EMPLOYMENT MODELS WITHIN THE SOCIAL ECONOMY

AND THEIR ROLE IN INCLUDING PERSONS WITH DISABILITIES INTO THE LABOUR MARKET AND SOCIETY

EXTRACTS FROM A STUDY

POLICY IMPACT LAB
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INTRODUCTION TO THE STUDY

People with disabilities face multi-faceted challenges in relation to their health, physical and cognitive abilities in carrying out daily living activities, social inequality and isolation. Employment acts an important safety net for people to afford opportunities for autonomy and adaptability, a means of participation in society, and a key facet of one's identity and self-worth. The right to employment is therefore unsurprisingly a human right enshrined in the EU Charter of Fundamental Rights (Article 15)[1]. Equal opportunities for employment resonate throughout the EU policy framework from Article 27 of the UN Convention on the Rights of Persons with disabilities (CRPD), to the European Disability Strategy 2010-2020 (EDS), the European Pillar of Social Rights of 2017, and, beyond the EU, the 2030 Agenda for Sustainable Development, which includes disability as a horizontal issue in SDGs 4, 8, 10, 11 and 17[2].

This right and possibility however does not easily lend itself to equitable distribution across society - inclusion of persons with disabilities in labour markets across the EU, for example, is a long term goal and one that is far from complete. According to the latest comparable data (2011) from an ad-hoc module of the EU Labour force survey (LFS-AHM) on labour market access for persons with disability[3], average employment of persons with basic activity difficulty[4] stood at 47.3%[5], or at the time, or almost 20% less[6] than the employment rate overall. While there were marked differences across countries, no single country had inclusion of persons with basic activity difficulties on par with those with no impediments to work. Even for those employed, however, there are issues related to the quality of employment – the type of contractual relationships and security they afford the workers concerned is one of many issues in this regard. According to a

[1] European Union Agency for Fundamental Rights (FRA), 2012. 'EU Charter of Fundamental Rights, Article 15 – Freedom to choose an occupation and right to engage in work'. Available at: https://fra.europa.eu/en/charterpedia/article/15-freedom-choose-occupation-and-right-engage-work

[2] United Nations, 'Disability – Inclusive SDGs'. Available at: http://www.un.org/disabilities/documents/sdgs/disability_inclusive_sdgs.pdf

[3] Eurostat, 2014. 'Disability statistics – labour market access'. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Disability_statistics_-_labour_market_access

[4] Namely difficulty with sight, hearing, walking and communicating.

[5] European Commission, 2017. 'Progress Report on the implementation of the European Disability Strategy (2010-2020)'. Commission Staff Working Document, Brussels, 2.2.2017 SWD (2017) 29 final. Available at: https://ec.europa.eu/social/BlobServlet?docId=16995&langId=en

[6] ANED estimation based on the same source is 23.8%, Ibid.

European Commission Progress Report on the EDS, persons with disability are overrepresented in part-time work, whether due to health of other issues some 22.3% of persons with disabilities who work under 30 hours per week reported that they would like to work more but do not have the opportunity to do so[7]. The same report also underscores a corresponding higher risk of poverty and exclusion, with 30% of persons with disabilities being at risk compared to 21.5% in the general population[8].

Finally, the quality of the type of existing employment models and their alignment with the general policy direction towards inclusion of persons with disability also merits attention. The UN High Commissioner for Human Rights (OHCHR) has called for a shift in focus from sheltered employment schemes to promoting equal access for persons with disabilities in the open labour market[9], as underlined in Article 27 – Work and employment – of the UN CRPD. Important aspects of Article 27 touch upon the work environment, its accessibility, equal opportunities and remuneration, equal ability to exercise labour and trade union rights, reasonable accommodation of the workplace and facilitated transition to the open labour market (see more on this in Chapter 5 in the full report).

The ambitious goals set for the scope and depth of employment and its quality as concerns persons with disability require multiple complementary measures from policy to practice. While global and EU strategies and frameworks advocate for inclusion of persons with disabilities in employment and social life, implementation of such schemes falls unto Member States themselves. Countries across Europe, recognizing this need have created various incentives targeting employers and employees alike. Social economy enterprises have emerged as important actors in this area across the EU, yet their role in facilitating inclusion of persons with disabilities into the labour market and training remain under-researched.

This publication contains extracts of a study which was commissioned jointly by the European Association of Service Providers for Persons with Disabilities (EASPD) and European Platform for Rehabilitation (EPR) as part of their 2018 Work Programmes funded by the EU EaSi programme. It aims to address a gap in research and understanding on the quality of inclusion of persons with disability in social economy enterprises, or so-called Work Integration Social Enterprises (WISEs). The full study can be found on www.easpd.eu and www.epr.eu. The study draws on desk research and interviews – specifically for country-level contextual analysis and enterprise-specific case studies, and insights from an EPR & EASPD-facilitated expert meeting[10]. As such, the study serves as a starting point in an exploration into questions of importance for improved understanding of the merits of social economy enterprises for labour market inclusion of persons with disability. The information below starts with an introduction of social economy enterprises as such and employment trends for persons with disabilities. The next section offers a reflection on the alignment of said models with Article 27 of the UN CRPD, which is followed by policy pointers.

In the full study, Chapter 3 presents a more detailed description of specific employment models for persons with disabilities in social economy in Belgium, Germany, Lithuania, Norway and Spain, including illustrative case studies in each country. The full study also contains a number of concluding thoughts, found in Chapter 5.

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[7] European Commission, 2017. 'Progress Report on the implementation of the European Disability Strategy (2010-2020)'. Commission Staff Working Document, Brussels, 2.2.2017 SWD (2017) 29 final. Available at: https://ec.europa.eu/social/BlobServlet?docId=16995&langId=en

[8] Ibid.

[9] Conference on "Inclusive workplaces: Employment of Persons with Disabilities in the Labour Market" (2017); available at: http://www.edf-feph.org/newsroom/news/edf-board-resolution-right-work

[10] Employment Models within the Social Economy: Unlocking their potential to include people with disabilities in the labour market', Brussels, Belgium (Dec, 2018). More information available at: https://www.epr.eu/epr-easpd-public-affairs-event-6-december-2018/

TRENDS IN LABOUR MARKET INCLUSION OF PERSONS WITH DISABILITIES IN SOCIAL ECONOMY ENTERPRISES

Introduction: social economy and its actors

The term 'social economy' first appeared in France in the 19th century.[11] Since then, social economy organisations have become an important part of European social, economic and political life. Despite the growth in this sector's activities and organisations, there is still no commonly accepted definition of 'social economy' and its actors in Europe. Instead, understanding of the concept is based on certain principles that social economy organisations share. For example, the European Commission highlights three characteristics that set social economy enterprises apart from conventional ones.

- Social objective: the key reason for their commercial operation is not a profit, but a social objective.
- Reinvestment of profits: profits of these organisations are reinvested to achieve the social objective.
- Inclusive ownership or governance: use of democratic and participatory governance mechanisms that reflect the overall mission of the organisation. [12]

These principles are also laid out in the European Commission's definition of social enterprise, which sees it as

> **'an operator in the social economy whose main objective is to have a social impact rather than make a profit for their [sic] owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve [sic] employees, consumers and stakeholders'.** [13]

Some other conceptualisations of social economy enterprises include additional focus on social innovation in the provision of goods and services of general interest, entrepreneurial behaviour and autonomy of such organisations.

It is noteworthy that the prevalence and recognition of the 'social economy' concept varies greatly across EU Member States. A targeted survey of academics, profes-

[11] European Commission, 2013. Social economy and social entrepreneurship, Social Europe guide, Volume 4.

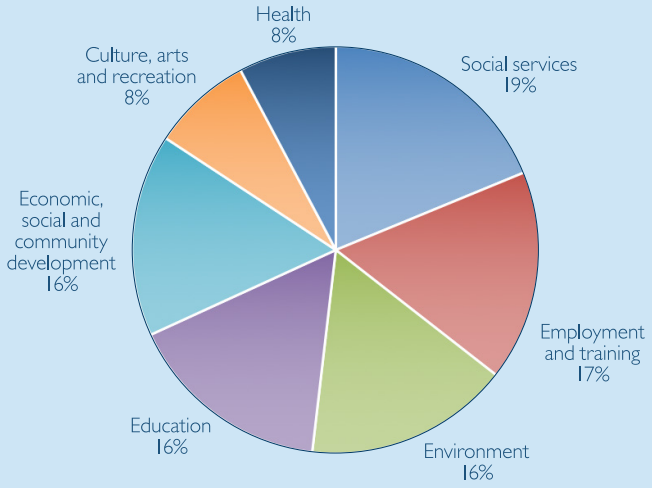
[12] European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs. Social enterprises. Available at: http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

[13] Communication from the European Commission, Social Business Initiative, COM/2011/0682 final of 25/10/2011)

sionals from the sector and various representative bodies in all EU Member States revealed that the concept of 'social economy' was most widely recognised in Spain, France, Portugal, Belgium and Luxembourg. Meanwhile, the countries with little or no recognition of 'social economy' included Austria, the Czech Republic, Estonia, Germany, Latvia, Lithuania, Malta and the Netherlands.

Social economy organisations can have a variety of different legal forms. The most common ones include co-operatives, mutual societies, non-profit associations, foundations and social enterprises, though there are various others across Europe. Social economy organisations are also active in diverse fields. A representative survey of nearly 600 social enterprises dispersed across Europe showed that social services, employment and training and environment were the three leading fields of operation (see Figure 1).

Figure 1. Mapping social enterprises by field of activity in Europe.



Source: European Commission, 2013.

The European Commission groups the activities of social enterprises into four broader categories encompassing the more detailed breakdown in Figure 1 above.

- **Work integration:** training and integration of people with disabilities and unemployed people.
- **Personal social services:** health, well-being and medical care, professional training, education, health services, childcare services, services for elderly people, or aid for disadvantaged people.
- **Local development of disadvantaged areas:** social enterprises in remote rural areas, neighbourhood development/rehabilitation schemes in urban areas, development aid and development cooperation with third countries.
- **Other:** including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports.

This study focuses specifically on a subset of social economy enterprises – namely organisations focused on work integration/employment, commonly known as Work Integration Social Enterprises (WISEs). For the purposes of this study, we consider WISEs specifically to the extent it is possible, but also discuss findings on social economy enterprises in general, even if work integration is not their primary objective. Furthermore, even though WISEs may target different vulnerable groups, our focus is on integration of persons with disabilities, and where possible from the data we present disaggregated information for this target group.

Work integration social enterprises

Mapping and grouping of WISEs in the EU is not a straightforward task given the heterogeneity of existing organisations that fall within this grouping. In this section we provide information on previous attempts to map WISEs precisely to illustrate the variety of WISEs and which dimensions they cover and at the same time differ on. Beyond the notion that WISEs represent the type of social enterprises that focus on the integration of disadvantaged groups (including persons with disabilities) into the labour market, there is no commonly accepted definition at the

[14] European Economic and Social Committee, 2017. Recent Evolutions of the Social Economy in the European Union. Available at: https://www.eesc.europa.eu/sites/default/files/files/qe-04-17-875-en-n.pdf

[15] Ibid.

[16] European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs. Social enterprises. Available at: http://ec.europa.eu/growth/s1,923,745ectors/social-economy/enterprises_en.

EU level. Hence, specific definitions of such enterprises, their legal types and regulation varies from country to country. A mapping study of WISEs in 12 EU countries, conducted back in 2010, identifies a number of important dimensions of heterogeneity of WISEs across the EU (see Table 1 below).

Table 1. Different dimensions of WISEs.

Dimensions	Brief description
Integration objectives	• Focus on transitional employment vs permanent employment. • Training focussed on professional skills or social integration.
Training and job contracts	• Training methodologies: on-the-job training, structured training, formal training or a mix of formal and informal training. • Employment contract: traineeship vs employment; temporary vs permanent contract.
Target groups	• Exclusive focus on specific group – e.g. persons with disabilities vs broad focus on multiple target groups.
Goals	• Focus on commercial activities vs social objectives
Structure	• Small single organisation to large federalised structures (such as nation-wide cooperatives) that are often closely linked with larger networks of other organisations.
Governance	• Member-based organisations with democratic governance structures to non-inclusive forms of governance.
Resources	• Revenue from market sources, state subsidies, membership fees, donations etc.
Environmental relations	• Varying degrees of embeddedness in local communities.

Source: Spear et al, 2010. The role of social enterprises in European labour markets. [17]

While all these dimensions are relevant for considering the activities and types of existing WISEs, our study given the focus on employment models for persons with disabilities, hones in more into those dimensions that more directly relate to employment relations like integration objectives, resources and similar. In this sense, a typology developed by Davister et al (2004) based on a mapping exercise of 39 WISEs[18] in 10 EU countries serves as a useful starting point. The different models of WISEs identified by the researchers include:

- **Transitional employment or on-the-job trai-ning:** WISEs aim to integrate disadvantaged workers into the open labour market by providing them with necessary work experience and/or on-the-job training. The beneficiaries in such enterprises hold traditional employment contracts with a full package of social security benefits in the given country. German inclusive enterprises *(Inclusionsbetriebe)* or French Work Integration Enterprises *(Entreprises d'Insertion)* serve as good examples of this model of integration.

- **Creation of permanent self-financed jobs:** these WISEs aim to create opportunities for disadvantaged workers to maintain stable and economically sustainable employment in the open labour market. This model includes subsidies provided by the state to cover lower productivity of the disadvantaged workers. In some cases, the subsidies generally taper off during a set period of time and WISEs cover all the remaining expenses for the integration of workers into the labour market. An illustrative example in this case could be the Enterprises of the Spanish National Organisation for the Blind (Empresas de la Organización Nacional de Ciegos de España) or Lithuanian social enterprises (socialinės įmonės).

- **Professional integration with permanent subsidies:** this model includes 'sheltered' workplaces for the most disadvantaged groups, whose sustainable integration into the open labour market could be considered as difficult over the medium-term. Under this model, WISEs offer the disadvantaged groups (mostly persons with disabilities) training aimed at building/improving their professional competences as well as various productive activities. However, transition rates to the open labour market from such establishment tend to be very low. For instance, custom work companies (Maatwerkbedrijven) in Belgian Flanders region or

[17] Spear, R., Bidet, E., 2003. 'The Role of Social Enterprise in European Labour Markets', Working Papers Series, no. 03/10. Liège: EMES European Research Network

[18] Davister, C., Defourny, J., Gregoire, O., 2004. 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models'. WP no. 04/04. Emes Research Network.

Norwegian permanently adapted work scheme (Varig tilrettelagt arbeid) would fit this model.

- **Socialisation through a productive activity:** WISEs in this category primarily aim to (re)socialise target groups through social contact, build their life-skills and encourage to follow more 'structured' lifestyles. Labour market integration is not necessarily a primary objective, but such possibility is not excluded. The target group includes persons with severe disabilities or other serious problems (drug addicts, alcoholics etc.). The disadvantaged persons usually do not have employment contracts. For example, workshops for persons with disabilities in Germany (Werkstätten für behinderte Menschen) provide an illustrative example of this particular model.

Importantly, the different work integration modes described above are not mutually exclusive, meaning in practice WISEs can hold certain characteristics of two or more of these categories (see full report for an example of a Belgian WISE that provides on-the-job training/transitional employment and socialisation through a productive activity alongside its core activity which is professional integration with permanent subsidies).

Figure 2 below illustrates different pathways through which persons with disabilities enter the labour market. One pathway is direct employment in the open labour market. EU Member States have various mechanisms and incentives to encourage the entry of persons with disability into the open labour market. For instance, they include quota systems for public and private sector companies, wage subsidies, financial grants for workplace adaptation, subsidies for hiring an assistants/coachers etc. Another pathway for persons with disabilities is social economy organisations, and particularly the ones explicitly working to achieve this goal (WISEs). As underlined above, WISEs across the EU use diverse models facilitating inclusion of persons with disabilities into the labour market, with some of them placing an explicit emphasis on the (re) integration of into the open labour market, while and others focusing more on the development professional, social and life-skills and employment in protected work environments.

Having discussed the theory of how WISEs integrate persons with disabilities into the labour market, in the section below we turn to employment trends of persons with disabilities, including in general and specifically in social economy enterprises.

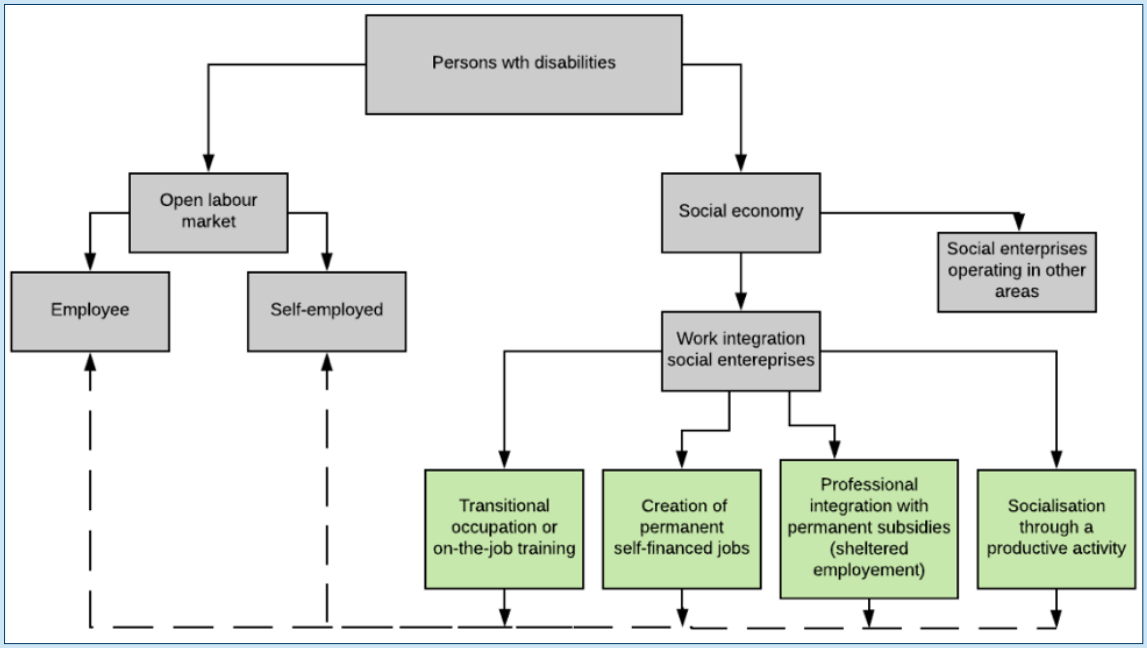


Figure 2. Framework of labour market integration of persons with disabilities through WISEs.

Source: developed by authors based on Davister et al, 2004. [19]

[19] Davister, C., Defourny, J., Gregiore, O., 2004. 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models'. WP no. 04/04. Emes Research Network.

Employment of persons with disabilities in the EU

Key for measuring any trend is firstly defining its boundaries. In the case of measuring the extent of employment of persons with disability, it is therefore key to first understand how disability is defined and potentially issues for comparability of available data. There is no universally accepted definition of 'disability' at the EU level. Various EU Member States use different definitions of 'disability', which depend on their national historical, political and cultural contexts. Some EU Member States use mostly medical aspects to define disability, while others focus more on social aspects or a mix of both. At the same time, some EU members – particularly Scandinavian countries – steer away from defining disability in order to pre-empt stigmatisation that could be brought about by the use of such a definition. [20]

Lack of a common definition has negative implications for collection of comparable statistical data on disability in EU Member States. For example, the EU's Labour Force Survey ad-hoc module that looked into the situation of persons with disability in the labour market (LFS AHM –data from 2011) [21] uses two definitions of disability.

- *Definition 1: People having a basic activity difficulty (such as sight, hearing, walking, communicating).*
- *Definition 2: People limited in work because of a long-standing health problem and/or a basic activity difficulty (LHPAD).*

Survey results show considerable differences in the share of persons reporting a longstanding health problem and/or basic activity difficulty across the EU. At the EU level, around 28% of people aged 15-64 reported a longstanding health problem or a basic activity difficulty, or both (Eurostat[22]). This figure ranged from just 14% in Greece and Ireland to over 50% in France and Finland.

Regardless of the definition used, persons with disabilities had significantly lower employment rates across the EU when compared to persons without disabilities (Eurostat[24]). According to the definition of disability as basic difficulty of activity (sight, hearing, walking, communicating), the employment rate of people with basic activity difficulties in the EU-28 in 2011 was 47.3%, which was almost 20 percentage points lower than that for persons without disabilities. When using the second definition, the employment rate for persons reporting longstanding health problems and/or a basic activity difficulty stood at 38.1% and was nearly 30 percentage points lower as compared to persons without disabilities. [23]

When looking at country-level data, the gap was the largest in many Central and Eastern European countries, such as Hungary, Bulgaria, Romania and Slovakia to mention a few, while some Western European and Scandinavian countries, such as Luxembourg, France, Finland or Sweden, had notably lower differences in employment rates between persons with disabilities and those without disabilities. Some exceptions to this trend include, for example, the Netherlands and Denmark where employment rates of persons with disabilities whether due to long-standing health issues or basic activity difficulties was around or under 50%, or Latvia, where the respective employment rates were above the EU average.

It is nonetheless important to use caution when interpreting these statistics as data on employment rates are affected by national definitions of what persons are considered as 'active' and 'inactive' on the labour market in specific Member States. For example, around 750,000 persons working in German workshops for persons with disabilities are not officially considered as employees according to national legislation, whereas in other countries like Belgium sheltered employees count towards the active labour force. Moreover, some persons with disabilities that are employed in the mainstream labour market may not appear in statistics as having work limitations. [25]

[20] European Parliament, 2017. European disability policy. 'From defining disability to adopting a strategy'. Available at: http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/603981/EPRS_IDA(2017)603981_EN.pdf 21

[21] Eurostat, 2015. 'Employment of Disabled People. Statistical analysis of the 2011 Labour Force Survey'. Available at: https://ec.europa.eu/eurostat/documents/3888793/6802087/KS-TC-14-007-EN-N.pdf/5c364add-6670-4ac9-87c7-9b8838473a7

[22] Eurostat (2014) Disability statistics – labour market access. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Disability_statistics_-_labour_market_access

Employment in social economy enterprises

Even though many social economy enterprises have among their objectives employment of persons with disabilities, there are no comprehensive and comparable statistics on the number/share of employed persons with disabilities in social economy enterprises across the EU Member States. Some anecdotal figures available in previous research reports indicate that there were around 2-3mn of persons with disabilities working in sheltered employment in Europe. [26] As such, we turn to available data on employment created by social economy enterprises in general, regardless of the target groups implicated.

Social economy enterprises play an important role in creating employment in the EU. According to a 2017 study of the European Economic and Social Committee, the sector provided paid employment to 6.3% of the working population in the EU-28 in 2015. In absolute figures, this translated into employment of 13.6mn people across the EU. The share of employed persons within the social economy decreased slightly from the 6.5% recorded in 2012. [27]

There are notable regional differences between the 'old' and 'new' EU Member States in terms of employment in social economy, in line with earlier underlined differences in performance of these groups of countries in employment of persons with disabilities overall (see Table 2). The average employment rate for the EU's newer entrant countries stood at just 2.6% in 2014-15, while the same figure for the 'old' EU Member States was 7.3%. This trend largely corresponds to the finding that 'social economy' as a concept is much more widely acknowledged in the 'old' EU Member States as compared to the 'new' ones. [28]

Table 2. Paid employment in the social economy compared to total paid employment in EU-28 (2014-15).

Country	Employment in social economy (A)	Total employment (B)	% A/B
Austria	308,050	4,068,000	7,6%
Belgium	403,921	4,499,000	9,0%
Bulgaria*	82,050	2,974,000	2,8%
Croatia*	15,848	1,559,000	1,0%
Cyprus*	6,984	350,000	2,0%
Czech Republic*	162,921	4,934,000	3,3%
Denmark	158,961	2,678,000	5,9%
Estonia*	38,036	613,000	6,2%
Finland	182,105	2,368,000	7,7%
France	2,372,812	39,176,000	9,1%
Germany	2,635,980	39,176,000	6,7%
Greece	117,516	3,548,000	3,3%
Hungary*	234,747	4,176,000	5,6%
Ireland	95,147	1,899,000	5,0%
Italy	1,923,745	21,973,000	8,8%
Latvia*	19,341	868,000	2,2%
Lithuania*	7,332	1,301,000	0,6%
Luxembourg	25,345	255,000	9,9%
Malta*	2,404	182,000	1,3%
Netherlands	798,778	8,115,000	9,8%
Poland*	365,900	15,812,000	2,3%
Portugal	215,963	4,309,000	5,0%
Romania*	136,385	8,235,000	1,7%
Slovakia*	51,611	2,405,000	2,1%
Slovenia*	10,710	902,000	1,2%
Spain	1,358,401	17,717,000	7,7%
Sweden	195,832	4,660,000	4,2%
United Kingdom	1,694,710	30,028,000	5,6%
Total New Member States (13)	**1,134,269**	**44,311,000**	**2,6%**
Total Old Member States (15)	**12,487,266**	**171,411,000**	**7,3%**
Total EU-28	**13,621,535**	**215,722,000**	**6,3%**

*Source: EESC, 2017. * New EU Member States (joining since 2004).*

[23] Ibid.

[24] Eurostat 2014. 'Disability statistics – labour market access. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Disability_statistics_-_labour_market_acces

[25] Eurostat 2014. 'Disability statistics – labour market access. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Disability_statistics_-_labour_market_access

[26] EASPD, 2012. 'The Evolving Concept of Sheltered Workshops in the EU: Realities and Future Developments'. Available at: http://www.easpd.eu/sites/default/files/sites/default/files/newsletters/newsletter_en_2012.pdf

[27] European Economic and Social Committee, 2017. 'Recent Evolutions of the Social Economy in the European Union'. Available at: https://www.eesc.europa.eu/sites/default/files/files/qe-04-17-875-en-n.pdf

[28] European Commission, 2016. 'Social Enterprises and their Eco-systems: Developments in Europe'. Available at: https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7934&furtherPubs=yes

While it is possible to provide some trends on employment of persons with disabilities both in the labour market in general and social economy enterprises specifically, it is important to note that available comparative data (EU-LFS) is at the time of writing this report at the end of 2018 rather out of date and potentially not representative of the situation at this time. In addition, for analysis and interpretation of employment statistics, it is important to consider employment trends of persons with disabilities in light of overall employment rates in a given country at the time, to control for effects of economic cycles. For a more nuanced analysis of employment rates see the contextual analysis in five countries, presented in sections 3.1- 3.5.

Finally, employment of persons with disabilities is an important indicator for measuring the performance of social economy enterprises, particularly in terms of financial sustainability – this is discussed in the section that follows.

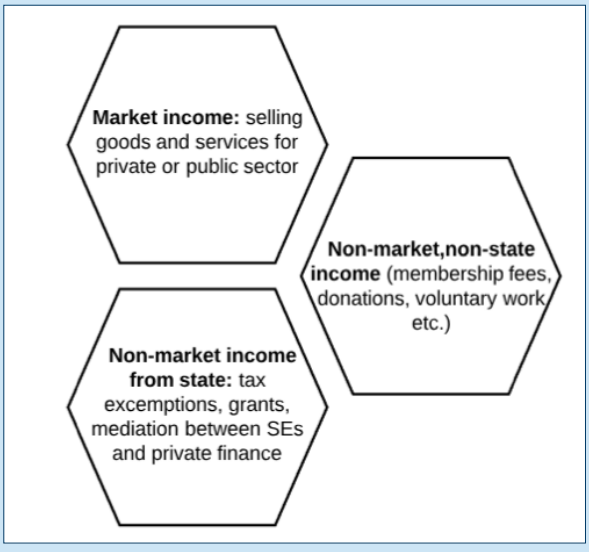
Financial sustainability of social economy enterprises

Financial sustainability is not a straightforward concept when it comes to measuring the worth and value of not only economic but also social outcomes. It's furthermore complicated that social enterprise is a label for potentially very different organisations, as illustrated earlier in the chapter – as such, we will not define but rather focus on what literature has shown to be important aspects to consider in relation to financial sustainability of social enterprises.

Social economy enterprises often prioritize social benefit to economic profit. Governments from around the globe, while interested to expand the potential of this sector to address social issues, are looking for ways to reduce direct funding for social enterprises which are expected to produce economic and social benefit in equal measure.[29, 30] Social economy enterprises in general therefore are encouraged to be entrepreneurial and cover their costs to the extent possible. To speak of drivers of financial sustainability – literature points to 'soft factors' as being of key importance. A qualitative study of 93 social enterprises in Australia and Scotland, confirmed previous literature in finding 'collaborative networks, organisational capabilities, resourcing and legitimacy (…) salience of organizational structure in the development of social ventures, particularly in terms of access to important resources'[31]. In addition to identifying some new ones meriting further exploration, including, importantly – strategic growth orientation associated with commercial outcomes, which social enterprise leaders in the study identified as the primary driver for sustainability.

When it comes to the type of social economy actors under consideration in this study – those whose mission is to employ persons with disabilities – there is a mixed picture across countries in terms of the plausibility of market-rules-based survival. In the section that follows we consider the types of revenue sources social economy enterprises in the EU sustain their operations from, also looking into examples from specific Member States. A mapping report of social enterprises and their eco-systems in the EU shows that a majority of social enterprises typically adopt a hybrid business model deriving their revenues from a combination of market and non-market sources. Market sources of income are associated with the sale of goods and services either to the public or private sector, while non-market sources[32] include government/EU subsidies and grants, private donations, non-monetary or in-kind contributions such as voluntary work and other forms of support (see Figure 3).

Figure 3. Key revenue sources of social economy enterprises.



[29] Defourny, J. & Nyssens, M. 2010. 'Conceptions of social enterprise and social entrepreneurship in Europe and the United States: convergences and divergences', Journal of Social Entrepreneurship, vol. 1, no. 1, pp. 32-53

The relevance of each of these sources of income varies greatly across the EU. In some countries like the Czech Republic, Finland, France, Italy and the UK, social enterprises derive most of their revenue from market sources and particularly from the sale of goods and services to public authorities. For example, in the United Kingdom, 74% of social enterprises earned more than 75% of their income from trading in 2017.[33] In Italy, in 2011 the same was true for 40-90% of the total revenue of such enterprises, depending on the type. [34]

In several other countries (e.g. Austria and Poland), the entrepreneurial dimension of social enterprises is weaker as less than 50% of their revenue comes from market sources. Non-market sources generally constitute government subsidies, tax exemptions and grants (especially important for sheltered workshops), but to a lesser extent private donations, non-monetary contributions in kind (e.g. voluntary work) and membership fees.

This variation could be partly explained by different welfare and social enterprises eco-systems (models) existing in different EU Member States as well as different organisational/legal forms adopted by social enterprises across Europe. Institutionally recognised forms of social enterprise are typically more market-oriented than de-facto social enterprises that have originated from the more traditional non-profit sector (for example associations, foundations, voluntary and community organisations). [35]

The question of whether a social enterprise that is more business-like in that it covers its costs from market sources is more financially sustainable than social enterprises of a non-profit nature in and of itself merits separate exploration. An important question in this respect is the 'object' of financial sustainability – should financial sustainability be considered from the point of view of the enterprise itself or the state (if social enterprises are providing otherwise state-financed services) – in which case its 'sustainability' could be compared from the point of view of public finances and alternative models of service delivery. Another important question is the 'scope/depth' of the problem social enterprises are addressing – should the financial sustainability of a social enterprise working with individuals with minor impediments or distance to the open labour market be gauged using the same indicators as one working with people that would otherwise be reliant on institutionalized (and expensive) state support.

To consider only the financial aspect, business-like social enterprises can be considered more financially sustainable from the point of view of the state. Nevertheless, both in those countries where social enterprises gain more from market and those that are more dependent on non-market income sources, the state plays a crucial important role. For example, in the UK, the public sector is the main source of income for 20% of all social enterprises.[36] An estimated 45% of social enterprises in Italy have public bodies as their main clients. Below we consider the types of market and non-market incentives for social enterprises from governments across the EU.

Different market and non-market income sources

From the available types of incentives for social enterprises in the EU, three different support schemes can be distinguished:

- those, targeting all enterprises that meet specific criteria;
- those targeting the social economy/non-profits;
- those directly targeting social enterprises.

[30] Peattie, K., Morley, A. 2008. 'Social enterprises: diversity and dynamics, contexts and contributions'. [Discussion Paper]. Cardiff: BRASS / ESRC / Social Enterprise Coalition. Available at: http://orca.cf.ac.uk/id/eprint/30775

[31] Jenner P., 2015. 'Social enterprise sustainability revisited: an international perspective'. Emerald Group Publishing Limited

[32] European Commission, 2016. 'Social Enterprises and their Eco-systems: Developments in Europe'. Available at: https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7934&furtherPubs=yes

[33] Social Enterprise UK, 2017. 'The Future of Business: State of Social Enterprise Survey 2017'. Available at: https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=a1051b2c-21a4-461a-896c-aca6701cc44

[34] European Commission, 2016. 'Social enterprises and their eco-systems: A European mapping report. Updated country report: Italy'. Available at: https://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=socenteco&mode=advancedSubmit&langId=en&search.x=0&search.y=0

[35] European Commission, 2014. 'A map of social enterprises and their eco-systems in Europe. A synthesis report'. Available at: https://ec.europa.eu/social/BlobServlet?docId=12987&langId=en

[36] Social Enterprise UK, 2017. 'The Future of Business: State of Social Enterprise Survey 2017'. Available at: https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=a1051b2c-21a4-461a-896c-aca6701cc44

Most countries offer at least two support schemes. For example, in Poland, the government provides start-up grants to all enterprises employing disabled people. Similarly, in Spain, various support measures are available to enterprises employing certain (target) groups. In addition, Spain provides ad-hoc support measures aimed specifically at special employment centres.

Belgium has support schemes for social enterprises in each of the country's three regions. The Walloon Region has subsidies, start-up assistance and grants for the employment of disadvantaged jobseekers. The Brussels Capital Region also provides grants to social integration enterprises. Moreover, every business or non-profit organisation in the Brussels Capital Region wishing to employ certain categories of jobseekers in accordance to the principles of the social economy can apply for funding. In addition, BRUSOC, a subsidiary of the Brussels Regional Investment Agency, provides funding and support to the self-employed, small enterprises and social economy projects employing persons with disabilities with loans at preferential rates. A private individual or an organisation with a viable idea can apply for microcredit, seed capital and cash credit from BRUSOC.

Aside from subsidies and grants, EU Member States often provide fiscal incentives for social economy organisations. These incentives can be classified into three types: (1) reduced social security contributions for social enterprises when they perform in given fields; (2) tax exemptions and lower rates envisaged for social enterprises under specific conditions; and (3) tax reductions granted to private and/or institutional donors of social enterprises. [37]

Besides direct grants and tax exemptions, EU Member States promote social enterprises through public procurement schemes. For example, in Lithuania, all public sector institutions are required to procure at least 5% of goods or services from social enterprises. In Sweden, the country's social insurance agency has been actively involving social economy and voluntary organisations as well as SMEs in reviews of procurement practices in order to identify challenges they face in public procurement tenders. [38]

Sheltered workshops

When considering financial sustainability of social economy organisations within the field of labour market inclusion, it is important to distinguish organizations offering sheltered work arrangements. Once again, sheltered workshops do not have a single definition, but a European Parliament study defines them as *'employment in an undertaking where at least 50% of workers are disabled'* [39]. Meanwhile, the EASPD defines the phenomenon as a *'simulated work environment and vocational training to equip people with disabilities ideally with the skills for open employment'.* Many sheltered workshops across the EU are run by social economy enterprises.

Several studies indicate that sheltered workshops are not sustainable strictly in financial terms. For example, a cost-benefit analysis of Hungarian sheltered workshop The Civitan Help Association (Civitan) revealed that the facility was not cost-beneficial from the government financial perspective. [40] Another example features one of the longest operating sheltered workshops in Europe Remploy (UK), which was closed back in 2013. Prior to its closure, many of Remploy's factories were considered as not economically sustainable.[41] Finally, in Germany sheltered workshops cannot finance themselves and are largely dependent on state support.

Importantly, however, there are no clear-cut methodologies for measuring financial sustainability of social-good producing entities, and those that have attempted measuring the Social Return on Investment (SROI) show a different picture. For example, a Scottish Government-funded SROI Evaluation on the Real Jobs supported employment programme cites a social return of GBP 4.86 for every GBP 1 invested, albeit at the time of the evaluation the organisations providing the supported employment were third-sector organisations. Specifically referring to social

[37] European Commission, 2016. 'Social enterprises and their eco-systems: A European mapping report. Synthesis report'. Available at: https://ec.europa.eu/social/BlobServlet?docId=12987&langId=en

[38] OECD, 2013, 'Policy Brief on Social Entrepreneurship. Entrepreneurial Activities in Europe'. Available at: https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pd

[39] European Parliament, 2015. 'Reasonable Accommodation and Sheltered Workshops for People with Disabilities: Costs and Returns of Investments'. Available at: http://www.europarl.europa.eu/RegData/etudes/STUD/2015/536295/IPOL_STU%282015%29536295_EN.pdf

[40] Ibid.

[41] Sayce, L., 2011. 'Getting in, staying in and getting on: Disability employment support fit for the future. A review to the Department for Work and Pensions', UK. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49779/sayce-report.pd

enterprises in name and mission, Fundación Once, a substantial member-based organisation providing services for persons with blind and visually impaired persons, cites a KPMG study on the special employment centres in Spain which found that they generate EUR 1.44 return on social investment for every EUR 1 invested. [42]

Given a lack of existing studies, especially ones attempting to compare countries and types of employment models, the main insight into the financial sustainability of social economy enterprises is the need for more research into this area, and consideration of appropriate indicators for measuring financial sustainability.

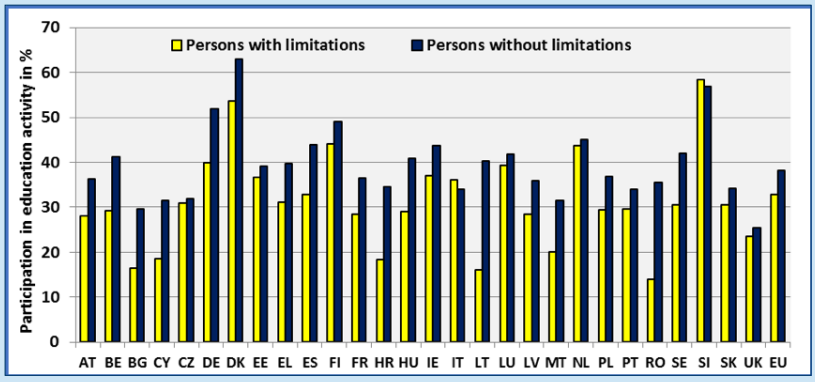
Beyond the financial aspect of the operation of social enterprises, it is important to consider the quality of employment they generate, and how. A key aspect in this respect are the opportunities for vocational training, both for the sustenance of a person within a given establishment but also for their possibilities for securing employment on the open labour market, if that is an explicit aim of the enterprise or person involved.

Vocational training for persons with disability in social economy

Statistical data on persons with disability in education and vocational training across the EU is scarce. This issue becomes even more acute when looking specifically at vocational training within the social economy sector. Nonetheless, available data indicates that persons with disabilities are less likely to be in education (including formal vocational training) than persons without disabilities (see Figure 4).

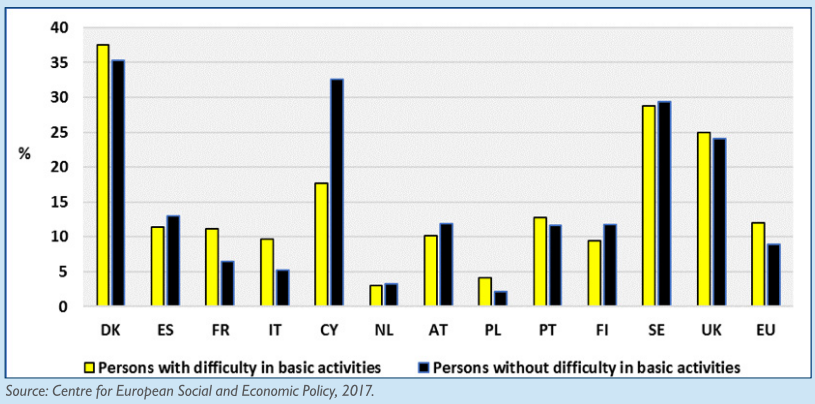
Overall, the participation rate in education for all individuals aged 18-29 in the EU stood at 38.3% in 2014, while the figure for persons with disabilities was 32.5% the same year. The gap was particularly high in many of the 'newer' EU Member States such as Bulgaria, Croatia, Hungary, Lithuania or Romania. Compared to 2010, the situation at the EU level remained virtually unchanged.

Figure 4. Percent of people with and without disabilities in education. Age: 18-29, 2014



Source: Centre for European Social and Economic Policy, 2017.

Figure 5. Percent of people participating in non-formal education. Age: 15-24, 2011



Source: Centre for European Social and Economic Policy, 2017.

The latest available data from Eurostat (2011) also show that persons with basic activity difficulties were more likely to be not in employment, education or training (NEET). NEET rates for the generation aged 15-34 years was 15.7%, while the same figure for those with basic activity disability stood at around 30.7%. The gap was much more pronounced (25 percentage points) for people with work limitations caused by a longstanding health problem and/or a basic activity difficulty (40.4 % and 15.4 % respectively) [43].

Interestingly, the situation changes when looking at participation rates in non-formal education. Although data on participation rates in non-formal education is available in only 12 EU Member States (see Figure 5), persons with difficulty in basic activities in

[42] Fundación ONCE, 2013. 'Los Centros Especiales de Empleo (CEE) general EUR 1.44 por cada euro percibido de la Administración'. Available at: https://www.fundaciononce.es/es/noticia/los-centros-especiales-de-empleo-cee-generan-144-euros-por-cada-euro-percibido-de-la

[43] Eurostat. Disability statistics. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Disability_statistics

these countries were more engaged in educational activities as compared to the persons without difficulty in basic activities, indicating a higher engagement of persons with disabilities in non-formal education and training.

Models of training in social economy

Many social economy organisations offer vocational rehabilitation and/or training services as part of their broader employment schemes. In fact, training often is one of the key steps of work integration as it helps to build professional, social and personal skills needed to participate in the labour market. The training models applied by WISEs are just as diverse as the social economy landscape across the EU. The training models social economy enterprises offer also depend on country-specific legislative systems and, particularly, educational systems. Nonetheless, some of the previous studies have tried to reduce this complexity into a few broad categories based on the setting the training is provided in or the nature (methodology) of the training itself.

One way to categorise types of training is by looking at settings the training is provided in (Table 3). It is important to note that these settings are not mutually exclusive.

Social economy enterprises may be active in each of these settings and this varies from country to country. Special

Table 3. Paid employment in the social economy compared to total paid employment in EU-28 (2014-15).

Setting	1. Special VET training centres: training is provided in special vocational education and training (VET) centres for workers with disabilities. They provide various subsidized measures to address negative repercussions for learners with disabilities who have not been successful in the mainstream environment.	2. Mainstream: training for persons with disabilities is provided in mainstream settings (together with persons without disabilities).	3. On-the-job training: provided either by the employer or different organizations. Usually functions under the regulation of supported employment and is financed by public agencies. On-the-job training may take place outside formal educational schemes or be included in them as a part of vocational training. In addition, it can range from informal to formal training.
Examples	In Germany, many workshops for persons with disability have distinct vocational training departments, which offer two-year individualised vocational training programmes aimed at developing, enhancing or recovering performance and ability to work. Alongside vocational education, they also support the development of practical life skills.	Investt was a three-year project (Dec 2012-Nov 2015) co-funded by the Lifelong Learning Leonardo Da Vinci Programme (EU), which developed a strategy for implementing universal design in the mainstream vocational education and training system (VET). Four vocational education providers in Europe - Austria, Belgium, Norway and Slovenia - were piloting new practices in VET together with local service providers and researchers[44].	In Lithuania, most social enterprises offer on-the-job training for persons with disabilities. Such training is closely associated with work tasks required to be performed by employed persons with disabilities. The training is very basic and carried out by more experienced employees or managers of that company.

Source: developed by authors based on reports of European Agency for Special Needs and Inclusive Education.

VET centres for persons with disabilities are generally associated with vocational rehabilitation needs and often utilise production-based approach to training.[45] While such centres have been found to offer better pedagogical quality for persons with disability (especially for those with severe disabilities) than the mainstream ones, some literature sources criticise them for promoting students' exclusion from the rest of society, failing to respond to rapidly changing skill-demand on the labour market, and a tendency to promote disability- or gender- stereotyped activities through training.[46]

Vocational training for persons with disabilities in mainstream settings have been rising in popularity across Europe. The mainstream approach – with necessary reasonable accommodation modifications – is advocated by various intergovernmental organisations and NGOs as more inclusive and equitable compared to, for examp-

[44] EASPD, Towards inclusive vocational education (Investt). Available at: http://easpd.all2all.org/sites/default/files/sites/default/files/SCEDUC/eas_006-13_en_hr.pdf

[45] European Agency for Special Needs and Inclusive Education, 2014. 'Vocational Education and Training. Policy and Practice in the field of Special Needs Education. Literature Review'. Available at: https://www.european-agency.org/sites/default/files/vocational-education-and-training-policy-and-practice-in-the-field-of-special-needs-education-literature-review_VET-LiteratureReview.pdf

[46] Ibid.

le, special VET centres. Moreover, previous studies have found various positive outcomes associated with vocational training in mainstream settings. For example, students are more likely to have more certain aspirations for the future; they tend to be more proactive in investigating their career pathways; they are more likely to continue education; they tend to be more socially integrated and aspire for independent living.[47] That said, for the benefits of the vocational training practices in the mainstream settings to be fully realised, various support services such as reasonable accommodation, tutoring, supervision and guidance are particularly important.

Supported employment

Incremental aspects associated with the model:

1. Place - priority is to find and place the job finder within an employment setting. Self-employment is explored where appropriate.
2. Train - once placed, the job seeker is supported to learn the job, this may include one-on-one support from a job coach. The job coach also helps with identifying and supporting the type of training that may be needed.
3. Maintain - once the worker is integrated in the employment setting, the job coach continues to support the individual and the employer to ensure the needs of both parties are met.
4. Progress - as part of the on-going support and maintenance of the job, the job coach supports the career progression of the job seeker.

Source: www.euse.org

On-the-job professional training is another very popular setting for vocational training, especially in social economy enterprises. [48] In this case, the key objective of training is to provide work-specific information for workers to carry out essential tasks, introduce them to safety rules, use of equipment and other similar information. Other work-related knowledge and skills are usually developed on-the-job with the support of special coaches or more experienced employees. This type of training is informal and persons completing it often do not get a widely recognised certificate of qualification. Statistical data on the prevalence of non-formal employment among young persons with disabilities corroborates this finding (see Figure 7). Finally, in some cases, social economy organizations can provide both types of training, depending on the individual needs of the participant concerned.

On-the-job training is also an important part of different supported employment schemes. Such schemes seek to 'provide support to people with disabilities and other disadvantaged groups to secure and maintain employment in the open labour market [49], in this manner merging education, vocational training and employment. In contrast to traditional vocational training settings, a supported employment scheme suggests first placing a person in a suitable job position, then offering training provided by trained job coaches. The training is related both to work-specific skills as well as broader topics such as management of work life.

There are three core principles that make up supported employment model: paid work (on same terms and conditions as non-disabled employees), inclusion within the open labour market, and ongoing support from a job coach. Sometimes supported employment companies are established by private actors or the state, sometimes – by social economy companies or associations of disabled people and their family members. Often the state foresees the regulation of supported employment conditions and finances this service.

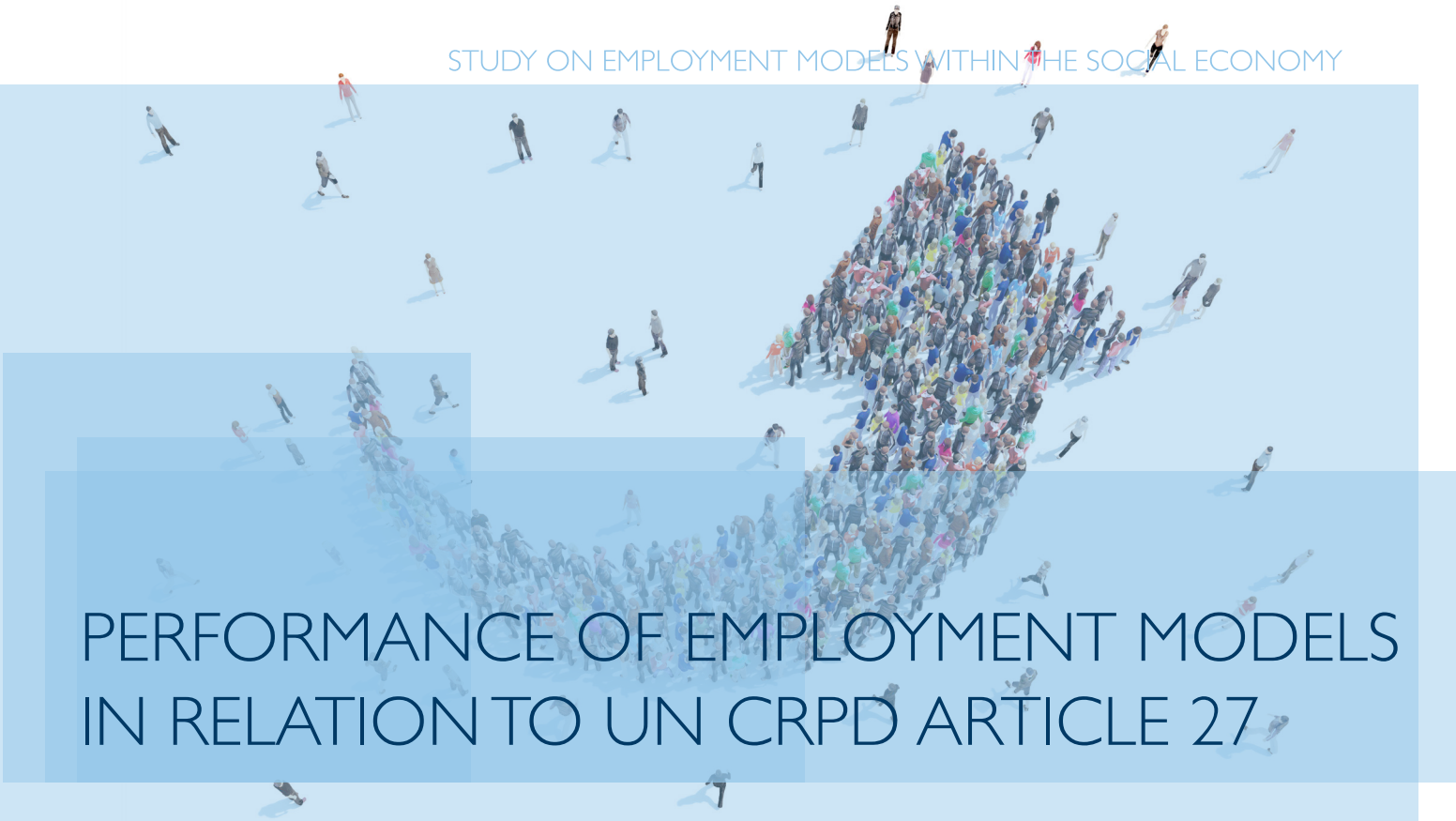
To conclude, vocational training and especially supported employment are areas where social economy enterprises can be particularly relevant. Nevertheless, their success depends strongly on existing funds (usually coming from the public sector) and the general legal framework that supports their establishment and participation in existing vocational training and professional placement schemes.

In the following chapters we explore contextual/policy settings in five countries in relation to performance of employment models of persons with disabilities in social economy enterprises, including showcasing a case study on a specific enterprise in each country.

[47] European Agency for Special Needs and Inclusive Education, 2014. 'Vocational Education and Training. Policy and Practice in the field of Special Needs Education. Literature Review', p. 22. Available at: https://www.european-agency.org/sites/default/files/vocational-education-and-training-policy-and-practice-in-the-field-of-special-needs-education-literature-review_VET-LiteratureReview.pdf

[48] Davister, C., Defourny, J., Gregiore, O., 2004. 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models'. WP no. 04/04. Emes Research Network.

[49] EUSE. 'Supported Employment explained. Identifying features'. Available at: http://www.euse.org/index.php/resources/what-is-se



PERFORMANCE OF EMPLOYMENT MODELS IN RELATION TO UN CRPD ARTICLE 27

This study overviews seven different employment models within social economy for persons with disability in five EU Member States (see full version of the report for more detailed overview of each model). In this chapter we explore the extent to which the identified models in this study align to selected principles of Article 27 of UN CRPD.

United Nations Convention for the Rights of Persons with Disabilities

The UN CRPD is an international human rights treaty adopted by the UN in 2006. It could be regarded as a human rights instrument with the purpose 'to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity' [50]. Work is a fundamental human right and Article 27 of UN CRPD outlines the core principles the signatories of the convention must uphold to ensure the realisation of this right (see Box 1 below).

It is important to note that the UN CRPD is a legally binding document ratified by all 28 EU Member States and the EU itself. As parties to the UN CRPD, both the EU and individual Member States have monitoring mechanisms for the implementation of the convention. Moreover, the UN CRPD is one of the key documents informing the European Disability Strategy (EDS) 2010-2020. In terms of employment, the EDS sets an objective to 'enable many more people with disabilities to earn their living on the open labour market' [51].

Combining social and economic objectives, social economy enterprises play an important role in supporting labour market inclusion of persons with disabilities across the EU (see Chapter 2) [52]. In this way they directly contribute towards the implementation of the objectives set in the EDS as well as Article 27 of UN CRPD. However, there is a lack of comparative information on how different employment models within social economy for persons with disabilities align to Article 27 of UN CRPD and this study aims to at least in part fill this gap.

[50] United Nations. Convention on the Rights of Persons with Disabilities (CRPD) Article 1. Available at: https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-1-purpose.html

[51] European Commission, 2010. 'European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe', Brussels, 15.11.2010 COM(2010) 636 final.

[52] EASPD, 'Declaration on social economy enterprises', November 14, 2018. Available at: http://www.easpd.eu/sites/default/files/sites/default/files/easpd_declaration_on_sse.pdf

Box 1. UN CRPD Article 27 – Work and employment.

1. States Parties recognize the right of persons with disabilities to work, on an equal basis with others; this includes the right to the opportunity to **gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities.** States Parties shall safeguard and promote the realization of the right to work, including for those who acquire a disability during the course of employment, by taking appropriate steps, including through legislation, to, inter alia:

a) Prohibit discrimination on the basis of disability with regard to all matters concerning all forms of employment, including conditions of recruitment, hiring and employment, continuance of employment, career advancement and safe and healthy working conditions;

b) Protect the rights of persons with disabilities, on an equal basis with others, to just and favourable conditions of work, including equal opportunities and **equal remuneration for work of equal value,** safe and healthy working conditions, including protection from harassment, and the redress of grievances;

c) Ensure that persons with disabilities are able to **exercise their labour and trade union rights on an equal basis with others;**

d) **Enable persons with disabilities to have effective access to general technical and vocational guidance programmes, placement services and vocational and continuing training;**

e) Promote employment opportunities and career advancement for persons with disabilities in the labour market, as well as assistance in finding, obtaining, maintaining and returning to employment;

f) Promote opportunities for self-employment, entrepreneurship, the development of cooperatives and starting one's own business;

g) Employ persons with disabilities in the public sector;

h) Promote the employment of persons with disabilities in the private sector through appropriate policies and measures, which may include affirmative action programmes, incentives and other measures;

i) **Ensure that reasonable accommodation is provided to persons with disabilities in the workplace;**

j) **Promote the acquisition by persons with disabilities of work experience in the open labour market;**

k) Promote vocational and professional rehabilitation, job retention and return-to-work programmes for persons with disabilities.

2. States Parties shall ensure that persons with disabilities are not held in slavery or in servitude, and are protected, on an equal basis with others, from forced or compulsory labour.

Source: United Nations. This study focuses on the underlined and bolded aspects of the article.

Alignment to the five key elements of UN CRPD Article 27

The table below summarises the alignment of the identified employment models with the five above-underlined elements of Article 27 of the UN CRPD. Key aspects of UN CRPD Article 27 in the identified employment models in social economy for persons with disabilities.

Employment model	Remuneration	Trade union rights	Reasonable accommodation	Access to vocational and technical guidance	Work in open labour market
Belgium (Flanders) – custom work companies	PWDs receive regular salaries. They hold regular employment contracts and standard provisions on minimum wage, working hours, holidays etc. apply.	PWDs hold regular employment contracts and have the same rights as all employees, including labour and trade union rights.	Physical workplaces and environments are generally adapted to the needs of PWDs. However, it is becoming challenging as the companies hire persons with increasingly more extensive support needs.	Vocational training and technical guidance is provided mostly in-house and on-the-job. External providers are hired as needed. After completion of training, PWDs do not receive any officially recognised certificates or diplomas.	PWDs usually work in sheltered environments, but some aspects resemble open labour market. Enclave employment in regular companies is available. Transition rates to open labour market are low.
Germany (workshops for persons with disability)	PWDs do not receive a regular salary – only small remuneration (EUR 181 as of 2014). In addition, PWDs receive various state benefits for housing, transportation, medicine etc.	Workshop users have the same trade union rights as other persons in Germany. Despite the fact that workshop users are not considered as employees, they also have the same labour rights as others, but not the duties.	Physical workplaces and environments are adapted to the needs of PWDs. Workshop users also have access to individually-tailored supervision and support.	Most workshops have in-house vocational training departments. A holistic training programmes – including work, social and personal aspects – are available. Training usually lasts 2 years.	While workshops for persons with disabilities are obliged by law to support every user in their professional development with the ultimate aim to transition into the open labour market, the actual rate of transitions is very low.

Employment model	Remuneration	Trade union rights	Reasonable accommodation	Access to vocational and technical guidance	Work in open labour market
Germany (inclusion enterprises)	PWDs hold regular employment contracts, which entitle them to at least a minimum salary.	PWDs have all labour and trade union rights as other employees in Germany.	Physical workplaces and environments are adapted to the needs of PWDs. Employees also have access to individually-tailored supervision and support.	Vocational training and technical guidance is provided mostly in-house and on-the-job. After the training, employees do not receive any widely recognised certificates or diplomas.	Although inclusive enterprises must employ 30-50% of persons with disabilities, their work environment could be considered as largely inclusive and resembling open labour market.
Lithuania – social enterprises	Most PWDs hold regular employment contracts and receive regular salaries. Standard provisions on minimum wage, working hours, holidays etc. apply.	PWDs employed in social enterprises do have labour and trade union rights. There is one trade union in Lithuania representing the rights of all PWDs – not only those employed in social enterprises.	Although social enterprises are eligible to financial support from the state for physical workplace adaptation, only a part of them offer reasonable accommodation. Tailored supervision and support is also insufficient.	Limited provision of vocational and technical guidance. Most social enterprises offer very basic on-the-job training. After the training, employees do not receive any widely recognised certificates or diplomas.	PWDs usually work in sheltered and segregated environments. Transition rates to the open labour market are low and, in fact, are not encouraged.
Norway work preparation training (AFT)	Participants hold temporary employment contracts, but are not considered as employees and do not receive a salary. Instead, they are entitled to financial benefits from PES.	Participants in this scheme are not considered as employees hence they do not have labour rights.	Physical workplaces and environments are adapted to the needs of PWDs. Workshop users also have access to individually-tailored supervision and support throughout the training.	"The AFT scheme is focussed on vocational training and guidance. Excellent performance in this area."	After completing the training programme, around 26.6% of participants transition to work. The scheme also promotes work experience in the open labour market.
Norway – permanently adapted work (VTA)	Participants are considered as permanent employees hence they are covered by the collective employment agreement, regular employment conditions etc. However, their main source of income is disability pension provided by the state. Additional salary may be paid by employer, but it tends to be rather low.	Participants in this scheme are considered as employees and they have trade union rights as all other employees in Norway.	Physical workplaces and environments are adapted to the needs of PWDs. Employees also have access to individually-tailored supervision and support.	The VTA scheme focuses on work practice in sheltered environment. Development of work-related skills and qualifications is done on-the-job. Participants are regularly assessed whether they need training and can be transferred to more training-oriented measures. After the training, employees do not receive any widely recognised certificates.	Participants are regularly examined whether they are ready to transition to the open labour market. Around 11% of them successfully transition to the open labour market. There is a possibility to acquire work experience in the open labour market through a maximum 6 month-long 'enclave' programme. VTA scheme can also be implemented by regular companies.
Spain – special employment centres (CEE)	PWDs hold regular employment contracts and receive regular salaries.	PWDs employed in CEEs do have trade unions rights and participate in the activities of trade unions.	PWDs comprise at least 70% of workforce in CEEs. Hence physical workplaces and environments are adapted to the needs of PWDs. Employees also have access to individually-tailored supervision and support	CEEs focus on work practice in sheltered environment. Development of work-related skills and qualifications is done on-the-job. After the training, employees do not receive any widely recognised certificates.	"There is an 'employment settlement' scheme allowing PWDs to work in regular enterprises (open labour market) up to 6 years. However, anecdotal evidence suggests that transition rates to the open labour market are very low.

Below we provide some reflections in relation to how the countries and employment models under study fare in relation to the below five key elements of Article 27 of UN CRPD that are particularly relevant for the employment of persons with disability within social economy organisations.

> Remuneration: Article 27 of the UN CRPD (section b) underlines the importance to protect the rights of persons with disabilities [..) including 'equal remuneration for work of equal value'. In other words, signatories to the convention must ensure that all persons with disabilities receive a decent and equal remuneration for their work as persons without disabilities.

Pay in all employment models under study is associated with the contractual arrangements with participants in the employment schemes. A key difference in this respect is whether persons with disability in WISEs are in effect considered as employees or rather users of a (sheltered employment or training) services. In the cases where employee status applies, all employment models under study feature decent (aligned with national minimum wage) remuneration that corresponds to the type of work performed. However, in cases where persons with disabilities are considered as 'users' of services or 'participants' in measures organised by WISEs, remuneration for work is usually set by the state and tends to be lower than the official minimum wage. This low pay, however, is usually completed by a package of state-funded services (accommodation, transportation, medical care etc.) available for persons with disabilities.

In general, the latter type of arrangements are less closely aligned with the decent pay principle implicit in Article 27 of the UN CRPD. For example, of the overviewed models, the German sheltered workshops and Norwegian AFT work preparation training do not feature remuneration corresponding to at least the minimum wage. Pay associated with sheltered employment in Germany (EUR 181 EUR per month as of 2014) could be seen as not, in itself, aligned with the UN CRPD in this respect. However, in Norway's AFT training scheme which by design facilitates transition of persons with disabilities into the open labour market, the lack of a separate remuneration aside from benefits from the Public Employment Service is not problematic in this respect as it is more a training model rather than employment per se; hence there is no issue with alignment to the UN CRPD. From this example, the explicit aim and duration of the employment model must be taken into account when considering whether or not remuneration that corresponds to it can be seen as decent and sufficient.

> Trade union rights: UN CRPD Article 27 (section c) refers to the obligation of parties to the UN CRPD to ensure that persons with disabilities have and exercise 'their labour and trade union rights on an equal basis with others'. In this context, labour rights include legal rights concerning labour relations between workers and their employers, while trade union rights refer to their rights of employees to join any trade union at free will.

Similarly to the aspect of remuneration, access to and exercise of labour and trade union rights in the overviewed models depends largely on the contractual arrangements between social economy organisations and persons with disabilities. In most employment models covered in this study persons with disabilities have formal employment contracts with social economy organisations thus giving them access to full labour and trade union rights in that country. This holds true in German workshops for persons with disabilities as well despite the fact that workshop users are not considered as employees in legal terms and hold 'employee-like status' [53]. In fact, persons with disabilities in German workshops have certain concessions compared to other employees as they cannot get dismissed for not showing up for work or due to low productivity. Meanwhile, the situation is different in Norway's work preparation training (AFT) model, where persons with disabilities do not hold employment contracts with work inclusion companies hence access to labour rights does not apply [54]. However, considering that the AFT scheme explicitly focuses on training rather than employment and is of a limited duration, this should not

[53] Interview with the representative of BAG WfbM.

[54] I Interview with the represenative of ASVL..

considered as problematic in relation to alignment with Article 27 of the UN CRPD.

Reasonable accommodation: UN CRPD Article 27 (section i) urges the signatories to provide reasonable accommodation to persons with disabilities in the workplace. According to the United Nations, 'reasonable accommodation means necessary and appropriate modification and adjustments [. . .] to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedom'. In practical terms, reasonable accommodation entails aspects such as physically accessible workplaces and environments, technical solutions, flexible working arrangements, provision of tailored supervision or support etc.

Provision of reasonable accommodation for persons with disabilities in employment could be considered as one of the strengths of social economy organisations and WISEs in particular. Most of the overviewed employment models in this study pay considerable attention to various aspects of reasonable accommodation, including workplace adaptation, flexible working arrangements, transportation to and from the workplace, individually-adapted training and support schemes, etc. In fact, national-level legislation in all 28 EU Member States and Norway requires employers to provide reasonable accommodation for persons with disabilities in employment.[55] These requirements are often accompanied by financial incentives or subsidies to employers. In case of social economy organisations that seek inclusion of persons with disabilities into the labour market, these requirements for reasonable accommodation – and state support available for their implementation – tend to be even more specific and extensive. For example, all social economy organisations overviewed in this study are eligible for state financial support for workplace adaptation.

Despite legislative requirements and support schemes, the actual responsibility to implement the measures ensuring reasonable accommodation at work rests with employers. This may leave room for inconsistencies and underperformance. For example, in the 2014-2016 period, Lithuanian social enterprises had barely tapped government funds available for employee transportation, training or workplace adaptation. This indicates that certain aspects of reasonable accommodation may not be fully implemented in this particular model.

Access to vocational and technical guidance: section (d) of Article 27 of the UN CRPD Article 27 requires signatories to 'enable persons with disabilities to have effective access to general technical and vocational guidance programmes, placement services and vocational and continuing training'. While such services are also provided by public employment services or specialised state-run or private institutions, employers – including those in social economy sector – must ensure access to them by any means necessary.

All overviewed models feature some type of training for persons with disabilities. Some of the overviewed models have a more explicit focus on training that others – for example Norway's work preparation training (AFT) can be seen more as a training than employment model and features a comprehensive training scheme including work placement and follow-up in the labour market. Also, workshops for persons with disabilities in Germany have dedicated departments of vocational training aimed at systematically developing both professional and life skills of its users. Other models – such as the Lithuanian social enterprises or Flemish custom work companies – place more focus more on work-specific activities and offer largely informal on-the-job training.

A key issue when considering access to training is whether there are incentives for social enterprises employing persons with disabilities to offer training and whether they are actually used. Some models from the regulatory perspective leave the need and extent of training to be offered to persons with disabilities at the discretion of employers. For example, in the Lithuanian social enterprise model, companies are eligible for considerable state support for providing vocational training services for persons with disabilities, but the extent to which such training is actually organised is very low. In this sense, the Lithuanian social enterprise model as can be seen from the current discourse around the model and interviews with government, NGO and social enterprise representatives, as less

[55] DG Justice and Consumers, 2016. 'Reasonable accommodation for disabled people in employment. A legal analysis of the situation in EU Member States, Iceland, Liechtenstein and Norway'. Available at: https://publications.europa.eu/en/publication-detail/-/publication/ada7afd0-57ab-4495-8b03-f11757c561f6

aligned with Article 27 of the UN CRPD.

Finally, few of the overviewed models feature official certification or recognition of training provided – while a burdensome task for the regulatory bodies, there is some evidence to suggest that recognition of training whether within the social enterprises or by an external training body would be beneficial both to ensure access to training and to the open labour market for persons with disabilities.

> Work in open labour market: section (j) of UN CRPD Article 27 highlights the importance for persons with disabilities to acquire work experience in the open labour market. While the UN convention does not provide a definition of the 'open labour market', we consider it as inclusive working environment in regular enterprises as opposed to sheltered/protected work settings that are often segregated and provide poor quality and repetitive work.

Most of the overviewed models in this study provide opportunities for persons with disabilities to acquire work experience in the open labour market. Usually such opportunities are offered through 'enclave' schemes that allow persons with disabilities to try working in regular companies operating in the open labour market with tailored individual support. Some form of 'enclave work' is offered by Flemish custom work companies, German workshops for persons with disabilities, Norwegian work preparation training and permanently adapted work measures as well as Spanish special employment centres. In case of the latter model, the duration of 'enclave' work can last up to six years, while in Flanders the duration is unlimited. As a result, it is possible for persons with disabilities to work de facto in the open labour market while de jure being employees of social economy organisations. This evident tension based on overviewed discourse between an ideological push towards integration of persons with disabilities into the open labour market and the reality on the ground of WISEs that aim to instead best accommodate to the needs of persons with disabilities themselves.

Some models explicitly mention the transition of persons with disabilities into the open labour market as their ultimate aim. In case of German workshops for persons with disabilities, they even have a legal obligation to promote the transition to the open labour market through appropriate measures for suitable persons. However, our findings show that actual transition rates in most models are rather low. For example, only a few percent of persons with disabilities successfully transition into the open labour market from Flemish custom work companies and German workshops. Anecdotal evidence suggests that the situation in Spanish special employment centres is very similar. While both Norwegian schemes show considerably higher rates of transition into the open labour market, it must be noted that these schemes target not only persons with disabilities, but other vulnerable groups on the labour market too. Based on the interviews with WISEs implementing these models, multiple factors may hinder transitions, including the nature/severity of disability, and, importantly, the disposition of the persons with disabilities themselves. While no systematic evaluation on this available, anecdotal evidence based on interviews, for example in the case of Spanish CEEs, suggest that many workers in these centres would not prefer to instead be in the open labour market.

Finally, the Lithuanian social enterprises model as can be seen from the current discourse around the model and interviews with government, NGO and social enterprise representatives, is insufficiently aligned with Article 27 of UN CRPD in this area. This was also noted in the 2016 observations of the UN's Committee on the Rights of Persons with Disabilities, which recommended to 'develop and implement efficient strategies and programmes aimed at increasing the employment rate of persons with disabilities in the open labour market, by eliminating segregated work environments such as social enterprises'. [56] The employment model has not changed since 2016 and at the time of drafting this report in late 2018 did not feature specific incentives or schemes promoting employment of persons with disabilities in the open labour market.

[56] United Nations Committee on the Rights of Persons with Disabilities, 2016. 'Concluding observations on the initial report of Lithuania'. May 11, 2016, CRPD/C/LTU/CO/1. Available at: https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CRPD%2fC%2fLTU%2fCO%2f1&Lang=en

Pointers for policy and practice

While the study is descriptive and of a limited scope, the evidence gathered herein sheds light onto some important aspects to address through policy for improvements in the area of work integration of persons with disabilities in the social economy sector.

- There is a need for up-to-date comparable data covering key employment trends of persons with disabilities across the EU, including the social economy sector.
- Relatedly, there is a need for coordination at the EU level of definitions used in relation to persons with disability and social enterprises among EU Member states. This would facilitate a meaningful assessment and comparison across countries.
- The employment situation of persons with disabilities in WISEs and open labour market is little researched – promoting and facilitating more research in this area would provide more evidence for policy.
- There is a general need for assessment, including impact assessment, accounting for the individual experiences of persons with disabilities in different employment models across countries to inform the discourse on the merits or lack thereof of an expanding focus on integration of persons with disabilities in the open labour market.
- Social enterprises regardless of the business model (more non-profit or market-driven) provide an essential work inclusion service for persons with disabilities among other vulnerable groups and require state funding.
- State support for employment models for persons with disabilities could feature a sliding scale model – where some organisations receive minimum support, and others get premiums based on additional 'achievements' – for example employment of persons with severe disabilities or catering to the needs of persons whose employment proves not feasible.
- The potential of social economy organisations in facilitating labour market inclusion for persons with disabilities should be acknowledged in the new EU Disability Strategy.

The full list of references and interviews that informed the study findings can be found in the full report on www.epr.eu/publications and www.easpd.eu.

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