

PEKKA PÄTTINIEMI

Social Enterprises as Labour Market Measure

Doctoral dissertation

To be presented by permission of the Faculty of Social Sciences of the University of
Kuopio for public examination in Auditorium, Tietoteknia building, University of Kuopio,
on Saturday 7th January 2006, at 12 noon

Department of Social Policy and Social Economics
University of Kuopio



KUOPION YLIOPISTO

KUOPIO 2006

Distributor: Kuopio University Library
P.O. Box 1627
FI-70211 KUOPIO
FINLAND
Tel. +358 17 163 430
Fax +358 17 163 410
www.uku.fi/kirjasto/julkaisutoiminta/julkmyyn.html

Series Editors: Jari Eskola, Ph.D.
Department of Social Psychology and Sociology

Jari Kylmä, Ph.D.
Department of Nursing Science

Veli-Matti Poutanen, Ph.D.
Department of Social Policy and Social Economics

Author's address: Department of Social Policy and Social Economics
University of Kuopio
P.O. Box 1627
FI-70211 KUOPIO
FINLAND
Tel. +358 17 162 211
Fax +358 17 162 673

Supervisors: Professor Juhani Laurinkari
Department of Social Policy and Social Economics
University of Kuopio

Acting Professor Tapani Köppä
Department of Social Psychology and Sociology
University of Kuopio

Reviewers: Professor Jerzy Kleer
Department of Economics
University of Warsaw

Professor Johann Brazda
Institute of Business Administration
University of Vienna

Opponent: Professor Jerzy Kleer
Department of Economics
University of Warsaw

ISBN 951-27-0369-6
ISBN 951-27-0500-1 (PDF)
ISSN 1235-0494

Kopijyvä
Kuopio 2006
Finland

Pättiniemi, Pekka. Social Enterprises as Labour Market Measure. Kuopio University Publications E. Social Sciences 130. 2006. 50 p.
ISBN 951-27-0369-6
ISBN 951-27-0500-1 (PDF)
ISSN 1235-0494

ABSTRACT

During the past 20 years social enterprises have been established in all the countries with market economy. They are seen as an answer to problems that have arisen in connection to employment of especially people with poor education, physically or mentally disabled or older workers.

This doctoral dissertation is based on four studies that have been carried out during ten years and particularly on the article that summarises them according to the title. The concept of social enterprise differs slightly in the countries due to different kind of market economy; naturally the definition reflects the values and attitudes in society in question. The definitions, however, have parallel characteristics when it comes to the activities and goals of the organisation. In general, the activities of social enterprise are based on: 1) continuous production of goods and/or services, 2) certain economic risk and 3) expressed pursuit to be of benefit to the local community. The two first characterizations separate social enterprises from associations and the third one connects them to the local community. In Europe, for example, social enterprise is in general seen both as a part of the third sector and as closely intertwined with the local activities.

Also in Finland there have been established social enterprises, especially during the last ten years. From the mid-90s till the end of the decade about 200 labour co-operatives were started particularly by unemployed in order to employ their own members and other fellow sufferers. The concept of social enterprise has also encouraged some (20) traditional work centres to develop their activities in a more enterprise-like direction. When considering the line of business, labour co-operatives and work centres differ clearly from each other; labour co-operatives are active mainly in the service sector and work centres in industry. Both types of enterprises can at the moment be called potential social enterprises because since the beginning of 2004, when the Finnish Act on Social Enterprises took effect, only a few of these enterprises have applied for this status.

This study shows clearly that these potential social enterprises are important in employing people. The Act on Social Enterprises, however, restricts the concept of social enterprise to include only those active in manufacture when emphasising production of goods to the service sector. It seems that social enterprises are here to stay as labour market measure, both in Finland and in the rest of Europe.

Universal Decimal Classification: 658, 334.1/.6, 658.114.7, 331.5, 331.58
Thesaurus of Sociological Indexing Terms: enterprises; organizations (social); cooperatives; employment; labour market; Finland; Europe

Pättiniemi, Pekka. Sosiaaliset yritykset työllisyyspolitiikan välineenä. Kuopion yliopiston julkaisuja E. Yhteiskuntatieteet. 130. 2006. 50 s.
ISBN 951-27-0369-6
ISBN 951-27-0500-1 (PDF)
ISSN 1235-0494

TIIVISTELMÄ

Sosiaalisia yrityksiä on viimeisen kahdenkymmenen vuoden aikana syntynyt kaikkialle markkinatalousmaihin. Niiden on katsottu olevan vastauksia näissä maissa syntyneisiin ongelmiin työllisyydessä erityisesti koskien heikosti koulutettujen, fyysisesti tai psyykkisesti vajaakuntoisten ja ikääntyneiden ihmisten osalta.

Tämä väitöskirja pohjautuu kymmenen vuoden aikana tehtyihin neljään tutkimukseen ja erityisesti niitä yhdistävään otsikon mukaiseen yhteenvetoartikkeliin. Sosiaalisen yrityksen käsite on jossain määrin erilainen erityyppisissä markkinatalousmaissa ja määritelmässä heijastuu luonnollisesti kunkin yhteisön omat arvot ja asenteet. Määritelmässä on kuitenkin samansuuntaisia luonnehdintoja organisaation toiminnasta ja päämääristä. Määritelmät sisältävät yleensä seuraavat luonnehdinnat. Sosiaalisen yrityksen toiminta perustuu: 1) jatkuvaan tuotteiden ja tai palvelujen tuotantoon, 2) siihen sisältyy tietty taloudellinen riski ja 3) ilmaistu pyrkimys hyödyttää lähiyhteisöä. Kaksi ensimmäistä luonnehdintaa erottavat sosiaaliset yritykset yhdistyksistä ja kolmas luonnehdinta liittyy ne lähiympäristöön. Esimerkiksi Euroopassa sosiaalinen yritys on yleensä käsitetty yhteisötalouden osaksi sekä kiinteäksi osaksi paikallista toimintaa

Myös Suomeen on perustettu sosiaalisia yrityksiä erityisesti viimeisen kymmenen vuoden aikana. 1990-luvun puolivälistä vuosikymmenen loppuun erityisesti työttömät perustivat noin 200 työosuuskuntaa työllistämään jäseniään ja muita kohtalotovereita. Sosiaalisen yrityksen idea on myös innostanut joitain (20) perinteisiä työkeskuksia kehittämään toimintaansa aikaisempaa yritysmäisempään suuntaan. Toimialoiltaan työosuuskunnat ja työkeskukset erosivat selkeästi toisistaan; työosuuskunnat toimivat pääasiassa palvelusektorilla ja työkeskukset teollisuudessa. Näitä kumpaakin yritystyyppiä voidaan kutsua tällä hetkellä potentiaalisiksi sosiaalisiksi yrityksiksi, koska vuoden 2004 alusta Suomessa on ollut voimassa laki sosiaalisista yrityksistä, mutta vain muutama näistä yrityksistä on hakenut tätä statusta.

Tämä tutkimus osoittaa selvästi potentiaalisten sosiaalisten yritysten työllistävän merkityksen. Voimassaoleva laki sosiaalisista yrityksistä näyttää suosivan tuotannollisia yrityksiä. Tämän tutkimuksen mukaan potentiaaliset sosiaaliset yritykset toimivat kuitenkin pääasiassa palvelualalla. Näyttää siltä, että sosiaaliset yritykset ovat tulleet jäädäkseen työmarkkinatoimenpiteeksi sekä Suomeen, että Eurooppaan.

Yleinen kymmenluokittelu UDK: 658, 334.1/.6, 658.114.7, 331.5, 331.58
Yleinen suomalainen asiasanasto: sosiaaliset yritykset; osuuskunnat; työosuuskunnat; työkeskukset; työllistäminen; työmarkkinat; Suomi; Eurooppa

Preface

These theses have been written gradually bit by bit during the last ten years in practical project-oriented research mainly financed by the European Union. The articles re-published here represent the results of European projects where common theory base was created in many meetings and seminars, thus they are a part of European understanding of social enterprises and may represent more European views than the present Finnish ones. I am grateful to all the partners in the projects for these nice years of collaboration.

I would like to thank Professor Juhani Laurinkari and Senior Lecturer Veli-Matti Poutanen for their encouragement during the last efforts. Special thanks I express to Acting Professor Tapani Köppä for many encouraging words and friendship during these working years. My heartfelt thanks go also to my patient family.

In Helsinki December 15th 2005

Pekka Pättiniemi

Contents

ABSTRACT	3
TIIVISTELMÄ.....	5
Preface	7
Contents	8
List of tables	8
LIST OF ORIGINAL PUBLICATIONS.....	9
1 Introduction	11
2 Aim of the study	15
3 Execution of the study	16
4 The definition of social enterprise and its development	22
4.1 The emergence of social enterprises	22
4.2 Development of the definition	23
4.3 An attempt for an European definition of social enterprise	29
4.4 Other definitions of social enterprises	32
4.5 Finnish discussion on social enterprises	35
4.6 General features in the definitions	43
5 Summary.....	46
Bilography	48

List of tables

Table 1. EMES criteria of social enterprises compared to some other definitions.....	44
--	----

LIST OF ORIGINAL PUBLICATIONS

This thesis is based on the following original articles

- I Pättiniemi, Pekka 1998, Finland in Borzaga Carlo & Santuari Alceste (eds.), Social Enterprises and New Employment in Europe, Regione Autonoma Trentino-Alto Adige, Cooperation Department, Trento, p.195-209.
- II Pättiniemi, Pekka, Nylund, Marianne and Kostilainen, Harri 2001, Voluntary organisations and Co-operatives for Socio-economic Reintegration in Finland in Spear Roger, Defourny Jacques, Favreau Luis and Laville Jean-Luis (eds.), Tackling Social Exclusion in Europe, Ashgate, Wiltshire. p. 93-110.
- III Pättiniemi Pekka 2001, Labour co-operatives as an innovative response to unemployment in Borzaga, Carlo and Defourny, Jacques (eds.), The Emergence of Social Enterprise in Europe, Routledge. London, p. 82-100.
- IV Pättiniemi Pekka 2004, Work Integration Social Enterprises in Finland, EMES Working Papers 04/07, Liege.

1 Introduction

I first got interested in social enterprises in spring 1995, in Brussels where I was attending a seminar on social co-operatives as a representative of the Institute for Co-operative Studies of Helsinki University. The seminar was organised by CECOP, European Confederation of Workers' Co-operatives, Social Cooperatives and Participative Enterprises. The same spring the Institute organised a seminar, funded by the European Commission, on the new co-operative movement. I gave a speech where I analysed the division of the Finnish worker co-operatives into two parts, traditional worker co-operatives and social (labour) co-operatives¹.

The Institute for Co-operative Studies became strongly involved in the European research and development of social co-operatives and labour co-operatives. I myself took an active part in several surveys of local activity and employment and learned to know many European researchers focused on social enterprises. I was one of the founding members of the EMES European Research Network.

When I was working as a national expert on the European Commission Directorate General Enterprise preparing the document Co-operations in Enterprise Europe², I could see that wide political interest in social enterprises was on the increase. That opinion was reinforced when I worked as an expert on co-operatives and social enterprises in the Committee of the Regions.

The research is based on my interest in how these “impossible” organisations can function and be successful. The first examples of social enterprises that I encountered seemed to be impossible in at least three respects. Firstly they had democratic management, secondly the members/owners were people with physical or mental disabilities and thirdly they were trading in sectors where even ordinary enterprises got problems. Here we have to say strictly that it is not a question of only those enterprises who are acting according to the Finnish Law on Social Enterprises (1351/2003) but also of a wider variety of enterprises with varying social aims.

¹ Pättiniemi Pekka 1995, Sosiaaliosuustoiminta Euroopassa ja Suomessa (Social Co-operatives in Europe and Finland) in Pättiniemi Pekka (toim.), Sosiaalitalous ja paikallinen kehitys (Social Economy and Local Development), Helsingin yliopisto Osuustoimintainstituutti, julkaisuja 11, Helsinki.

² European Commission, Co-operatives in Enterprise Europe, Consultation Document, 7.12.2001.

During the ten years of co-operation within the EMES European Research Network, the interest in social enterprises has clearly increased and also changed. The interest has become evident for example in growing numbers of legislation on social enterprises. In the early 90s only Italy, within the EU, had legislation on social co-operatives. In 1996, a law on social enterprises was passed in Belgium followed by at least France, Portugal, Greece, Finland and Lithuania. Germany has adopted legislation on enterprises employing severely disabled people. Also in many other countries, as in the United Kingdom, legislative possibilities have been under serious discussions.³ In the 1990s the focus was mainly in general employment results of the social enterprises. Now, in the new millennium, the interest lies in both employment of special groups and in considering social enterprises as producers of social services⁴.

In many countries, sense of community is an essential feature connected to social enterprises; thus in five countries out of eight, legislation involve social co-operatives. In Finland, Belgium and Lithuania also other companies are included. Sense of community can also mean that a social enterprise has to be rooted in the local community as proposed by the British government in the draft of Community Interest Company. Yet again, in Belgium where all companies can register as social enterprises, 83 % of them were co-operatives⁵. After one and a half year's experience in Finland, out of 22 companies registered in the Social Enterprise Registry 8 were third-sector organisations (one foundation, three associations and four co-operatives.⁶ In Finland, the interest in social enterprises arose first among the associations for the disabled and the foundation VATES as they were searching for work opportunities for their own groups. The ideas of empowerment and development of citizenship, related to social enterprises, were of special interest for the mental health recoverees and other activists within the Finnish Central Association for Mental Health. Social enterprises as service producers are a topic often omitted in Finnish discussions. Employment of disabled people has, on the other hand, been a focal point in talks. Even ordinary employment of long-term unemployed has been marginalised and social co-operatives, the centre of attention in this paper, have at the same time been overlooked.

³ <http://www.mol.fi> 4.9.2005

⁴ see for example Pestoff Viktor 1998, *Beyond the Market and State, Social Enterprises and Civil Democracy in Welfare Society*, Aldershot, Brookfield, Singapore, Sydney & Tokyo, Ashgate & English Editions.

⁵ Defourny Jacques, Simon Michel and Adam Sophie 2002, *The Co-operative Movement in Belgium: Perspectives and Prospects*, Luc Pire, Bruxelles, p.80

⁶ [Http://www.mol.fi](http://www.mol.fi) 4.9.2005

Social enterprises are very relevant in Finland due to widespread long-term unemployment and persistent unemployment of the disabled.⁷

Possibilities created through social business activities are closely intertwined with the goals of the European social policy. “Most goals connected with the welfare state are in fact outlines of the support structure.” After the recession, these kind of unemployment-related outlines are for example raising the employment rate, decreasing the structural unemployment and increasing the municipal workforce.⁸ The two first-mentioned goals relate to the efforts to promote social business activities and to the law on social enterprises.

”Salaried work is seen as the source of the most central well-being and social security for all people in the EU. New measures are being developed in order to integrate also the disabled into the labour market. People from the public sector, organisations as well as volunteers for citizen movement take part in the work. Also research in the field is being developed. The common goal is to create an economically sustainable and active welfare state that pursues high employment and life-long learning for the whole population of working age.”⁹

Basically, the aim for the European employment strategy is to expand the labour market, or rather, to remove social exclusion by creating jobs.¹⁰ Social enterprises help to create work for those who have difficulties in finding work on the labour market.

The Lisbon strategy of the EU includes employment goals that promote social business activities. The Ministry of Social Affairs and Health has adopted those goals for example insofar as they make the working life more attractive and prevent social exclusion. The Ministry of Work aims to decrease structural unemployment and to prevent social exclusion.¹¹

⁷ See page 33

⁸ Saari Juho 2005, Hyvinvointivaltio ja sosiaalipolitiikkaa (Welfare State and welfare policy) in Saari Juho (toim.) Hyvinvointivaltio - Suomen mallia analysoimassa (Welfare State - Analyzing the Finnish Model), Yliopistopaino (Helsinki University Press), Helsinki, p. 32-33.

⁹ Poutanen Veli-Matti 2005, Kuntoutusjärjestelmä vammaisten henkilöiden tukena työmarkkinoilla. (Rehabilitation system as a support in labour market) in Laurinkari Juhani – Saarinen Anja (toim.), Sanomaton Sanoiksi. Puhevammaisten tulkkipalvelun työntekijöiden koulutus Sosiaalisen kuntoutuksen projektissa (Speechless to words. Interpreter training in the social rehabilitation project), (SOKU) 2000-2003, STAKES, p 94.

¹⁰ Esping-Andersen Gösta 2005, Towards the good society, once again? in Esping-Andersen Gösta with Gallie Duncan, Hemerijck Anton, Myles John, Why we need a New Welfare State, Oxford University Press, Oxford, p.22.

¹¹ compare to Saari2005, p. 46.

It may well be that social business activities are seen as marginal for the welfare policy but on the other hand it seems, as Raija Julkunen points out, that "The goal of high employment and activity requires social promotion of many kind of work forms, be they marginal or not. These should, of course, be integrated into the official system. In general, it is a question of the arenas for, to a certain degree, underprivileged or socially excluded (unemployed and disabled people). The combined support was introduced in 1998 and it became an important method for unemployed people to get work in organisations (Kinnunen & al 2000). Also the following could be seen as promotion of pluralistic work: compensation for care and household work done in homes, support for child home care, dependent care allowance and household allowance, even though work done at home does not make women "visible" in the way targeted by Beck with the definition of public work. Also social enterprises (Law 2004) could, to some extent, represent pluralistic work."¹²

A social enterprise, at least in its most democratic forms as a co-operative owned by its own members, makes it possible to the workers to not only participate in the working life but also in the decision making of the closer community (workplace). The participation in the decision making process and thus a respected status in the workplace is a central element in improving self-respect.¹³

Peer support can be important to self-esteem and to integration into social relationships, but it is not enough when it comes to integration into the labour market. Entering a contract of employment requires today professional job search and competition on the labour market. "For a disabled person it is very difficult to recover to social relationships or to employment unless allowed by the other labour market partners. Without co-operation of the labour market partners on the local level, opportunities for employment of the disabled will be lost in the present social situation".¹⁴ Successful experiences with potential Finnish social enterprises show how insufficient peer support is and how important local solidarity and support are.¹⁵

¹² Julkunen Raija 2005, Vastamyrkkyä pelon kulttuurille – Ulrich Beck ja riskiyhteiskunnan diagnoosi (Poison to the culture of fear –Ulrich Beck and risk-society in Saari Juho (toim.), Hyvinvointivaltio - Suomen mallia analysoimassa (Welfare State - Analyzing the Finnish Model), Yliopistopaino (Helsinki University Press), Helsinki, p. 250-251.

¹³ See Vandembroucke Frank 2005, Foreword in Esping-Andersen Gösta with Gallie Duncan, Hemerijck Anton, Myles John. Why we need a New Welfare State, Oxford University Press, Oxford, p.xi-xii.

¹⁴ Poutanen Veli-Matti 2005, p 96-97.

¹⁵ *ibid.* p.12 and 15

2 Aim of the study

The aim of this thesis is to identify different meanings of the concept of social enterprise, what kind of social enterprises are there in Finland, how and why have they emerged, and furthermore what their impact is on the employment of their target group and, overall, on Finnish employment policy.

This study pursues to explain the existence and task of the social enterprise activities in Finland, in the field of employment policy. Special interest has been taken in enterprises focused in integration of long-term unemployed into the working life. In these articles Finnish social enterprise activities have been compared to similar activities in the other member states of the European Union (EU 15).

In the articles 1-3 the focus is on investigation of the social enterprises. Article 1 takes a look at the importance of social enterprises offering social services and/or work integration. This effort is first of its kind in Finland. Article 2 outlines the efforts made by third-sector services and social enterprises, mainly when it comes to employing long-term unemployed. Article 3 analyses the activities of social enterprises focused in work integration. In article 4, the goal is to examine how efficiently the social enterprises work as economical units as well as units that employ people and integrate them to the community.

From the part of articles 1-4 the study was carried out before the Finnish Act on Social Enterprises (1351/2003) was passed.

3 Execution of the study

The four articles republished here are all connected to European, by the EU funded, research projects examining and analysing different aspects of social enterprises. The total research period has lasted to this date almost 10 years starting from the first project titled ESSEN-CGM investigating the potential of and opportunities for social enterprises in the field of services to the people, and ending with the deep analysis of the performance of social enterprises in the field of work integration, the so called P.E.R.S.E.-research project.

From the Finnish and also wider European perspective, the surveys are still valid. In many countries, the interest in social enterprises has risen. This fact can be seen in the emergence and development of legislation on social enterprises in Europe. The surveys, especially the EMES research, have contributed to the Finnish Law on Social Enterprises adopted by Parliament in December 2003.

Article 1 is based on and further developed from a seminar speech held in Trento Italy in December 1996. The article "Finland" was completed in 1997 and published in 1998. The selection of the examples in the article is based on criteria formed in discussions during the ESSEN-CGM project. The criteria are described in pages 4 to 5 in this paper. In the ESSEN-CGM project the focus was more on social enterprises providing services than on those who are integrating people to work. Due to the criteria companies (Oy's and Oyj's according to the Finnish law) were excluded from the social enterprises mainly because of the fact that there were no restrictions in delivering profits, or target group/member participation. An overwhelming majority of the Finnish social enterprises of this type have assumed the legal form of an association. The article describes well the early Finnish discussion on social enterprises. Especially interesting is the description of financing opportunities and areas of interest for social enterprises. The article also reflects the discussion of how to meet the new needs, still under development, that the Finnish welfare state was about to encounter.

Article 2 "Voluntary Organisations and Co-operatives for Socio-economic Reintegration in Finland" was written together with Marianne Nylund and Harri Kostilainen. It was published in 2001 by Ashgate in "Tackling Social Exclusion in Europe. The contribution of social

economy”, edited by Roger Spear, Jacques Defourny, Louis Favreau and Jean-Luis Laville. The article was written in 1997 but after delays in editing some updating of the information was done in 1999. In this article we are discussing differences in goals and aims of self-help organisations, both association and co-operative type, the reintegration activities done by voluntary self-help associations (associations for unemployed) and labour co-operatives trying to study the environment for development of such new types of organisations.

In the article various types of private organisations are described and evaluated in search for social enterprise. Organisations that resemble the characteristics of social enterprise include: Associations for the Unemployed, Associations for self-help as Sirkkulan Puisto Yhteisö in Kuopio Finland, Village Associations in rural areas, labour co-operatives in more populated areas and co-operatives and social firms founded by various associations for disabled persons. Some conclusions and prospects are drawn from the development in the mid-1990’s.

According to this article it is probable that the role of private welfare providers will increase in importance, amongst them social enterprises, but the Finnish welfare state will still keep its characteristics even though these new forms of welfare-providing organisations are entering the scene.

The third article “Labour co-operatives as an innovative response to unemployment” was published in 2001 in Carlo Borzaga and Jacques Defourny (editors): “The emergence of social enterprise” where the role of labour co-operatives and other new co-operatives such as work integration social enterprises is discussed.

In this article we are studying the labour co-operatives as social enterprises defined in the EMES European Research Network¹⁶. The article is the first attempt to study all types of social enterprises in Finland fitting the EMES definition.

Social enterprises for work integration are¹⁷:

- Co-operatives for disabled persons established with the support of associations for disabled
- Workshops owned by associations for disabled persons and transformed into social enterprises
- Village co-operatives partly to employ unemployed villagers
- Labour co-operatives

¹⁶ See pages 28-29

Organisations that resemble the characteristics of social enterprise ¹⁸

- Private social workshops for young unemployed
- Associations for unemployed
- Housing associations and estate co-operatives

The motives of unemployed to establish labour co-operatives are described and analysed. Labour co-operatives are compared to ordinary worker co-operatives and defined as a distinctive model of employee ownership. The effectiveness and outcomes of labour co-operatives in reaching their own aims and goals as well as in serving the wider society are discussed. Labour co-operatives are found to be a very cost-effective way of employing long-term unemployed persons while using their own energy and will to find employment. In the end of the article the future of labour co-operatives is discussed and three alternative development paths are predicted. First, labour co-operatives can evolve to ordinary worker co-operatives or employee-owned businesses. The second possibility is that some of them lose their *raison d'être* and the co-operative gradually disappears from the market. The third possibility is that while developing their connections to municipalities and the public sector in general as well as to local private enterprises some labour co-operatives evolve into local partnerships for employment.

The fourth article “Work integration social enterprises in Finland” was published in 2004 as an EMES working paper. This article is based on work done in Finland for the research project “The Socio-Economic Performance of Social Enterprises in the Field Integration by Work” 2003-2004 (P.E.R.S.E). The main focus in this article is on analysing the economic and social performance of these work integration social enterprises WISEs. They are divided into two main groups of social enterprises: 1) enterprises connected to associations for disabled and 2) co-operatives. In the first group there are two types of enterprises, private work centres and other enterprises owned by associations for the disabled. Also co-operatives can be divided into two groups, labour co-operatives and social co-operatives for disabled.

Fifteen Finnish WISEs were selected and the social and economic performance of these enterprises was studied.¹⁹ There are considerable differences between the WISEs whose origins

¹⁷ See pages 83-86 in article 3

¹⁸ See pages 84-86 in article 3

are to be found in work centre traditions and in enterprises that have adopted the co-operative form. All the co-operatives were established in the 1990s, whereas most work centres have been active for a longer period - some of them for about 40 years. Those that have adopted the co-operative form do not have any well-established organisations supporting them in their business activities or lobbying for them. Work centres originating from the associations or other organisations of disabled persons, on the other hand, have well-established support structures.

The majority of the social enterprises surveyed were active in the service sector, providing services either to private households or to enterprises, with home services being particularly important. Only three WISEs in the sample were enterprises producing goods; their main products were metal and textile goods²⁰.

Participants to the work integration process of the Finnish WISEs were selected mostly on the basis of criteria defined by the enterprise itself. The main criterion is the willingness to work, which is tested in most cases through discussions with the candidates. In the case of co-operatives for the disabled, a certain disability is naturally a criterion for selection. In cases where a work centre is conducting sheltered work activities or uses on-the-job trainees (rehabilitation activities), they have only restricted own choice to select the participants, due to the rules linked to the compensation they receive to cover their costs.

The Finnish social enterprises were clearly oriented towards production goals rather than for social ones and most of their resources come from the market.

The turnover varied considerably amongst the enterprises of the sample. The biggest turnover was about 5,800,000 euros and the smallest, about 8,000 euros. The average turnover was about 880,000 euros.

The 'work centre' type of WISEs had on average a higher turnover than WISEs of the 'cooperative' type: work centres' turnover ranged from 130,000 euros to 5.8 million euros, and their average turnover amounted to 2.2 million euros, while labour cooperatives' turnover ranged from 50,000 euros to 815,000 euros, with an average of about 310,000 euros.

¹⁹ The interviews of managing directors were done between January and June 2003.

²⁰ Article 4 p. 10

In terms of turnover, eight enterprises had grown substantially during the three years preceding the survey; in six enterprises the growth had been weak or there had been no growth at all, and only one enterprise had experienced a decrease in turnover.

Out of the fifteen social enterprises surveyed, eleven made profits and only four made losses. The biggest profit/surplus amounted to about 100,000 euros and the heaviest losses were about 40,000 euros.²¹

Sources of income were (average):

- Sales to private persons, which represented on average 28 per cent
- Sales to the private sector 36 per cent
- Sales to the public sector represented about 23 per cent
- Direct subsidies were about 9 per cent (6 % national 3 % municipal)
- Donations, allowances or other resources of this type 4 per cent

The sources of income varied heavily from WISE to WISE, some were selling only to private sector and some only to public sector organisations.

Davister, Defourny and Gregoire have made an overview of existing models of work integration social enterprises in Europe. According to this survey the Finnish WISEs are the most market- oriented and dependent ones in the EU.²² The Finnish social enterprises seem to be difficult to include in the European groupings of work integration social enterprises: Oddly enough Davister et al. include Finnish work integration social enterprises to the group characterised by transitional employment and traineeship²³ although Finnish social enterprises seldom offer these services.

During the last couple of years the interest in social enterprises has been on the increase among the citizens and public sector authorities in Finland. The first results of the PERSE research could be published timely when the discussion on the Finnish Law on Social Enterprises was under its way in the ministries and in Parliament. The research done within the EMES

²¹ *ibid.* p. 12 - 15

²² Davister C., Defourny J. and Gregoire O. 2004, Work integration social enterprises in the European Union: An overview of Existing models, EMES working paper 04/04, p. 16.

²³ *ibid.* p. 23

European Research Network has considerably influenced the understanding of the characteristics of social enterprises in the process of passing the bill.

4 The definition of social enterprise and its development

4.1 The emergence of social enterprises

The emergence of modern social enterprises can be traced to the late 1970s when most European countries experienced a decline in the rates of economic growth and a rise of unemployment. These developments hit the financial core of most European welfare systems. The public revenues grew at slower rate than before and public expenditure increased fast. These lasting problems led to efforts to reform welfare systems with particular attention to services provision. The aim of these new policies was to gradually reduce the impact of certain services on public budget. This was done mainly by delegating some power to local authorities for decision and implementation in social policy, by privatising some services, by introducing processes and tariffs and by shifting from passive to active labour and employment policies. Privatising and de-centralising of some welfare services gave room for profit-making enterprises, but also for third-sector or social-economy organisations, to enter as welfare service providers.

Another explanation for the emergence of social enterprises, used especially in connection to the field of integration by work, arises from the difficulties of some groups of workers to enter or re-enter the labour market. The number of long-term unemployed and the duration of unemployment were rising²⁴.

The globalisation of markets, introduction of new technologies, and pressures to decrease public spending on welfare services are behind the emergence of social enterprises. People with low education, old or young, people with mental or physical disabilities, people with addictions, ex-prisoners, long-term unemployed and people with other severe social problems have increasing difficulties to find jobs.

²⁴ For further discussion see for example Borzaga C. and Defourny J. (eds.) 2001, *The Emergence of Social Enterprise*, Routledge, Aldershot, p .352-353.

Generally one may say that social enterprises have been established to fill the gaps in the social security network, to substitute the dismantling of welfare systems or/and to dismantle the new type of exclusion caused by the development of the production system.

The purpose of social enterprises is different in Nordic welfare states compared to countries with less developed welfare systems where the family has a central place in providing welfare services.

In the latter group, social enterprises are important elements in the development of a welfare system, whereas in welfare states social enterprises supplement the welfare system by providing opportunities to those in a weaker position to participate in the working life or by providing citizens with means to effectively influence the social services they need.²⁵

Examples of first initiatives, which may be identified as modern social enterprises, were the co-operatives established by mental health recoverees and their doctors in Northern Italy, as well as some experiments made with young drug addicts²⁶.

4.2 Development of the definition

During the last twenty years we have witnessed the emergence of social enterprises throughout the globe. Traces of discussion can be found in Europe, the USA, South America, Australia, and Asia. Following the spread of the phenomenon various research organisations, universities or support organisations have tried to define these enterprises. These definitions reflect the particular cultures, circumstances and legislation under which the definitions have been made.

The European discussion on social enterprises began in the early 1990s. At first the discussion was focused on social co-operatives due to the examples and legislation in southern Europe, particularly in Italy. An important stage in this discussion was “The first report on Italian Social Co-operatives” from the year 1992, presented only a year after the launch of the Italian Law

²⁵ Pättiniemi Pekka 2000, Kolmannen sektorin liepeillä – sosiaaliset yritykset (Around third sector – social enterprises), Hyvinvointikatsaus 1/2000, Tilastokeskus, Helsinki.

²⁶ see for example Laurinkari Juhani 2004, Osuustoiminta utopiasta kansainvälisen yrittämisen muodoksi (Co-operatives from utopia to international model of enterprise), Pellervo, Kuopio, p. 110.

381 on social co-operatives.²⁷ In this report the social co-operatives were analysed with established research methods.

”First European Conference on Social Co-operation, an opportunity for Europe”, held in Brussels in 1995 was the starting point for a European-wide research on social enterprises. In this conference the Italian idea of two kinds of social enterprises got support from the researchers from other European countries. According to the Italian concept there are: a) social enterprises providing social and health care services to the underprivileged and b) social enterprises aiming to integrate through work those under threat of being excluded.²⁸ The Italian experience of social co-operatives has been of exceptional importance in the development of the European discussion. The influence can be seen for example in the idea of minimum proportion of disadvantaged employees amongst the workers of a social enterprise.²⁹

The next development step in the discussion was taken with the research and development projects financed by the European Commission after the Essen meeting of the Council. These projects were pursuing to find sustainable methods for local development and employment. A central research project was the ESSEN-CGM European research project financed by the DG V of the European Commission³⁰. According to this research social enterprises can be divided into two main groups based on their function:

- a. “Firms (enterprises) whose principal goal is the work integration of the disadvantaged and which therefore employ a mix of normal and disadvantaged workers in the production of non-social goods and services.
- b. Firms whose principal goal is the production and supply of social, and more generally collective, services (also for a specific community or groups of people)”³¹

The division is almost the same as in the division of social enterprises in the Italian Law on Social Co-operatives³² but the characteristics of each type are more general and give

²⁷ Borzaga Carlo, Lepri Stefano & Scalvini Felice 1992, Primo rapporto sulla cooperazione sociale, Conorzio Gino Mattarelli, Milano.

²⁸ Pättiniemi Pekka 1995.

²⁹ Law No. 381 (3 November 1991) Regulations governing social co-operative societies. Article 1 a and b and Article 4. 2.

³⁰ An other research project I participated was ESSEN-Koopi. The aim was to evaluate the importance of small co-operatives in employment specially in the rural areas..

³¹ Borzaga, Carlo & Santuari, Alceste (ed.). 1998, Social enterprises and new employment in Europe, Regio Autonomia Trentino-Alto Adige, Trento p. 76

opportunities to find examples in other circumstances than in Italy. The ESSEN-CGM research project was mainly concerned of the capability of social enterprises to create jobs in the field of services to people. Article 1 is based on theoretical discussions during the preparations for the ESSEN-CGM. The aim was to find a definition on social enterprises that would link to the European reality. The definition would help to identify social enterprises from other enterprises, in spite of discrepancies in legislation.³³

As characteristics of a social enterprise the project agreed that the organisations understood as social enterprises:

“..had to be private in nature, although public institutions could be among their promoters and members. The former however, could not be the only members, nor play a dominant role. They had to have a high degree of managerial autonomy both from public agencies and from other private organisations.

They had to produce and sell services of collective interest, i.e. both services of strictly social, health and educational character and in more general, collective or community services as well as services perceived as social by the community (e.g. social tourism). This definition therefore excluded organisations, which performed solely advocacy or redistribution functions (e.g. grant-giving foundations or consumer associations).

They could assume any legal form as long as they possessed the features stipulated by national legislation for initiatives defining themselves for social goals. These features could be:

- a. Non profit distribution constraint;
- b. Participation by users, workers or the community in management of the enterprise;
- c. Democratic management.

The earnings used by the enterprise to finance its activities could be equally public or private in origin, but at least partly commensurate with the services produced. Therefore excluded were organisations which relied wholly or mainly on private donations or public grants”.³⁴

³² The Italian Law 381/1991 has been described for example in article "CGM-konsortio – erään liiketoimintaverkoston kehitys “ CGM-consorzio – the development of a business network written by Enzo Pezzini and published in Pättiniemi Pekka (ed.) 2003, Verkostoituvat pienosuuskunnan.(Networking small co-operatives) Helsingin yliopisto Maaseudun tutkimus- ja koulutuskeskus, Mikkeli.

³³ Borzaga & Santuari 1998 p. 23-25.

³⁴ Borzaga & Santuari 1998. p. 77

One of the main problems in the survey process was how to distinguish social enterprises from traditional non-profit organisations. The principal criteria used in the ESSEN-CGM research were:

- “A productive nature and propensity to sell services (to private individuals or public agencies). Unlike social enterprises, traditional non-profit organisations are normally engaged in advocacy activities or in the transformation of financial flows into services delivered free or below cost, with no correspondence between the quantity of services supplied and amount of financing received.
- Degree of autonomy. Unlike social enterprises, social organisations depend closely on the public authorities or large national organisations for the financing and management of their activities.
- The innovativeness of services produced: that is, its ability to satisfy also needs not traditionally addressed by the public welfare systems.”³⁵

In the ESSEN-CGM there was the aim to find common European characteristics to social enterprises. These characteristics should be general but so precise that they could be applied to the different legal and social circumstances in the EU 15.

About the same time European organisations for mental illness recoverees and disabled persons got interested in social enterprises. In the European Social Fund Horizon project E.C.HO the participants from four European Union member states defined from their position social enterprises.³⁶ They connected their ideas on social enterprises closely to the development of attitudes and new methods. “The emergence of social firms reflects changing views and attitudes in society, the development of new theories of mental illness and radical changes in economic circumstances and structural changes in employment.

According to the E.C.HO project four major themes can be identified which have created the positive environment for the emergence of social firms.

³⁵ *ibid.* p.78.

³⁶ STAKES-Consortium (no-print year), Finland. Edinburgh Community Trust, Scotland, U.K. Birmingham City Council, England, U.K. .AFAEPS, Spain and TAG Unit, Highland Communities NHS Trust, Scotland, U.K.

Firstly there has been a move away from medical models of disability and mental illness. Next there have been developments in rehabilitation theories that have moved towards integrative approaches and more recently have involved discussion of theories of social inclusion. The focus is changing from rehabilitation of the individual towards rehabilitation of society. Thirdly, there has been the trend away from the control, containment and isolation of people with psychiatric illness towards their involvement in treatment and rehabilitation programmes. Lastly, each state within Europe has found it increasingly difficult to fund public health programmes purely from taxation income because of permanent reductions in the levels of employment. This trend has disproportionately affected disabled people, as they are in disadvantage in competitive job market.”³⁷

The E.C.HO project also agreed with the two-type division, but they went further in defining the criteria of a social firm. A social firm was defined as a) a firm which is not pursuing for profit, self sustaining business which aims to B) offer real work to those who are disabled or in weaker position. These two criteria show the development in which the organisation can commit itself.” Further details were defined concerning employees and trading of such firm.

a) The employees of such firm are:

- Disabled or people otherwise in a weak position that may be mentally or physically ill, but may also be, for example, long-term unemployed immigrants who do not know local manner or language or whoever is under threat of exclusion.
- The proportion of disabled and those who are in a weaker position is at least 30 % of the employees in the enterprise
- All employees whether belonging to the target group or not, have the same obligations and rights, disadvantaged workers are not discriminated.
- Employees are working in real jobs with real wages; the work experience is registered to their CVs.

b) The trading of such enterprise:

- A social firm is an economically independent unit, who is fulfilling its economic aims.
- A social firm is a non-profit organisation i.e. the profit made by the enterprise should be used to the original aims of the enterprise.

³⁷ E.C.HO. Project 1997, Social Firms. Garant, Leuven

- A social firm is producing goods or services that are marketed and sold; it should be self-sustaining as an enterprise after three years of trading.
- It is allowed that costs for establishing (for example purchasing of rooms, rents, consulting) an enterprise are not fully covered by public support.

The main purpose of a social firm is to offer work to the disadvantaged but it may have also secondary aims concerning for example rehabilitation. The jobs are permanent, but also temporary intermediate jobs may be offered.³⁸

In the mid-1990s several European organisations for social firms and enterprises were established among them CEFEC –Confederation of European Social Firms, Employment Initiatives and Social Co-operatives- who adopted its own definition of a social firm.³⁹

“CEFEC definition of social firms:

- A social firm is a business created for the employment of people with a disability or other disadvantage in the labour market
- It is a business, which uses its own market-oriented production of goods and services to pursue its social mission.
- A significant number of its employees will be people with disability or other disadvantage in the labour market.
- Every worker will be paid a market wage or salary appropriate to the work- whatever their productive capacity
- Work opportunities should be between disadvantaged and non- disadvantage employees. All should have the same employment rights and obligations.⁴⁰

To have a clearer picture of the aims of a social firm, the principles of the CEFEC concerning work of disabled should be revealed. “CEFEC believes that:

³⁸ Mannila Simo 1996, Sosiaaliset yritykset Euroopassa. Eräitä käytännön näkökulmia.(Social Firms in Europe) Stakes, p. 11.

³⁹ Adopted by the general assembly of CEFEC 1996 held in Linz, Austria. See CEFEC 2004. <http://www.cefec.de/activities.htm>

⁴⁰ Ibid.

People who are systematically excluded from work by society because of disability or disadvantage should have the right to the rewards and status of work.

The provision of such remedial work opportunities is best effected in market-orientated and community-based work enterprises, which are part of everyday economic activity.

Self-organizing and co-operative forms of enterprise are the best methods of achieving such work opportunities.

As a result of the functioning of such enterprises, an additional element of social production arises, which is of value both to society and to the individual concerned.

The disadvantage of social-firms in the marketplace must be compensated financially through the medium of laws and regulations enacted by the local and national state.

The associative and normalising benefits of work should enable the individual to take a full and active place in society.”⁴¹

The problem of the E.C.HO Horizon project and the CEFEC seemed to be how to separate social firms from rehabilitation organisations and from therapeutic activities. The strong and time-related push for economic self-sustainability and equality of disadvantaged workers with other employees shows the urge to develop new means of employment.

4.3 An attempt for an European definition of social enterprise

The criteria and characteristics of social enterprise were also further developed in the EMES-project that had partners from 12 European universities and research centres.⁴² In the EMES research project social enterprises were defined in two dimensions; economic and social ones. The economic and entrepreneurial dimension consisted of four criteria:

“a) A continuous activity producing goods and/or selling services

⁴¹ Ibid.

⁴² EMES “The emergence of Social Enterprises, new answer to the social exclusion in Europe“ was a Targeted Socio-Economic Research project financed by the European Commission Direction General XII from 1996 to 1999.

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

b) A high degree of autonomy

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

c) A significant level of economic risk

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

d) A minimum amount of paid work

As in the case of most traditional non-profit associations, social enterprises may also combine monetary and non-monetary resources, voluntary and paid workers. However, the activity carried out in social enterprises requires a minimum level of paid workers.”⁴³

The purpose of the economic and entrepreneurial criteria is to help to identify social enterprises from organisations that are based purely to voluntary work or are unit of the public sector. Criteria concerning economic risk and continuous production show if the organisation is an enterprise or not.

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

i) An initiative launched by a group of citizens

⁴³ www.emes.net

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

ii) A decision-making power not based on capital ownership

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

iii) A participatory nature, which involves the persons affected by the activity

Representation and participation of customers, stakeholder orientation and a democratic management style are important characteristics of social enterprises. In many cases, one of the aims of social enterprises is to further democracy at local level through economic activity.

iv) Limited profit distribution

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

v) An explicit aim to benefit the community

One of the principal aims of social enterprises is to serve the community or a specific group of people. To the same end, a feature of social enterprises is their desire to promote a sense of social responsibility at local level."⁴⁴

The social criteria are aiming to distinguish whether the organisation is targeting social goals or has among its activities elements of empowerment. It was felt important that the target group can influence its own work and that the organisation is not aiming to benefit its owners. A close relationship between the social enterprise and its community was an important criterion

In the EMES European Research Network, there is an aim to see the social enterprises as part of the third sector. This shows also in the development of the EMES definition and in the form

⁴⁴ *ibid.*

it has been presented above. Definitions that relate to the third sector are all the social definitions of social enterprises, i, ii, iii, iv and v.⁴⁵

Even though the EMES definition and criteria has not been accepted as the official definition of social enterprises in Europe it has been widely used in later research on social enterprises financed by the European Commission and thus it may have been accepted as a European working definition. The later research consists of for example: The Socio-Economic Performance of Social Enterprises in the Field Integration by Work and a comparative research on private childcare in Europe.⁴⁶ Also the OECD has adapted the EMES definition and is working closely with the EMES European Research Network⁴⁷.

The articles 2-4 are based on the definitions of social enterprises, developed during the EMES project. Co-operation between social enterprises and the third sector against social exclusion is investigated especially in article 2. Article 4 differs from the other articles in that it is based on empirical research into the interviews of the personnel in potential social enterprises. The other articles have literary sources, often edited by the associations and co-operatives that were involved in the survey.

4.4 Other definitions of social enterprises

The global need for social business activities and the wider aims of preventing poverty and social exclusion become visible in the efforts to understand and analyse the essence and importance of these enterprises on different continents and in different countries, even outside Europe.

The understanding of social enterprises is slightly different in the USA, Canada, Latin America, Asia and Australia. Here social enterprises are more connected to the fund-collecting charities and other social organisations.

⁴⁵ See also Defourny Jacques.2001, From third sector to social enterprise in Borzaga C. and Defourny J., The Emergence of Social Enterprise, Routledge, London and the theoretical sections in Spear et al.2001, Tackling Social Exclusion in Europe, The contribution of the social economy, Ashgate, Aldershot.

⁴⁶ *ibid.*

⁴⁷ www.oecd.org

In practice the US definition of social enterprises includes both types of social enterprises: those who are providing social services (type A) and those who try to integrate people to work and through work (type B).

Social enterprises of the type B were central in a research made on the social enterprises aiming for employment of long-term unemployed in the west coast of the USA. Definitions for a social entrepreneur and a social enterprise were made: “A social entrepreneur - A non-profit manager with background in social work, community development, or business, who pursues a vision of economic empowerment through the creation of social purpose business intended to provide expanded opportunity for those on the margins...” and a social enterprise was defined as: “Non-Profit enterprise – A revenue-generating venture founded to create jobs or training opportunities for very low-income individuals, while simultaneously operating with reference to the financial bottom-line. Non profit enterprises are variously known as social purpose businesses, community based businesses, community wealth enterprises and any number of other spiffy titles the human mind can propose.”⁴⁸ The double nature of social enterprises as organisations that have simultaneously both a social goal and an economic goal is clearly seen in this statement. This is an important distinction because it makes clear the fragile line between social and economic aims and may reveal the dilemmas involved in it.

A more social, service production-oriented approach can be traced in Harvard Business School; which has had a department for social enterprise studies and research since 1993. This initiative is described as follows:” Our approach to social enterprise encompasses the contributions any individual or organization can make toward social improvement, regardless of its legal form (non-profit, private, or public-sector). This approach challenges the traditional view of non-profit organizations and corporations as largely dichotomous (or even adversarial), focusing instead on the belief that these organizations individually and collaboratively can generate significant social value. Engagement with communities and the social sector is viewed as crucial and strategically important for businesses in order to realize their private goals and their societal role. Non-profit organizations, like businesses, are viewed as complex enterprises requiring sophisticated management and superior leadership.”⁴⁹ These definitions may refer to the obvious need for increasing the efficiency of social services provision and rebuilding of

⁴⁸ Emerson Jed and Twersky Fay (eds.) 1996, *New Social Entrepreneurs: The Success, Challenge and Lessons of Non-Profit Enterprise Creation*, The Roberts Foundation Homeless Economic Development Fund, San Francisco,

⁴⁹ <http://www.hbs.edu/socialenterprise/>

distressed urban areas in the U.S. But they also tell us about the close linkage between the U.S. social enterprises and the business world and the belief that the market can efficiently solve the social problems.

In Latin America the realities are different to those in the U.S. For example in Brazilian literature a social enterprise is first of all a co-operative owned by its employees or by those who use its services.⁵⁰ Empowerment connected to the ownership of the enterprise is a central aspect of a social enterprise. The roots for this concept of a social enterprise are in the experiences of farming co-operatives, which were established by landless agricultural workers using the farming land not cultivated for years by the landowners, and in the co-operative initiatives made in slums of the cities.

The South American and the North American views are united in the definition presented by the Social Enterprise Knowledge Network. Nine universities and research centres from both Americas are among its members. "Social Enterprise is any kind of enterprise and undertaking, encompassed by non-profit organizations, for-profit companies or public sector businesses engaged in activities of significant social value or in the production of goods or services with an embedded social purpose. It is the underlying social purpose of the enterprise, rather than its particular legal form, that determines whether it falls into this category or not."⁵¹

In this definition the social enterprise is understood as every business undertaking with a significant social value, regardless of its legal form. At the same time in Europe social enterprise was understood to be an undertaking organised through the initiative of a group of citizens.

In Asia, Singapore, some organisations for the disabled define social enterprise as follows: "Social enterprise is any earned-income business or strategy undertaken by a non-profit to generate revenue in support of its charitable mission. "Earned income" consists of payments received in direct exchange for a product, service or privilege."⁵²

⁵⁰ Singer Paul, Triba Lia, Guimaraes Goncalo 2002, Social Economy in Brasil. Non published translation to English by Matti Kohonen from the publication De Sousa Santos, Boaventura (ed.) Produzir para viver: os caminhos da producao nao capitalista, Civilizacao Brasileira, Rio de Janeiro.

⁵¹ <http://www.sekn.org/>. The members of Social Enterprise Knowledge Network are for example Harvard Business School and universities from Brasill, Peru, Chile, Colombia, and Argentina 3.9.2004.

”What we are about is the business of changing the entire paradigm by which not-for-profits operate and generate the capital they need to carry out their mission -- a new paradigm based on sustainability and social entrepreneurship.”...”A social enterprise is a sustainable business with a social mission where the former serves the latter.

A social enterprise reinvests a significant proportion of its surpluses in the business or community to fulfil its social objectives. And in doing so combines its entrepreneurial and business skills typical of private sector with the philanthropic mission characteristic of people sector”.⁵³

In Australia social enterprise is defined by a Christian Charity as follows: “Social enterprise is a means by which people come together and use market based ventures to achieve agreed social ends. It is characterised by creativity, entrepreneurship, and a focus on community rather than individual profit. It is a creative endeavour that results in social, financial, service, educational, employment, or other community benefits”⁵⁴

In the Asian/Singaporean definition we can find ideas of changing the paradigm of not-for-profit organisations in the social sector. Considerations of distributing the profits resemble closely the European co-operative ideas of using the surpluses. The core idea is to collect the capital needed for the activities, through different activities. Both the Australian and Singaporean understanding seems to be closely connected to the ideas of local or community development.

4.5 Finnish discussion on social enterprises

There are two roots in the Finnish discussion on and interest for work integration social enterprises: Firstly, self-help work integration enterprises that originally go back to local associations for unemployed and secondly, work centres and their problems that emerged during the recession and mass unemployment in the early 1990s.

⁵² <http://www.se-alliance.org/>

⁵³ Society for the physically disabled Singapore. <http://www.se2.org/unflash/WhatSE2/WhatSE2.html>

⁵⁴ Talbot Chris, Tregilgas Peter, Harrison Kerrie 2002, Social enterprise in Australia, Adelaide Central Mission, Adelaide

The first articles of social enterprises were published in 1995 when my article “Social co-operatives in Europe and Finland” was published in the Seminar Report “Social economy and local development”⁵⁵. In this article I described the connection of social co-operatives to traditional co-operative movement, discussed the legislative opportunities and restrictions in many European countries. Also a definition of social co-operative action was given: “As a social co-operative can be understood all democratically managed and supervised entrepreneurial activity with social goals and an aim to use the surplus or profits to meet the social goals”. The first steps of Finnish co-operatives in social and health care sector are described and a part of worker co-operatives are identified as work integration social enterprises (labour co-operatives).⁵⁶

Various definitions of social enterprises were discussed in Simo Mannila’s book *Social Firms in Europe*⁵⁷. In this publication definitions were connected to the world of work centres and associations for disabled persons. The term “social enterprise” was used in connection to a business organisation providing social and health care services whereas the term “social firm” was used in connection to work integration enterprises.

The definition of a social firm was developed when “Social Firms – new jobs for the disabled” was published⁵⁸. Here a social firm is defined as follows: a) social firm does not seek profit, and b) social firm offers work to persons with disadvantages. The definition is also examined in more detail. Social firms are non-profit organisations, which may make profit, but the profit should be spent according to the initial principles i.e. by employing disadvantaged. The most important difference compared to an ordinary business is that no dividend is paid to the shareholders. Other characteristics are: Financially, social firms are independent units with their own budget; Social firms provide goods and services to the market; Some compensation during the initial period is acceptable; A certain proportion of the employees should be people with disabilities or otherwise disadvantaged; The relationship between disadvantaged and normal workers should be equal; Disadvantaged workers should be treated as any other employee in the firm; Agreements on wages and other conditions of employment should be arranged similarly to normal employment.

⁵⁵ Pättiniemi 1995.

⁵⁶ Pättiniemi 1995. p.71 and 74-75.

⁵⁷ Mannila 1996

⁵⁸ Mononen Arto (ed.) 1997, *Social Firms – new jobs for the disabled*, Honkalampi-säätiö / Honkalampi Foundation, Joensuu.

A first attempt to give a general overview of potential social enterprises in Finland was given in my article (one), republished in this book. Four possible sources of development were discovered:

1. Associations for disabled,
2. Village associations (local development and social services),
3. Unemployed and labour co-operatives,
4. Professionals organising delivery of social and health care services.⁵⁹

Some practical examples of Finnish social enterprises were presented and later on published in detail in Volume II of “Social enterprises and new employment in Europe” edited by Marco Maiello.⁶⁰

The discussion on social enterprises changed gear when the first networks and support structures for social enterprises (firms) were established in 1998. The VATES Foundation and its member organisations (mainly National Associations for Disabled) and privately or by public sector owned work centres and sheltered workshops established a network called SOFI. This network provides resources for social enterprises and sheltered workshops, gives consultancy and guidance and arranges meetings and seminars. In these meetings and seminars practical solutions to establish and/or to manage social enterprises have been discussed. According to the VATES Foundation and its SOFI network social enterprises should be connected strictly to helping persons with disabilities to enter the labour market.

The EMES definition of social enterprises was introduced in Finnish in my article that was published in a book about new co-operative development⁶¹. As social enterprises were counted labour co-operatives and work centres (for disabled and also for long-term unemployed). Social enterprises were identified as social economy organisations i.e. co-operatives or associations.

Gradually the discussion widened its scope and social enterprises were discussed as a way to foster immigrant integration. There were articles analysing relations between social co-

⁵⁹ Pättiniemi Pekka 1998, Finland in Borzaga Carlo and Santuari Alceste (eds.), Social enterprises and new employment in Europe, Autonome Region Trentino-Südtirol, Trento.

⁶⁰ Maiello Marco 2000, Social enterprises and new employment in Europe, Volume II Case Studies, Trentino-Südtirol, Trento, p.145-158.

⁶¹ Pättiniemi Pekka 1998, New co-operative movement in Europe (Uusosuustoiminta Euroopassa) in Koskiniemi Erkki.(toim.), Osuustoiminnallinen yhteisyrittäminen (Co-operative entrepreneurship), KSL-kirjat, Tampere, p 45-50.

operatives and voluntary work, and also articles on the relations between associations and social enterprises. Also articles of the function of social enterprises in a welfare state were published.⁶²

A research report along the lines of the CEFEC definition on employment of disabled persons was published in 2000⁶³. The research concentrated on the question of sustainability of such a model of a social enterprise. Stenholm and Lehto develop a Finnish model of a social firm that, they argue, is suitable for the requirements and demands of the Finnish context. First they distinguish basic economic and operational aims for a social firm. The basic economic aim is to seek profit because a firm can ensure the continuity of its operations only by gaining profit. The basic operational aims are production of goods and services and employment of disabled. The only distinction to an ordinary firm should be the employment of disabled.⁶⁴

When it comes to the main interest groups or stakeholders Stenholm and Lehto have identified the entrepreneur or management of the firm, employees, owners, customers, financiers and ordinary company support organisations. In addition to the above list social firms have as stakeholder also organisations that provide services for disabled people. Stenholm and Lehto do not comment the possibility or see the opportunity that some of the stakeholders or interest groups, as they say, would simultaneously have more than one role. In fact they conclude that social firm support organisations should only concentrate on the problems relating to the employment of the disabled.⁶⁵

Stenholm and Lehto recommend that all enterprises should have the same possibilities to get financial compensation for the wage costs of disabled employees. There needs to be changes in the working environment due to the disadvantages and disabilities. Compensation for the

⁶² Pättiniemi Pekka 1999, Social entrepreneurship an answer to unemployment and exclusion in Ekholm Elina (ed.), Immigrants as Entrepreneurs, Experiences of Multicultural Co-operatives, Reports of University of Helsinki Vantaa Institute for Continuing Education 22, Vantaa.

Nylund Marianne and Pättiniemi Pekka 2000a, Ideell och Kooperativ verksamhet I den finska tredje sektorn in Wijkström Filip och Johnstad Tom (eds.), Om Kooperation och social ekonomi, Röster i ett nordiskt samtal, Kooperativ Årsbok 2000, Stockholm, p.229-243.

Nylund Marianne and Pättiniemi Pekka 2000b, Vapaaehtoistoiminta ja osuustoiminta – löytyykö yhteisiä arvoja (Voluntary action and Co-operative action in the Finnish Civil society), Osuustoimintatutkimuksen vuosikirja 2000, Mikkeli p.44-47.

Pättiniemi Pekka 2000c, Kolmannen sektorin liepeillä – sosiaaliset yritykset (Around third sector – social enterprises), Hyvinvointikatsaus 1/2000, Tilastokeskus, Helsinki.

⁶³ Stenholm Pekka & Lehto Johanna 2000, Sosiaalinen yritys Suomessa, Soveltuvuustutkimus sosiaalisen yrityksen mallista (Social Enterprise in Finland), Turun kauppakorkeakoulu yritystoiminnan tutkimus- ja koulutuskeskus, PK-instituutti, Julkaisusarja B 9/2000.

⁶⁴ Stenholm & Lehto 2000, p. 117-118.

⁶⁵ *ibid*, p. 120.

additional costs should be possible for all enterprises. Furthermore social enterprises should have access to normal loans and compensations and allowances for investments that strengthen the working capital and develop the business, as is the case with any other enterprise. The only divergent measure should be a special loan for setting up and developing a social firm. A special 'social enterprise' sign should be considered and it could be developed to a competition resource as has happened with the environmental signs.⁶⁶

The VATES Foundation has conducted two major surveys with valuable statistical data on social enterprises. In the first survey (Ylipaavalniemi 2001) the goal was to find out how well work centres, acting according to the Invalid Care Act, and various sheltered workshops, fountain houses and units of supported employment succeeded in their task.⁶⁷

The second survey was published in 2003 (Ylipaavalniemi 2003) and it concerned productive work centres, employing social enterprises and multi-service-centres for employment. This survey includes information on the achievements of these organisations, their fields of activity and services, their financial structure, reasons for the weak employability of the clients/ participants⁶⁸.

These two surveys pinpointed that new employment methods for disabled persons were needed. They showed on the one hand which types of disabled persons were employed by the existing systems and on the other hand made it clear that at least for the disabled some new measures should be developed.

The Finnish legislation on Social Enterprises

According to the Ministry of Labour the unemployment figures for the year 2003 demonstrated a hard core of structural unemployment consisting of 180 000 people. Furthermore there were almost 90 000 disabled job seekers.⁶⁹

⁶⁶ *ibid.* p.122-123

⁶⁷ Ylipaavalniemi Pasi 2001, Vammaisten ja vajaakuntoisten työllistämisen kokonaiskartoitus (Mapping of the employing measures for the disabled), VATES -säätiö/Sosiaali- ja terveysministeriön selvityksiä, Helsinki.

⁶⁸ Ylipaavalniemi Pasi 2003, Vajaakuntoisten työllistäminen - Tuotannollista toimintaa harjoittamalla - Tuetun työllistämisen menetelmällä (Employing the disabled in productive activities by the method of supported work), Publications of VATES Foundation

The fairly viable discussion on the need and possible role of social enterprises had fallen on fertile ground and the idea of work integration social enterprises as means for employing people with disabilities and those inside the hard core of unemployment was generally accepted. The speed at which the Act on Social Enterprises was passed in 2003 was exceptional and shows how timely the idea was nationally.

Other reasons for the rapid procedure were to find in the foreseeable and significant change in labour availability in the coming years when the after war baby-boom generation will retire from work. Therefore it is necessary to raise the employment rate in order to ensure the functioning of the welfare state structures and to be able to pay the pensions and other social services guaranteed by the laws⁷⁰.

The Finnish Act on Social Enterprises (1351/2003) came into force 1.1.2004. According to the Act a social enterprise is an enterprise created for the employment of people with disabilities and of the long-term unemployed (1§). It is a market-oriented enterprise with its own products and/or services. According to § 3 at least 30% of its employees should be disabled and long-term unemployed or solely disabled. Wages should be paid to all employees whether disadvantaged or not according to general bargaining agreements in the branch of industry in question.

In order to be entitled to the benefits of a social enterprise the enterprise should be registered to the Register of Social Enterprises kept by the Ministry of Labour (3§). All enterprises regardless of their legal form and ownership structure may apply for this register if they are already registered as an enterprise to the Trade Register of Ministry of Trade and Commerce. Even associations that have a steady place of business and at least one employee and are already in the above mentioned register might apply. The enterprise accepted to the Register must explicitly mention in its bylaws the aim to employ disabled and long-term unemployed persons. Every social enterprise in the register must employ at least one disabled person⁷¹. No other enterprise than a registered one may use the words social enterprise in its marketing or in its name.

⁶⁹ Pukio Matti, 2003, Finnish social enterprises – Act to Parliament in the Autumn, Presentation to International Conference on Structures of Social Enterprises and firms, Tuusula June 12 2003.

⁷⁰ *ibid*

⁷¹ To give an extreme example in an social enterprise employing 1000 employees there could be 299 long-term unemployed and one disabled to fill the minimum requirements of the law.

Public employment services may grant support to the establishment of a social enterprise. Support may also be granted to associations and foundations aiming for promotion of social enterprises mentioned in this Act. Detailed rules for the granting of the named support will be decided in a Regulation by the Government.

When it comes to the benefits, the enterprises that have been accepted to the Register of Social Enterprises have, compared to “normal” enterprises, the opportunity to obtain compensation by submitting only one application instead of yearly ones. And when lengthening the time, compensation for employing disabled persons can give additional 12 months, up to three years. The three-year support period for a disabled person can be renewed as many times as necessary for the person in question to reach the capability to be employed in the open labour market.

There is also added value in the possibility to obtain special finance to establish a social enterprise and to raise finance for development of social enterprises through associations and possible future consortia. This development money has been granted to the VATES Foundation representing the work centres and National association for disabled for the year 2004 with the option for two more years. Some finance has also been reserved for research and evaluation of social enterprises and social entrepreneurship.

There are no restrictions on how to use the possible profits or surpluses created by the social enterprises.

The Ministry of Labour has also established a working group to monitor and develop the execution of the legislation. Representatives of some ministries, one representative for the VATES Foundation and a representative for the National Association occupy the working group for the Unemployed. (TVY).

After the enforcement of the Act on Social Enterprises, Finland is one of seven countries in Europe with specialised legislation on social enterprises. The Finnish Act is the only one, which explicitly mentions the long-term unemployed as a target group for a social enterprise.

The Finnish Act adds only marginal benefits to the enterprises in the Register of Social Enterprises that is those employing a certain amount of long-term unemployed or

disadvantaged persons, compared with the benefits given to any other enterprise. Concern about unfair competition has been taken up by some organisations representing enterprises and industries as well as by the public services. This has led to a situation where more beneficial advantages for social enterprises (for example tax reductions) were impossible to introduce at this time.⁷²

The marginality in benefits has created a situation where enterprises, already active in employing people with disadvantages and long-term unemployed, are not interested in joining the register⁷³. Up to 2nd of September 2005 only 22 enterprises have been included into the register. Out of the 22 enterprises 14 had adopted the legal form of a company (many owned by associations or public sector authorities), 3 were associations, one foundation and 4 co-operatives. The main sectors of business were connected to industries and construction in 13 cases, 7 enterprises were active in services and in two cases the sector of activity was not clearly defined.

Even though one of the aims of the legislation is to create supply to sectors where there is demand, that is services, the Act seems to be more suitable for industrial enterprises than service enterprises.

Compensation seems to benefit more the disadvantaged persons than the long-term unemployed. The trend towards industrial activities is also reinforced by the fact that all development funds are directed to an organisation representing more industrial enterprises than service-oriented ones⁷⁴. This orientation may also have discouraged some enterprises in the service sector to join the register.

The rapid process and eagerness of various political actors to pass the Act on Social Enterprises shows that there is a societal demand for such new entrepreneurial organisations in the field of integration to work. Another sign of interest is the establishment of a follow-up group, Sosiaalisen yritystoiminnan Foorumi (Forum for Social Entrepreneurship) (SYFO). The aim of this forum, led by Professor Dr. Pentti Arajärvi, is to promote social entrepreneurship and

⁷² see also Pättiniemi Pekka 2005, La nuova legge sulle imprese sociali in Finlandia in *Impresa Sociali* 4/2004. Brescia.

⁷³ See also Huotari Tiina 2005, Sosiaalisen yrityksen uudet kehykset (New frames for the social enterprises) University of Jyväskylä. Master's graduate theses September 2005, p. 109. Jyväskylä.

monitor the execution of the Act. The forum gathers propositions for renewal of the legislation and good practices of administration as well as of social enterprises. Members of the forum are representatives for employers and employees, universities and associations for disabled persons who on a voluntary basis follow the development of the social enterprises, problems in the execution of the law and also examples of success.

4.6 General features in the definitions

There are certain coherences with the definitions of social enterprise throughout the world. This may indicate that the reasons for the emergence of (the needs for) such phenomenon have been very similar.

⁷⁴ VATES Foundation that is traditionally working in close connection to work centres manages the development funds and associations for disabled both active in traditional industries.

Table 1. EMES criteria of social enterprises compared to some other definitions

EMES criteria	British government 1.	Harvard Business School 2.	Brazil 3.	Singapore 4.	Australia 5.	Finnish Law on SE 6
<i>Continuous production of goods and/or services</i>		x	x	x		x
<i>A high degree of autonomy</i>			x			
<i>A significant level of economic risk</i>	x	x	x	x	x	x
<i>A minimum amount of paid work</i>			x			x
<i>An initiative launched by a group of citizens</i>			x	x	x	
<i>A decision-making power not based on capital ownership</i>			x		x	
<i>A participatory nature, which involves the persons affected by the activity</i>			x			
<i>Limited distribution of profits</i>	x		x			
<i>An explicit aim to benefit the community</i>	x	x	x	x	x	x

Sources:

1. DTI (2002) p. 13
2. www.hbs.edu/socialenterprises
3. Singer Paul et. al. 2002, Social economy in Brazil. in Boaventura (ed.), Produzir para viver: os caminhos da producao nao capitalista, Civilizacao Brasileira, Rio de Janeiro.
4. www.se-alliance.org and www.se2.org/unflash/WhatSE2/WhatSE.html
5. Talbot et al. eds. 2002, Social Enterprise in Australia, Adelaide Central Mission, Adelaide.
6. Laki sosiaalಿಸista yrityksistä (1351/2003).

Certain important criteria emerge in most of the definitions:

1. Social enterprises are producing goods and/or services in the market; they are trading organisations.

2. Social enterprises are mostly characterised to have some form of community ownership: They are co-operatives; non-profits; community businesses and such.
3. The purpose of social enterprise is described to create jobs, economic empowerment, community benefit, training for those under threat of exclusion etc.
4. Social enterprises are mostly not allowed to distribute profits or the distribution of profits is strictly restricted and should be targeted to the social aims of the enterprise.

Weaker similarities can be found in the criteria of participation of the target group and independency of the enterprise from the public sector and from the for-profit organisations.

5 Summary

The emergence of social enterprises is connected to globalisation, changes in the industrialised world and diminishing tax revenues in these countries. The phenomenon is worldwide and related to the need to have alternative or additional financing to cover public spending on social and welfare services or merely to compliment the some times ill-functioning public or private services.

The definitions and characteristics of a social enterprise are very similar to each other, all over the world. Characteristics that are common include: 1) Continuous production of goods and/or services by which social enterprises are separated from the social associations and other non-profit organisations. 2) A significant level of economic risk and a minimum level of paid work that are typical characteristics for any enterprise. 3) And explicit aim to benefit the community that characterises the double bottom line approach of social enterprises.

A specific type of social enterprises are work integration social enterprises. In Finland we can find at least three types of work integration social enterprises fulfilling most of the widely accepted EMES characteristics. The types are labour co-operatives, co-operatives for disabled persons and enterprises owned by associations in the social sector and private work centres. These we have to call potential social enterprises due to the legislation that took effect in the beginning of 2004 in Finland.

This article emphasises clearly the potential of the social enterprises to create work. Social enterprises are clearly a part of social and employment policies in Finland and in Europe. Social enterprises create new work opportunities for those in a weak labour market position and contribute thus to the efforts of raising the employment rate. A Finnish speciality is the lack of vocational and other education in social enterprises. This may be due to the separation of the educational organisations for the disabled and unemployed from the employing organisations themselves.

At the moment the Finnish Act on Social Enterprises narrows the concept of social enterprise to include only those social enterprises that are active in mainly production of goods. The role of

registered social enterprises is marginal in employing the unemployed. The legislation also encourages establishing industrial and capital-intensive enterprises, which may steer new social enterprises to choose other than community-oriented types company ownership structures. This may prove to weaken the results of integration to work.

It is very likely that social enterprises have come to stay in Finland and in the rest of the industrial world. Legislation on social enterprises progresses all the time and there will be new tasks for the social enterprises to take care of, both in work integration and social services.

Bilography

Borzaga C. and Defourny J. (eds.) 2001, *The Emergence of Social Enterprise*, Routledge, Aldershot.

Borzaga C., Lepri S & Scalvini F. 1992, *Primo raportto sulla cooperazione sociale*. Conzorzio Gino Mattarelli, Milan.

DTI 2002, *Social Enterprise. A Strategy for Success*, Department of Trade and Industry, London.

E.C.HO. Project 1997, *Social Firms*. Garant. Leuven.

Emerson Jed and Twersky Fay (eds) 1996, *New Social Entrepreneurs: The Success, Challenge and Lessons of Non-Profit Enterprise Creation*, The Roberts Foundation Homeless Economic Development Fund, San Francisco.

Esping-Andersen Gösta 2005, *Towards the good society, once again?* in Esping-Andersen Gösta with Gallie Duncan, Hemerijckk Anton, Myles John. *Why we need a New Welfare State*. Oxford University Press. Oxford.

Esping-Andersen Gösta with Gallie Duncan, Hemerijckk Anton, Myles John 2005, *Why we need a New Welfare State*. Oxford University Press. Oxford.

European Commission 2001, *Co-operatives in Enterprise Europe*, Consultation Document 7.12.2001.

Huotari Tiina 2005, *Sosiaalisen yrityksen uudet kehykset (New frames for the social enterprises)* University of Jyväskylä, Master's graduate theses September 2005, Jyväskylä.

Julkunen Raija 2005, *Vastamyrkkyä pelon kulttuurille – Ulrich Beck ja riskiyhteiskunnan diagnoosi, (Poison to the culture of fear –Ulrich Beck and risk-society in, Saari Juho (toim.), Hyvinvointivaltio - Suomen mallia analysoimassa (Welfare State - Analyzing the Finnish Model)Yliopistopaino (Helsinki University Press) Helsinki.*

Laurinkari Juhani2004, *Osuustoiminta utopiasta kansainvälisen yrittämisen muodoksi (Co-operatives from utopia to international model of enterprise)*, Pellervo, Kuopio.

Law No. 381 (3 November 1991) *Regulations governing social co-operative societies*, Italy.

Maiello Marco 2000, *Social enterprises and new employment in Europe*, Volume II Case Studies, Trentino-Südtirol, Trento.

Mannila Simo 1996, *Sosiaaliset yritykset Euroopassa. Eräitä käytännön näkökulmia (Social Firm in Europe)*, Stakes.

Mononen Arto (ed.)1997, Social Firms – new jobs for the disabled, Honkalampi-säätiö / Honkalampi Foundation, Joensuu.

Nylund Marianne and Pättiniemi Pekka 2000a, Ideell och Kooperativ verksamhet I den finska tredje sektorn, in Wijkström Filip och Johnstad Tom. (eds.) 2000, Om Kooperation och social ekonomi, Röster i ett nordiskt samtal, Kooperativ Årsbok, Stockholm.

Nylund Marianne and Pättiniemi Pekka 2000b,. Vapaaehtoistoiminta ja osuustoiminta – löytyykö yhteisiä arvoja (Voluntary action and Co-operative action in the Finnish Civil society), Osuustoimintatutkimuksen vuosikirja 2000, Mikkeli.

Pestoff Viktor 1998, Beyond the Market and State, Social Enterprises and Civil Democracy in Welfare Society; Aldershot, Brookfield, Singapore, Sydney & Tokyo, Ashgate & English Editions.

Pezzini Enzo 2003, CGM-consorzio – the development of a business network in Pättiniemi Pekka (ed.), Verkostoituvat pienosuuskunnan (Networking small co-operatives), Helsingin yliopisto Maaseudun tutkimus- ja koulutuskeskus, Mikkeli.

Poutanen Veli-Matti 2005, Kuntoutusjärjestelmä vammaisten henkilöiden tukena työmarkkinoilla (Rehabilitation system as a support in employment) in Laurinkari Juhani – Saarinen Anja (toim.), Sanomaton Sanoiksi. Puhevammaisten tulkkipalvelun työntekijöiden koulutus Sosiaalisen kuntoutuksen projektissa (Speechless to words. Interpreter training in the social rehabilitation project) (SOKU) 2000-2003, STAKES.

Pukkio Matti 2003, Finnish social enterprises – Act to Parliament in the Autumn, Presentation to International Conference on Structures of Social Enterprises and firms, Tuusula June 12 2003.

Pättiniemi Pekka 1999, Social entrepreneurship an answer to unemployment and exclusion. In Ekholm Elina (ed.) 1999, Immigrants as Entrepreneurs. Experiences of Multicultural Co-operatives, Reports of University of Helsinki Vantaa Institute for Continuing Education 22. Vantaa.

Pättiniemi Pekka 2000c, Kolmannen sektorin liepeillä – sosiaaliset yritykset (Around third sector – social enterprises), Hyvinvointikatsaus 1/2000, Tilastokeskus, Helsinki.

Pättiniemi Pekka 1998, Uusosuustoiminta Euroopassa (New co-operative movement in Europe) in Koskiniemi Erkki.(toim.) Osuustoiminnallinen yhteisyrittäminen (Co-operative entrepreneurship), KSL-kirjat, Tampere.

Pättiniemi Pekka 1998 Finland in Borzaga Carlo and Santuari Alceste (eds.) 1998, Social enterprises and new employment in Europe, Autonome Region Trentino-Südtirol, Trento.

Pättiniemi Pekka (ed.)1995, Sosiaaliosuustoiminta Euroopassa ja Suomessa. (Social co-operatives in Finland and abroad) in Pättiniemi Pekka (toim.), Sosiaalitalous ja paikallinen kehitys (Social Economy and local development), Publications of Institute for Co-operative Studies, University of Helsinki No 11, Helsinki.

Pättiniemi Pekka 2005, La nuova legge sulle imprese sociali in Finlandia, Impresa Sociale n. 4/2004, Brescia.

Saari Juho. 2005. Hyvinvointivaltio ja sosiaalipolitiikkaa (Welfare State and welfare policy) in Saari Juho (toim.), Hyvinvointivaltio - Suomen mallia analysoimassa (Welfare State - Analyzing the Finnish Model), Yliopistopaino (Helsinki University Press), Helsinki.

Singer Paul, Triba Lia, Guimaraes Goncalo 2002, Social Economy in Brasil in De Sousa Santos, Boaventura (ed.) Produzir para viver: os caminhos da producao nao capitalista, Rio de Janeiro, Civilizacao Brasileira.

STAKES-Consortium (no year), Finland, Edinburgh Community Trust, Scotland, U.K. Birmingham City Council, England, U.K. .AFAEPS, Spain and TAG Unit, Highland Communities NHS Trust, Scotland, UK.

Stenholm Pekka & Lehto Johanna 2000, Sosiaalinen yritys Suomessa, Soveltuvuustutkimus sosiaalisen yrityksen mallista (Social Enterprise in Finland), Turun kauppakorkeakoulu yritystoiminnan tutkimus- ja koulutuskeskus, PK-instituutti, Julkaisusarja B 9/2000.

Talbot Chris, Tregilgas Peter, Harrison Kerrie 2002, Social enterprise in Australia, Adelaide Central Mission, Adelaide.

Ylipaavalniemi Pasi 2001, Vammaisten ja vajaakuntoisten työllistämisen kokonaiskartoitus (Mapping of the employing measures for the disabled), VATES –säätio/Sosiaali- ja terveystieteiden tutkimuskeskus, Helsinki.

Ylipaavalniemi Pasi 2003, Vajaakuntoisten työllistäminen - Tuotannollista toimintaa harjoittamalla, - Tuetun työllistymisen menetelmällä (Employing the disabled in productive activities by the method of supported work), VATES-säätiön julkaisuja.

<http://www.mol.fi>

<http://www.se2.org/unflash/WhatSE2/WhatSE2.html>

<http://www.sekn.org/> <http://www.se-alliance.org/>

<http://www.hw.ac.uk>

<http://www.cooperatives-uk.coop>

<http://www.emes.net>

<http://www.oecd.org>

Kuopio University Publications E. Social Sciences

- E 113. Jauhiainen, Annikki.** Tieto- ja viestintäteknikka tulevaisuuden hoitotyössä: asiantuntijaryhmän näkemys hoitotyön skenaarioista ja kvalifikaatioista vuonna 2010. 2004. 184 s. Acad. Diss.
- E 114. Kattainen, Eija.** Pitkittäistutkimus sepelvaltimoiden ohitusleikkaus- ja pallolaajennuspotilaiden terveyteen liittyvästä elämänlaadusta. 2004. 139 s. Acad. Diss.
- E 115. Kuivalainen, Leena.** Eturauhassyöpää sairastavien miesten terveyteen liittyvä elämänlaatu vuoden seuranta-aikana. 2004. 179 s. Acad. Diss.
- E 116. Lammintakanen, Johanna.** Health care prioritisation: evolution of the concept, research and policy process. 2005. 141 s. Acad. Diss.
- E 117. Hintsala, Arjaterttu.** Autonomia ammatista poistumisen ennakoijana hoitotyössä: nais- ja mieshoitajien arviointia ja vertailua päätöksenteosta, pätevydestä, työn tärkeydestä ja johtamisesta hoitotyössä. 2005. 199 s. Acad. Diss.
- E 118. Virtanen, Ritva.** Sairaanhoidajat Suomen sota-ajan lääkintähuollon tehtävissä 1900-luvulla. 2005. 275 s. Acad. Diss.
- E 119. Rynnänen, Ulla.** Sairastamisen merkitys ja turvattomuustekijät aikuisiässä. 2005. 224 s. Acad. Diss.
- E 120. Jyrkinen, Anna Riitta.** Mielisairaanhoito Kellokosken piiriemielisairashoitolassa vuosina 1915-1918: hoitoalan ensimmäisten potilaiden dokumentteihin perustuva analyysi. 2005. 182 s. Acad. Diss.
- E 121. Jakonen, Sirkka.** Terveyttä joka päivä: itäsuomalaisen peruskoulun oppilaiden näkemyksiä ja kokemuksia terveyden oppimisesta. 2005. 209 s. Acad. Diss.
- E 122. Tirronen, Jarkko.** Modernin yliopistokoulutuksen lähtökohdat ja sivistyskäsitys. 2005. 148 s. Acad. Diss.
- E 123. Silén-Lipponen, Marja.** Teamwork in operating room nursing. 2005. 108 s. Acad. Diss.
- E 124. Itäpuisto, Maritta.** Kokemuksia alkoholiongelmiaisten vanhempien kanssa eletystä lapsuudesta. 2005. 153 s. Acad. Diss.
- E 125. Sinkkonen-Tolppi, Merja.** Maailma kutsuu, katkeavatko juuret? Nuorten kotiseudulle kiinnittyminen ja sen yhteys nuorten sosiaaliseen pääomaan. 2005. 130 s. Acad. Diss.
- E 126. Taskinen, Helena.** Oikeudenmukaisuus ja kulttuurien kohtaaminen sosiaali- ja terveysalojen organisaatioiden yhdistämisessä. 2005. 228 s. Acad. Diss.
- E 127. Korhonen, Heikki.** Tietojärjestelmät suun terveydenhuollon ohjauksessa ja johtamisessa Suomessa 1972-2001. 2005. 219 s. Acad. Diss.