by the activities of the enterprise are taken into account in a balanced way. This obviously involves decision-making not based on capital ownership.

3.8. **A participatory nature involving the persons affected by the activity**

One of the principles of the "plural economy charter" encourages IBs to seek, through the greatest possible worker participation, an optimal individual and collective development.

In practice, we have not noted a systematic participation of the workers and of the people concerned by the activity in the management of the enterprise.
3.9. **Limited profit distribution**

When submitting a request for recognition, IBs which have a commercial company legal form commit themselves to limiting the distribution of dividends to 8%, until at least one year following the last payment of a premium for a worker in integration.

4. **Supporting umbrella structures**

There is no federation for IBs.

5. **Innovative features**

IBs seek to combine the work-integration of disadvantaged people and economic profitability in the medium term.
Sheltered workshops in the Flemish region

1. Brief historical description

The first law concerning the occupational integration of disabled people was introduced on 16 April 1963. It introduced the obligation, for private enterprises and public administrations, to hire a defined percentage of disabled people, on the one hand, and provided for the creation of sheltered workshops (beschutte werkplaatsen, or BW), on the other hand.

2. Key features

2.1. Legal form(s) and structure of ownership

Most BWs are non-profit organisations (associations sans but lucratif, or ASBLs).

2.2. Goals pursued

The aim of BWs is to offer a useful and paid job, in an appropriate environment, to disabled people.

2.3. Types of jobs provided

The contracts are generally open-ended contracts.

2.4. Importance of training

In addition to the training which is necessary to use machines and materials within the BW, the Flemish Federation of Sheltered Workshops (Vlaams Federatie van Beschutte Werkplaatsen, or VLAB) offers training sessions to workers in BWs.

2.5. Types of workers employed

In order to be recognised, BWs must commit themselves to giving priority to people with a disability in filling the jobs available (Article 1, decree of 17 December 1999 of the Flemish Government establishing the recognition conditions for sheltered workshops). By disability, one must understand "any lasting and significant limitation of opportunities of social integration of a person caused by a limitation of the mental, psychic, physical, or sensorial capacities". BWs thus address disabled people who, owing to the nature and/or the gravity of their disability, cannot - temporarily or definitively - carry out a professional activity under the usual working conditions.

2.6. Types of resources

BWs receive subsidies from the Flemish Fund for the Social Integration of Disabled People (Vlaams Fonds voor Sociale Integratie van Personen met een Handicap, or
VFSIPH). These subsidies are used to cover operating expenses and the wages of the workers within the BW.

Pratically, the commercial activities represent 50% of the income of BWs. Subsidies cover the other 50%. BWs also benefit from some advantages linked to the status of non-profit organisation (such as subsidies for hiring workers granted under programmes against unemployment). Finally, BWs use volunteers (for example, the board of directors is often composed of volunteers).

2.7. Links with public policies

In order to receive subsidies, BWs must first be recognised by the VFSIPH. The decree of the Flemish council of 27 June 1990 and the decrees of the Flemish government of 19 December 1996 and 17 December 1999 set the recognition conditions.

BWs are represented in the equal-representation committee (*commission paritaire*) 327 for adapted work enterprises and social workshops where collective negotiations between employers and workers are conducted. At the sector level, the equal representation committees and sub-committees are at the very heart of the "social dialogue" between employers and employees. The collective work agreements which are concluded at this level cover a wide range of subjects which pertain to the field of work relations.

2.8. Basic data

Sixty-eight BWs currently employ 13,870 disabled workers. To these we must add the able-bodied people belonging to the monitoring or administrative staff (approximately 600 people).

3. Relation to the EMES socio-economic criteria

3.1. A continuous activity producing goods and/or selling services

Like adapted work enterprises in Brussels and in Wallonia, BWs have a continuous activity of production of goods and services.

3.2. A high degree of autonomy

The overwhelming majority of BWs (99%) are non-profit organisations (ASBLs). Consequently, we suppose that they enjoy a high degree of autonomy.

3.3. A significant level of economic risk

Since 50% of the total income of BWs comes from their commercial activities, BWs face a significant level of economic risk.
3.4. A minimum amount of paid work

BWGs must respect the minimum wage in force in the sector of social workshops and sheltered workshops.

3.5. An explicit aim to benefit the community

Due to their legal objects, BWGs certainly provide a service to the community.

3.6. An initiative launched by a group of citizens

Most BWGs were born out of private initiatives, in particular those of parents of disabled people who wanted to create suitable jobs for their children.

3.7. Decision-making not based on capital ownership

Most BWGs are non-profit organisations (ASBLs). Consequently, decision-making cannot be based on capital ownership.

3.8. A participatory nature involving the persons affected by the activity

No data are available on this issue. Nevertheless, considering the characteristics of the target population groups, we can put forward the hypothesis that there is no systematic participation of the workers in the management of the enterprise.

3.9. Limited profit distribution

Most BWGs are non-profit organisations (ASBLs); consequently, they do not redistribute their profits. The latter must be re-invested in the organisation to further the social aim of the activity.

4. Supporting umbrella structures

The federal organisations for BWGs are:
- the Flemish Fund for the Social Integration of People with a Handicap (Vlaams Fonds voor de social integratie van personen puts een handicap, or VFSIPH);
- the Flemish Federation of Sheltered Workshops (Vlaamse Federatie van Beschutte Werkplaatsen, or VLAB).

5. Innovative features

Until now the Flemish Ministry of Health has been responsible for BWGs. A draft decree of the Flemish Government aims to transfer this responsibility to the Flemish Ministry of Employment.
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