



# **Public Policies and WISEs in a comparative perspective**

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- International comparison of SE Models
- 230 ICSEM Partners from 56 countries
- Coordinated by Jacques Defourny (University of Liege) and Marthe Nyssens (Catholic University of Louvain)
- Special Issue of Non-Profit Policy Forum  
“Work Integration Social Enterprise Models  
in a Comparative Perspective”  
( with K. Cooney and M. O’Shaughnessy as co-  
editors): Japan, US, Austria, Switzerland, Ireland

# Public Policies and WISEs in a comparative perspective

1. Pioneering initiatives
2. The neo-liberal turn in a comparative perspective
3. WISEs: Agents of neoliberalism?  
Objects of neoliberalism? Sites of resistance?

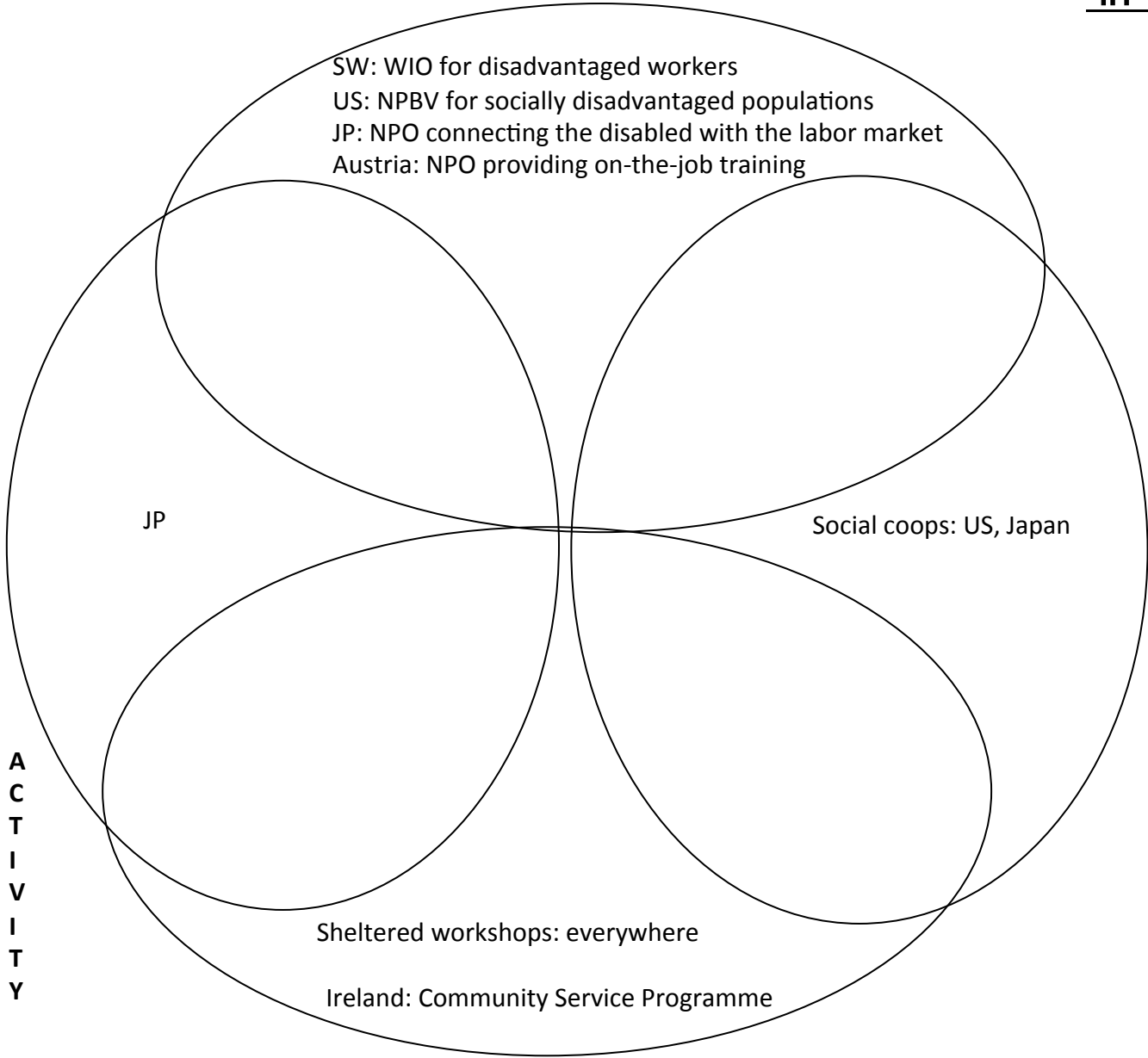
# 1. Pioneering initiatives

- Objective of WISEs: to integrate disadvantaged groups back into the labour market and society through a productive activity
- Roots: sheltered employment in the 60'
- Second wave 90' due to the limits of social policies to tackle social exclusion:
  - Long term unemployed or low qualified people
  - Social problems
  - Refugees, immigrants
  - “De – institutionalisation” of mental ill people
  - ...
- Pioneers : implemented active labour policies before their institutional existence.
- Different models of work integration

Types of work integration  
in WISEs

BRIDGE EMPLOYMENT

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JOBS SUPPORTED BY LONG -TERM SUBSIDIES

## 2. WISEs shaped by neoliberal turn...

- Evolution of public policies towards New Public Management
  - Transitional programs: dominant (shorter duration)
  - From grants to contracts: the State buys integration services (workplaces, training, coaching, ...) at standardized costs
  - These contracts are open to any kind of firm
  - ⇒ WISE : a "service provider", no more space for social innovation....
  - ⇒ From welfare to workfare: workers are, most of the times, beneficiaries of social allowances
- WISE serve a broader set of disadvantaged workers in a same organization (low – qualified, long term unemployed, psychiatric patients, refugees, disadvantaged youth, people with criminal records, ...)
- Wide variety of "business models" but increasing earned income and economic risk
  - Public money: contracts and no more grants
  - More income coming from the sales of goods and services (public procurement)

## WISEs shaped by neoliberal turn ... but according to different trajectories

The way the neoliberalism process unfolds is distinctive to the national, regional and local contexts, and is “defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices and political struggles” (Peck, Theodore & Brenner)

## Austria: a Corporatist Welfare State

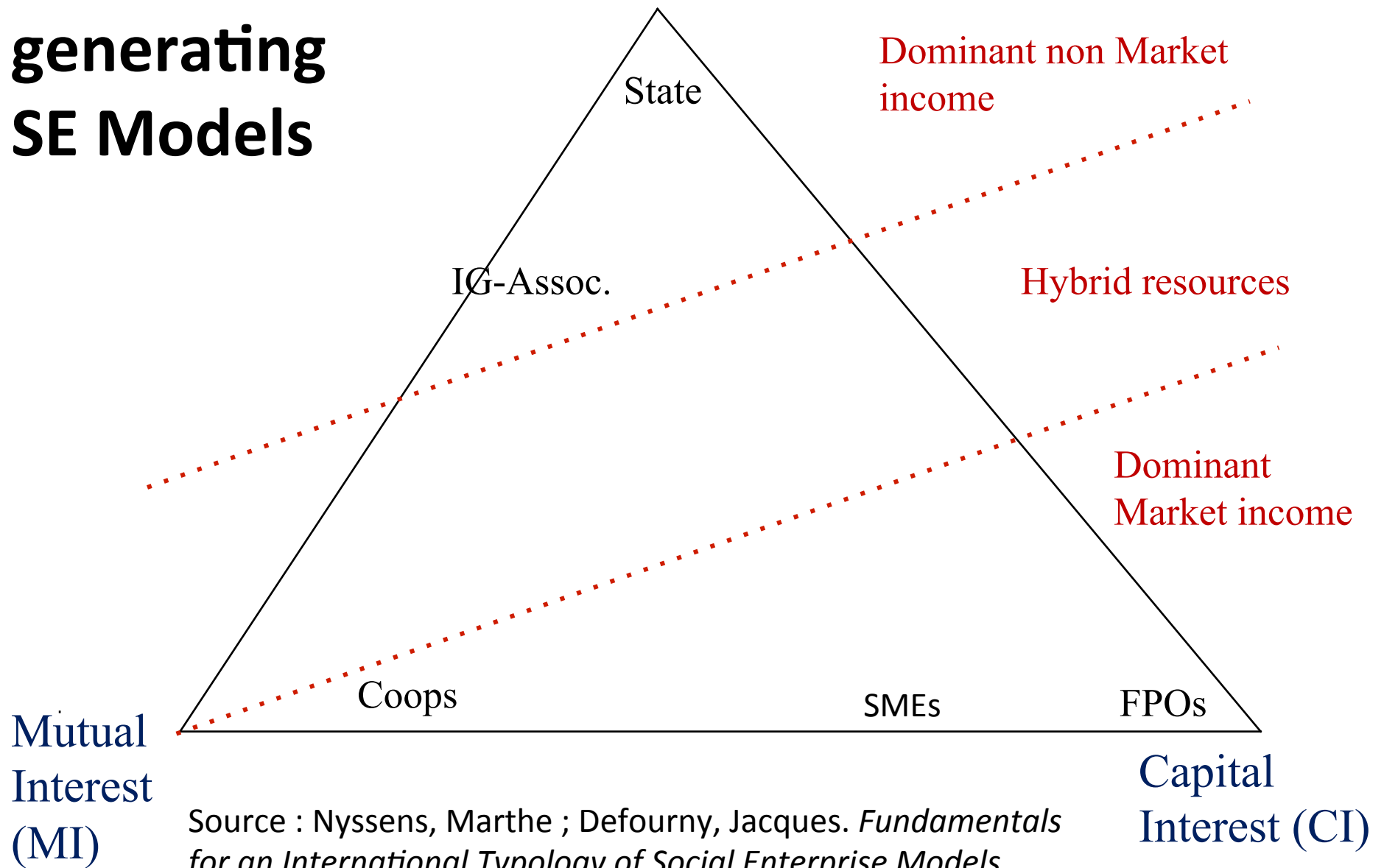
- High ALMP expenditure, robust labor market protections
- Important Non Profit Sector
- First generation of ALMP: mix between employment and social policies: create jobs for the socially excluded in the nonprofit and public sectors

From “welfare pluralism” to “welfare market”

- WISEs: reduced to service providers
- Only remaining model: WISEs providing temporary short internship
- New legal form: "non-profit-maximising limited liability companies": can be on the market to sell products and services, attached to charity organisations or created in partnership with the local government.

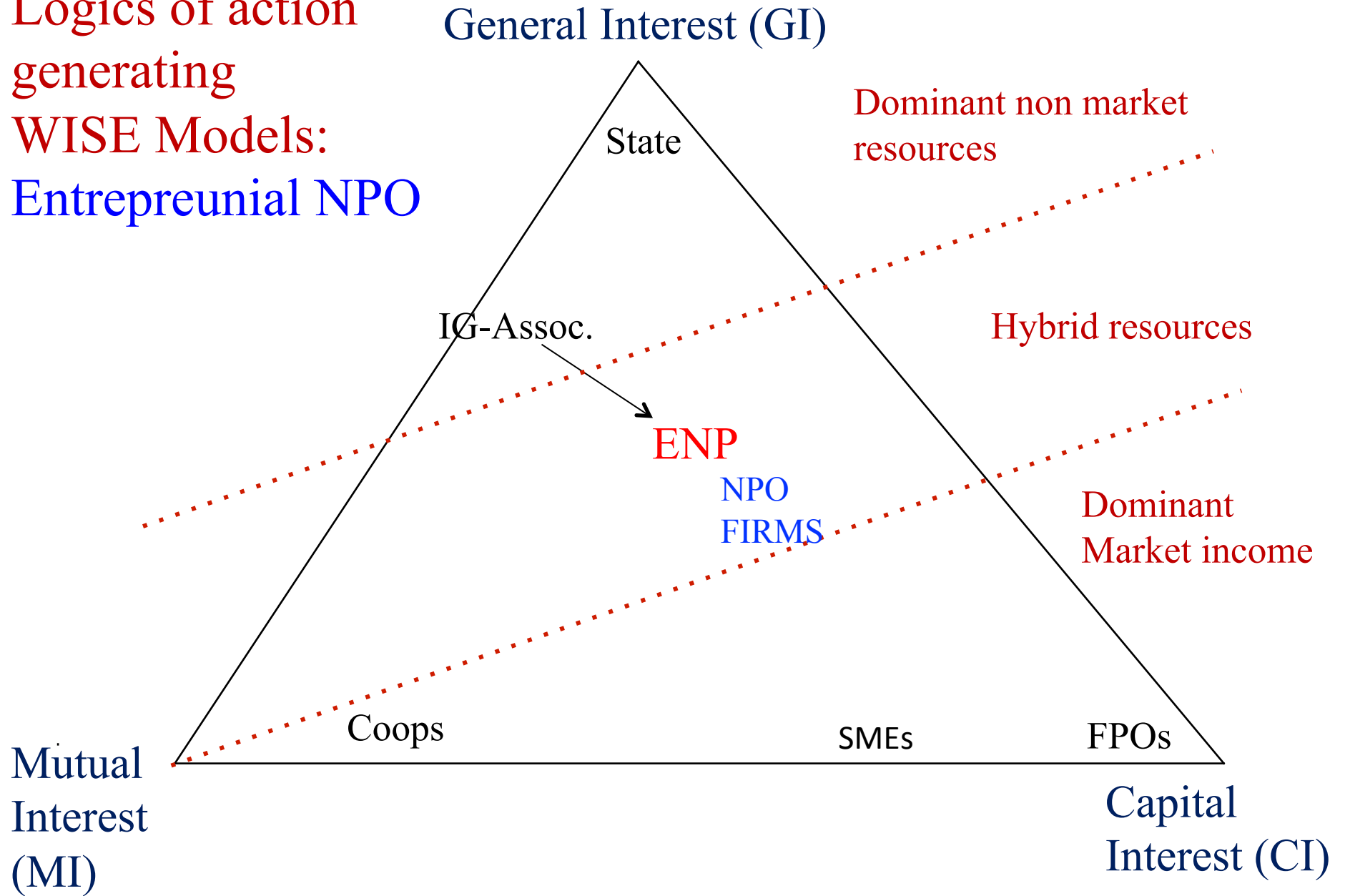


# Logics of action generating SE Models



Source : Nyssens, Marthe ; Defourny, Jacques. *Fundamentals for an International Typology of Social Enterprise Models* (ICSEM Working Papers; 33), 2016.

Logics of action  
generating  
WISE Models:  
Entrepreunial NPO



Logics of action

generating

WISE Models:

Partnership NPO - Public

General Interest (GI)

Dominant Non market  
income

State

IG-Assoc.

Hybrid resources

NPFirms

Dominant  
Market income

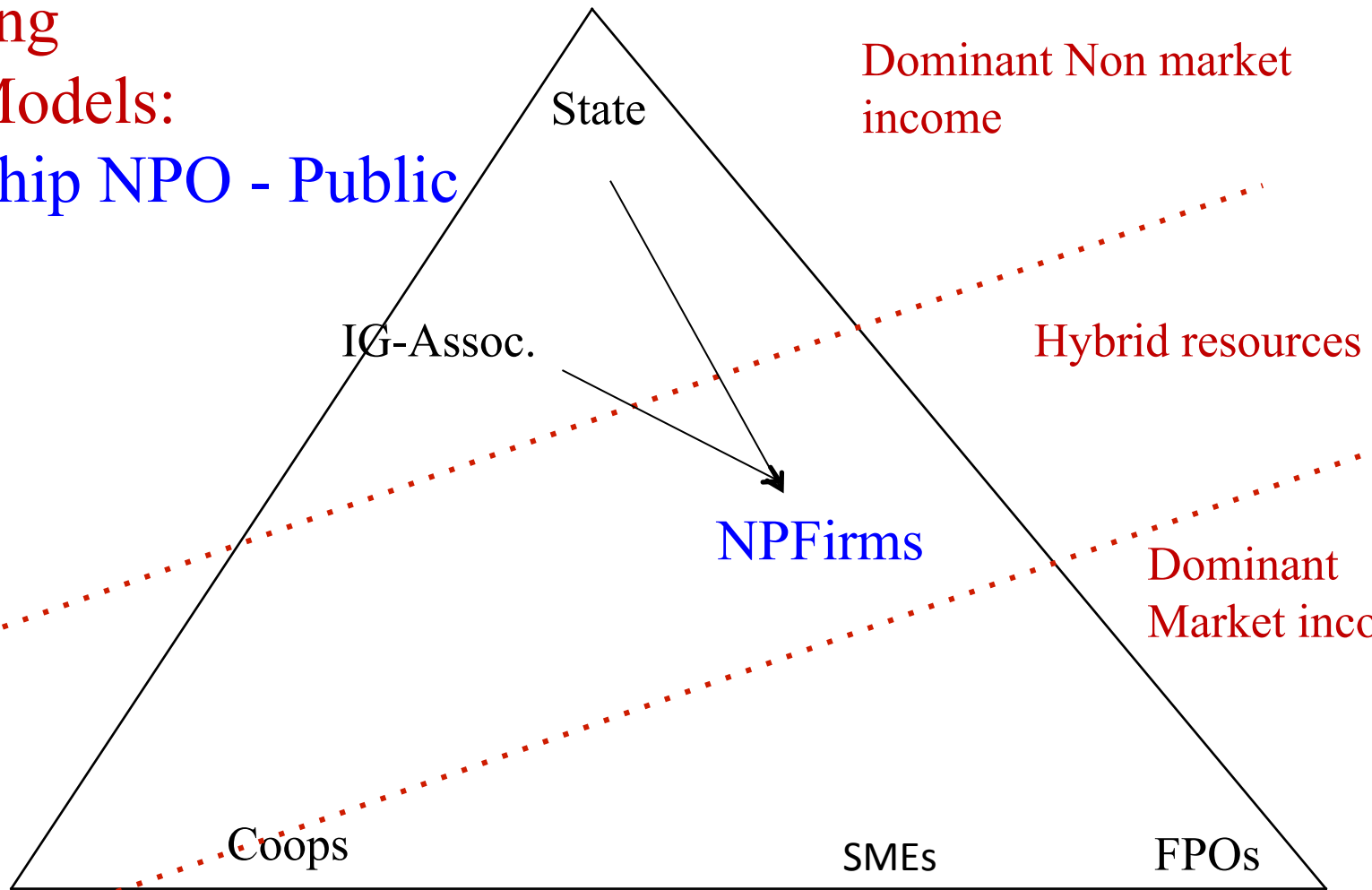
Coops

SMEs

FPOs

Mutual  
Interest  
(MI)

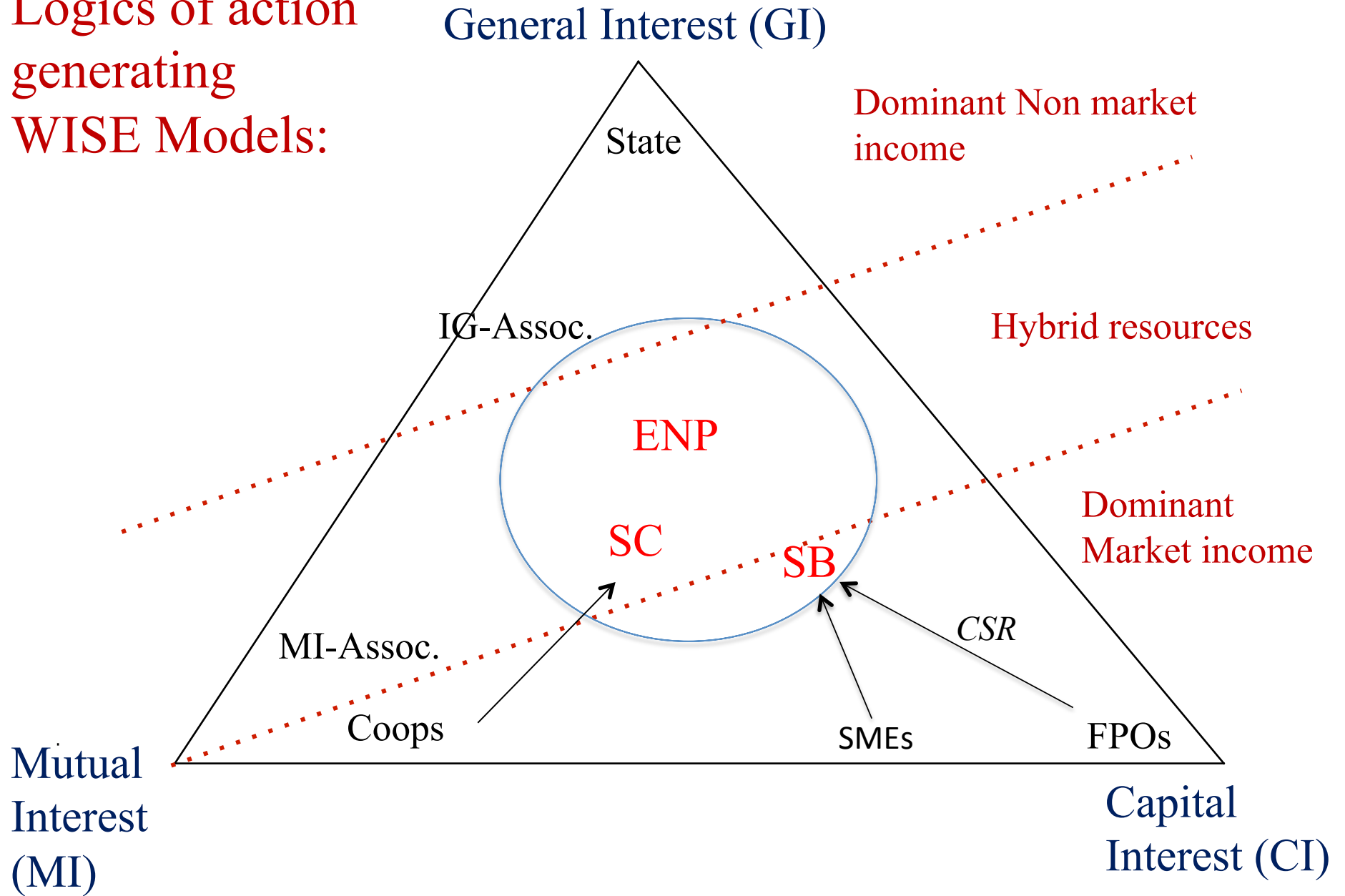
Capital  
Interest (CI)



## USA: a Liberal Welfare State

- Low ALMP expenditures, weak labor market protection
- No specific labor market policy support for WISEs
- Quite important NP sector
- WISE: always compete with other NPO or FPO for short term government contracts to provide training/ transitional jobs for welfare recipients
  - ✓ Nonprofit business ventures: majority of WISEs
  - ✓ Social Business are emerging
  - ✓ New models of worker cooperatives fostering local development and democracy

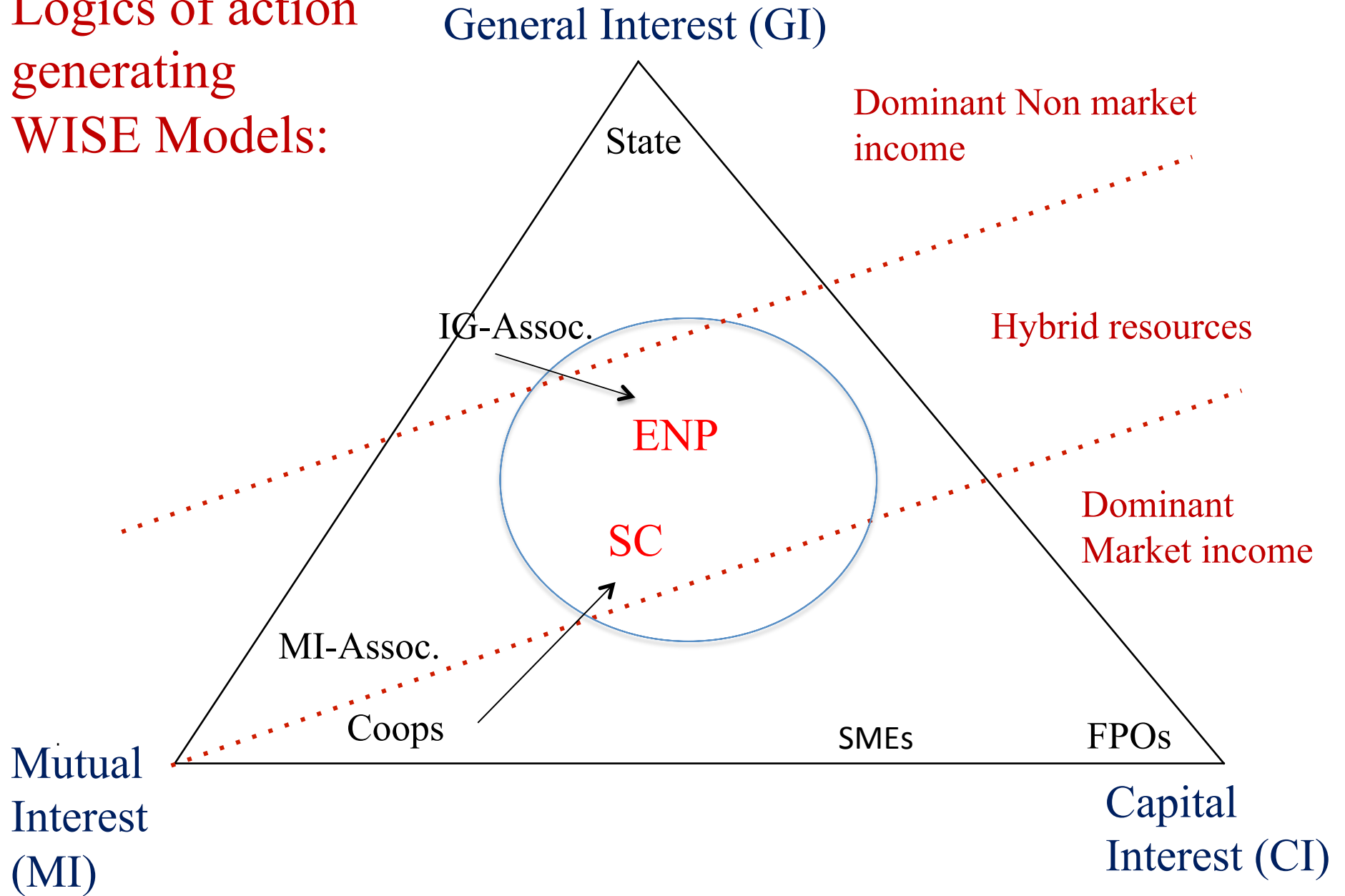
Logics of action  
generating  
WISE Models:



## Japan

- Long considered a specific case of welfare states for:
  - ✓ its low level of state sponsored welfare
  - ✓ but robust commitment to state intervention to ensure full employment
  - ✓ until 2006, there were no recognition of WISEs
- 2006: Act on Services and Support for the Disabled: a variety of mode of integration for WISEs
  - ✓ Transitional internship
  - ✓ Providing long term integration with labour contracts or without but offering opportunities for the disabled to enjoy social life
  - ✓ Earned income nonprofits or social cooperatives

Logics of action  
generating  
WISE Models:



3. WISEs: Agents of neoliberalism?  
Objects of neoliberalism? Sites of  
resistance?



- Agents of neoliberalism: WISEs are “neoliberal organizations par excellence”
  - Integrate market activity in NPO that were previously focused on welfare function (Entrepreneurial Non Profit)
  - Function to move individuals on welfare into workfare
  - Flanking mechanism to temporarily provide respite and support as state reconstitutes itself under neoliberal approach
- Objects of neoliberalism
  - Organizations that rely on contracts with state to implement ALMP
  - Utilize mix of resources to also perform welfare supporting functions
  - Become more exposed to markets as state support recedes
- Sites of resistance
  - Cooperatives embedded on collective ethos, shared governance, collective ownership rooted in community
  - Multiple interactions between WISEs and public policies : “socio-political embeddedness”
  - Innovative capacity of WISEs : diversity of resource mix according of the type of public mission and diversity of modes of integration