



NATIONAL PROFILES OF WORK INTEGRATION SOCIAL ENTERPRISES: FRANCE

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The "ELEXIES" Project

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

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

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

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

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

b) A high degree of autonomy

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

c) A significant level of economic risk

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

d) A minimum amount of paid work

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

¹ See C. Borzaga & J. Defourny (2001), *The Emergence of Social Enterprise*, London, Routledge, pp.16-18.

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

i) An initiative launched by a group of citizens

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

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

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

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

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

iv) Limited profit distribution

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

v) An explicit aim to benefit the community

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

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

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Background

The origins of integration initiatives are to be found primarily in the *practices of social work in the field of social action*. These practices were questioned because of their assistencial nature, that reproduced the situations of passivity and dependence of social action beneficiaries. One of the pillars of active employment policies emerged in the 70s with the evolution of the conception of social action. This evolution was also the symptom of a crisis of the welfare state. Subsequently, these enterprises – which developed pedagogic tools considered as more active and best suited to the needs of excluded individuals -, mainly developed in the fields of *training, and then of employment - in the framework of the training-employment relation*. Those social enterprises anticipated the renewal which occurred in the field of *professional training* which became, in the 80s, more focused on formulas combining training and work. Through more active policies, the aim is to help those with a low level of qualifications adapt to the labour market, not through training programmes "disconnected" from the labour market, but through work situations with socialising and training effects, thus rediscovering the virtues of apprenticeship. Finally, new work-integration enterprises emerged in the fields of the *creation of activities and employment in the local development*. The new active policies developed by social enterprises aimed to develop "new sources of activity", to articulate the various aspects of territorial management and to train excluded individuals through work-integration.

The recognition of what is now known as "integration organisations through economic activity" (*structures d'insertion par l'activité économique*) by the technical and administrative bodies is the result of *tensions* and *compromises* between the political and administrative bodies, on the one hand, and the scattered sphere of civil society, on the other hand, that have *co-produced* policies and practices of integration through work.

The unification of the denomination is the result of the will of the political and administrative actors to *unify* the field of integration through work, which had progressively constituted itself through the creation, by actors of the civil society, of various types of organisations, independently from any directive from the State or elected politicians. The study of work-integration social enterprises, their emergence thanks to the innovative actions of civil society actors, and their progressive institutionalisation by public authorities can only be understood when basing the analysis on the tensions between the civil society and the public sphere that have finally co-produced these forms of specific intervention. In France, these tensions were little conflictive, excepted on very scarce occasions.

This recognition by the public powers has been done in different ways for the various types of initiatives. Public authorities grant the agreement and approval for the centres of adaptation to active life (*centres d'adaptation à la vie active*, or CAVA), the integration enterprises (*entreprises d'insertion*, or EI), the intermediate voluntary organisations (*associations intermédiaires*, or AI) and temporary work integration enterprises (*entreprises de travail temporaire d'insertion*, or ETTI), while the label for *régies de quartier*, or RQ and for employers organisations for work integration and training (*groupements d'employeurs pour l'insertion et la qualification*, or GEIQ) are granted by the networks themselves, on the basis of their own criteria. Long-term work integration enterprises (*entreprises insérantes*), which developed self-integration practices with less support from public authorities, constitute a more heterogeneous group. Those seven types of initiatives, which developed in France during the past 30 years, will be studied in the present document.

Centres of adaptation to active life

1. Brief historical description

Historically, the origins of work-integration social enterprises are to be found in the mid-60s, in the so-called "production workshops" (*ateliers de production*), in which work organisation and management were rather informal. Those production workshops gave birth to the centres of adaptation to active life (*centres d'adaptation à la vie active*, or CAVA) (Law n° 74-955 of November 19, 1974 and memorandum n°44 of September 10, 1979), and subsequently to intermediate enterprises (*entreprises intermédiaires*) which have been called, since 1989, integration enterprises (*entreprises d'insertion*, or EI). CAVAs mainly aimed to create jobs with no profitability constraint in a protected economic sector for individuals in great difficulty, some of whom were called "socially disabled" (it was also talked about "occupational work" - *travail occupationnel*).

2. Key features

2.1. Legal form(s) and structure of ownership

The recognition as CAVA is granted to the associative organisations that, in most cases, manage sheltering and social re-integration centres (*centres d'hébergement et de réinsertion sociale*, or CHRS).

2.2. Pursued goals

CAVAs are enterprises that provide work to various groups of people in great distress, some of whom, known under the Law of 1974 as "socially disabled", would be "unable to perform a normal job" within an enterprise. Due to the fact that the workers are considered as disabled, productivity is not as essential as in other types of work-integration social enterprises. The placements in those enterprises can be temporary, but they can also, unlike what is the case in other types of work-integration social enterprises, be long-term placements. In this case, the aim is to give individuals experiencing extremely serious difficulties on the mainstream labour market the possibility to perform a useful activity outside the standards of rentability and productivity, in a more or less protected economic sector. Those on a short-term placement in the CAVA later integrate other types of work-integration social enterprises to pursue their training process.

2.3. Type of jobs provided

Most jobs in CAVAs have a derogatory status from labour law. Most workers are not salaried, receive benefits, do not have a work contract, and are paid in the form of "pocket-money". These jobs are often stable and the workers are also recipients of social benefits. Some have a so-called "solidarity employment contract" (*contrat emploi solidarité*), i.e. a subsidised part-time contract.

2.4. Weight of training

Training remains basic and it is done on the field by the staff. Theoretical training, complementary to practical training, is rare. Training occurs on the working place and remains focused on the practical know-how.

2.5. Type of employed workers

Like some Emmaüs communities, these organisations employ persons who, for various reasons, "have abandoned everything" - a population not far from the homeless, among whom one can find people with certain qualifications and professional experience, but whose psychological history is one of self-abandon.

2.6. Type of resources

A large share of the public support comes from the state and, to a lesser extent, from territorial (local) collectivities. Market resources come from the sale of goods, in particular through subcontracting with market enterprises. The non-monetary resources are of two types: on the one hand, the board of these enterprises is composed of volunteers; on the other hand, CAVAs mobilise local networks, both in the political and administrative fields and in the market economy or in the associative sector.

2.7. Links with public policies

The local social and sanitary work departments (*directions départementales de l'action sanitaire et sociale*, or DDASS) support these initiatives. Employment services are still reluctant regarding that type of experiences that derogate from labour law. They can get financial support from local territorial collectivities in the form of social benefits.

2.8. Basic data

Figures on CAVAs are difficult to collect. Within the National federation of sheltering and social reintegration associations (*Fédération nationale des associations d'accueil et de réinsertion sociale*, or FNARS), there were 70 CAVAs in 1991. The average turnover for a CAVA was 152,449 euros but there were significant variations from one CAVA to another. There were also 17 "living centres" (*centres de vie*), which are initiatives similar to CAVAs. In 1998 there were 110 CAVAs and workplaces linked to Sheltering and social reintegration centres (*Centres d'hébergement et de réinsertion sociale*, or CHRS).

3. Relation to the EMES socio-economic criteria

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

CAVAS produce and sell goods continuously, even though the sale of services is usually not the main source of revenue.

3.2. A high degree of autonomy

CAVAs can be managed by autonomous associations or constitute a workshop within a Sheltering and social reintegration centre (*Centre d'hébergement et de réinsertion sociale*, or CHRS). CHRS have a wider hosting role linked to their central aim of offering shelter to individuals in difficulty.

3.3. A significant level of economic risk

At the economic level, the revenues from the sale of services are generally lower than in other structures offering integration through an economic activity. The CAVAs, which are largely subsidised and very dependent upon associations financed by public authorities for their social action, seem to be protected from any major economic risk, even though those subsidies are normally time-limited and are not stable. The financial risks run by CAVAs are mainly linked to the institutional recognition of their mother association. For example, when a CHRS closes, the CAVA it has set it up may be threatened as well.

3.4. A minimum amount of paid work

Even though the workers of CAVAs do not always have the status of salaried workers ruled by common law and can be paid in the form of pocket-money, CAVAs are based on a logic of paid work, not of volunteering.

3.5. An explicit aim to benefit the community

The collective interest lies in the integration of individuals in difficulty. CAVAs are often part of associations with wider aims than integration through economic activity: offering shelter, mainly in emergency cases, social monitoring...

3.6. An initiative launched by a group of citizens

Most of those initiatives of integration through a protected job emerged in the 70s in the field of specialised education (i.e. training for the handicapped) and of sheltering and social rehabilitation centres (CHRS).

3.7. A decision-making power not based on capital ownership

Since CAVAs can only be set up by organisations of the associative type, the decision-making power is not based on capital ownership.

3.8. A participative dimension involving the persons affected by the activity

There are no specific dispositions regarding the participation of the salaried workers in CAVAs; each association defines its own policy in this regard.

3.9. A limited profit distribution

Since CAVAs can only be set up by organisations of the associative type, the issue of profit distribution needs not even be raised: associations are non-profit organisations and the profits realised by these initiatives are usually very limited.

4. The supporting umbrella structures

There is no federative organisation specific to CAVAs; the National federation of sheltering and social reintegration associations (*Fédération nationale des associations d'accueil et de réinsertion sociale*, or FNARS), which groups together the sheltering and social reintegration centres (*centres d'hébergement et de réinsertion sociale*, or CHRS), is the main federation representing CAVAs.

5. The innovative features

These initiatives were pioneers in their field, in the 70s, and the recognition of CAVAs (in 1974 and 1979) represented the first step in the recognition of organisations offering integration through economic activities.

Integration Enterprises

1. Brief historical description

Integration enterprises were first called "intermediate enterprises" (78-89) or "alternative enterprises" (78-85). Most of them originally operated on protected markets, but they progressively became enterprises operating in the competitive market economy. On the basis of fixed-term work contracts, they socialise individuals in difficulty and train them in real work situations in order to give them the capacity necessary to gain access to the mainstream labour market.

The economic organisation is conceived as a set of means and tools serving a social aim, namely the social and professional integration of individuals on the labour market, through a social and training process. This training aims, most of the time, at the acquisition of practical knowledge and know-how which remain below a professional qualification level. Integration enterprises offer fixed-term contracts and the level of the salaries is equivalent to the so-called "minimum inter-professional growth salary" (*salaires minimum interprofessionnel de croissance*, or SMIC, i.e. the minimum guaranteed wage).

2. Key features

2.1. Legal form(s) and structure of ownership

The procedure of recognition of integration enterprises by the state does not impose a specific legal status. Integration enterprises can be associations ruled by the so-called "Law 1901" (non-profit organisations), commercial companies or production co-operatives. In 1992, associations represented 75% of integration enterprises, but this percentage has been continuously decreasing ever since, while the share of organisations with a commercial status increased. In 1997 the share of associations among integration enterprises was down to 66%. And an analysis of the legal form chosen by the integration enterprises created during the 90s reveals that a growing number of entrepreneurs choose a commercial legal status: limited liability companies represented 14% of the integration enterprises created in 1992; 19% in 1993, 21% in 1994. In 1998, according to the inventory published by the National committee for integration enterprises (*Comité national des entreprises d'insertion*, or CNEI), the distribution was the following: 58% of integration enterprises were associations; 21% were limited companies with limited liability (*sociétés anonymes à responsabilité limitée*, or SARL), 9% were limited companies (*sociétés anonymes*, or SA), 3% were workers production co-operative societies (*sociétés coopératives ouvrières de production*, or SCOP) and 9% were one-person limited liability companies (*entreprises unipersonnelles à responsabilité limitée*, or EURL).

2.2. Pursued goals

The official document re-establishing state support (this support had been suppressed in 1986) for enterprises offering integration through economic activities (Memorandum DE n° 89/19, DAS n° 89/07 of March 31, 1989) defines them as follows: *"An enterprise performing integration through economic activities produces goods and market services like any other enterprise. It hires, in addition to permanent employees, other workers - young people or adults -, who have experienced repeated failures and are in a precarious situation [...] Through its activity of production, [it] offers the workers hired the possibility, thanks to the time-limited stay in the enterprise, to gain access to the labour market in the best possible conditions"*.

The objectives given to the work-integration vary from one enterprise to the other and from one target group to the other: they include socialisation and the acquisition of new behavioural standards in a work environment, the learning of practical knowledge, the acquisition of a professional qualification. These enterprises seek above all to favour the acquisition, for people who did not master them, of the skills which are necessary to gain access to the labour market. But they can have as an objective to help some individuals gain access to trainings leading to an occupational qualification.

2.3. Type of jobs provided

The jobs offered are always temporary (fixed-term contracts), with the exception of a very small minority, since the aim of integration enterprises is to help their workers gain access to the labour market. According to the logic behind these enterprises, it is the status of salaried worker which constitutes one of the key factors for the success of integration through work, because this status helps the workers feel again socially useful through a job, an identity and self-esteem (pay-slip, salary, social insurance) and self-confidence.

2.4. Weight of training

The training is generally informal, "on the field", and it is imparted by specialised trainers or tutors, and it is limited to the acquisition of practical knowledge. Some enterprises gain access to the financial means necessary to offer their salaried workers additional training of a more general and theoretical nature and imparted by trainers (Eme, Regnault, 1988), either within the integration enterprise or in a training centre. Some integration enterprises implement a "pedagogy of progressiveness" that consists in transferring the employees from a sector of activity requiring only a low level of qualification (gardens maintenance, for example) to more demanding sectors in terms of required know-how, autonomy in the work and complexity of the work to be done. In a general way, the ways of acquiring the practical experience (practical know-how) produce mere executants, very different from the identities which result from the so-called "model of competence", now considered of higher value by enterprises (Dubar, 1991). On the other hand those trainings on the field are sometimes linked to a social monitoring, that are done either by salaried employees of the integration enterprise, or by external personnel belonging to social institutions.

2.5. Types of employed workers

According to article L.322-4-16 of the labour code (law of July 29, 1998), the salaried workers hired by integration enterprises are "unemployed people facing particular social and professional difficulties". As said in a memorandum of 1989, the aim is to face *"the situation of population groups in a very difficult situation, cumulating a very low level of training and social handicaps, who encounter themselves too often in situations of increased marginalisation and are rejected towards social welfare systems"*. In this perspective, the authorities demand that the recruitment of young people in great difficulty, of very long term unemployed, of social support and minimum integration income (*revenu minimum d'insertion*, or RMI) recipients, of people on probation, ex-convicted or ex-drug addicts be privileged. With the passing of years, the authorities have increasingly encouraged these enterprises to hire the people with the most serious difficulties. As statistics show, and according to criteria used by the administration, the workers of integration enterprises are, socially, the most underprivileged among the target groups of the various types of work-integration social enterprises. In 2000, among the workers hired by integration enterprises, 36.6 % were RMI recipients and 16.9 % were young people in great difficulty. In 1999, these percentages reached respectively 42 % and 23.2 %.

2.6. Types of resources

The market resources come from direct markets at the local level, but also from subcontracting with local enterprises. Some enterprises also have important contracts with the public bodies in the respect of public markets standards.

Public subsidies granted to these enterprises aim at "remunerating the integration service" provided to the community.

Some integration enterprises can operate in sectors where competition does not exist while taking advantage of solidarity networks and of support from, for example, municipalities which grant them protected markets or which can help them in various ways (free access to buildings and materials, logistical support etc). Other enterprises – often large ones - provide them immaterial support (management assistance, temporary placing at their disposal of skilled workers or technicians etc). In this sense, these social enterprises mobilise in their local working area very dense and significant resources networks. The configuration of these networks generally depends on the personality of the director and of the people who manage the enterprise voluntarily: resources from institutions (universities, training centres, etc.), administrations which provide information and expertise, networks of volunteers (associations of pensionists, associations for people's training, trade unionists, etc.), trade unions of employees, but also sometimes of employers, etc. In the voluntary resources, one must distinguish between those which govern the orientations and the political decisions of these social enterprises, and those which are implied in their daily operation (management assistance, training, tutoring, administration assistance, marketing, search for economic markets). With the years and the professionalisation of these enterprises, the voluntary resources in these last aspects, which were significant in the 80s, became weak, or even non-existent.

2.7. Links with public policies

These enterprises receive public aid "to remunerate the integration service" provided to the collectivity and to make up for the lower productivity of the people in integration. To obtain the registered denomination of "integration enterprise", an enterprise must ask for it at the Local department for work and employment (*Direction départementale du travail et de l'emploi*, or DDTE) which, after opinion of the Departmental council for integration through economic activity (*Conseil départemental de l'insertion par l'activité économique*, or CDIAE), gives its decision. Multi-annual agreements can also be signed, and the annual procedures for renewal are then less time-consuming. These initiatives went through difficult times regarding their recognition (cf. the suspension of support to intermediate enterprises in 1986), but integration enterprises are now recognised by the law and their specificity is registered in labour law. The public support for integration granted by the Local departments for work and employment (*Directions départementales du travail et de l'emploi*, or DDTE) amounted to 5,793 euros per year and per post until 1998. Law of July 29, 1998 raised the amount of this aid – which cannot be cumulated to other employment support measures - to 7,622 euros; this amount is increased when the 35-working hour week is implemented. Moreover, the Department of social action (*Direction de l'action sociale*, or DAS) may also grant aid taking into account some social aspects of integration.

2.8. Basic data

In 1990, there were 207 integration enterprises. Less than ten years later, in 1999, they were 796 and had employed 13,000 people in integration during the year, with the fixed aid granted by post in 90% of the cases. The permanent employees were 4,700 (in full-time equivalents) by the end of the year, that is to say an average of 5.9 employees per enterprise, while the average number per enterprise of workers hired in the framework of the integration process was slightly above eleven. More than half (54.4 %) of integration enterprises had less than 10 salaried workers and 2% of the enterprises had more than 50 salaried workers. The average number of salaried workers in integration by enterprise was 10.8 in 2000. Integration enterprises were mainly active in the following activity sectors: the building industry/public works, the environment and the provision of services to the enterprises, this last sector ever increasing its share. At the end of 2000, 861 integration enterprises were in activity; they had hired 12,440 people during the year and counted 9,260 salaried workers in integration by the end of the year. The total number of permanent employees - full time equivalent - was 4,260.

3. Relation with the EMES socio-economic criteria

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

As soon as 1985 (Memorandum of April 24, 1985 regarding the experimental support programme for intermediate enterprises), public authorities have considered these integration enterprises as fully-fledged commercial enterprises, conversely to intermediate voluntary organisations.

3.2. A high degree of autonomy

In order to benefit from a public recognition, an integration enterprise must constitute a distinct legal structure. But beyond this legal aspect, the autonomy of each enterprise must be more accurately evaluated, on a case by case basis, according to the degree of influence - sometimes within the administrative bodies of the organisation - exercised by the local communities, or even by actors of the private sector.

3.3. A significant level of economic risk

The share of subsidies in the total resources amounted on average to 22% for integration enterprises, according to the National committee for integration enterprises (*Comité national des entreprises d'insertion*, or CNEI) in 1998. According to the nature of the sectors in which the enterprises are active, the economic risk comes from the market trends but also often from the local political will to support these initiatives by allocating them public markets or by helping them through subsidies or through placing elements such as buildings at their disposal.

3.4. A minimum amount of paid work

The recourse to salaried work as an integration tool, hiring workers with common right work contracts (but fixed-term ones) is one of the historical bases of the action of integration enterprises. Such a process is totally opposed to the development of "parking place trainings", in which the workers are "parked" with no real chance to evolve. An important stage in the evolution of work-integration was the publication of the 1985 memorandum regarding the support programme for intermediate enterprises. That memorandum validated, for the first time, the status of salaried workers in these experiments, to the detriment of the status of trainee of the vocational training. Wage-earning as a tool of the work-integration process is at the very heart of these initiatives. Belonging to the world of salaried workers gives a sense of identity and dignity (pay-slip, wages, social insurance) and hence constitutes a supposed psycho-sociological component of integration.

3.5. An explicit aim to benefit the community

The aim of these enterprises, i.e. the work-integration of individuals in difficulty, is explicitly of collective interest. Moreover, in some fields of activity (such as the environment), the production itself can also be of collective interest.

3.6. An initiative launched by a group of citizens

It appears necessary to distinguish several categories of dynamics. There are those - the vast majority - which come from private associations in the fields of social work, training or local development: an institution or a professional worker carries out a social enterprise project and develops its own networks in the various sectors concerned with integration through work.

Other actions, but those are a minority, come from the public sector (local authorities, social housing, counties) and become tools for the local public authorities, although they keep a certain management autonomy. Others still, also a minority, come from

members of associations or trade unions that are not necessarily deeply rooted in the institutional fields of the social action or training: their action is motivated by the fight against poverty or exclusion, and this action can remain limited to a restraint area and according to logics of a more activist than professional nature.

3.7. A decision-making power not based on capital ownership

Stock companies can be labelled as "integration enterprises" even though, in practice, 61% of integration enterprises have a status derived from the social economy. For those with a status of stock company and in which the decision-making process is linked to capital ownership, it has to be underlined that the majority shareholder is very often an association.

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

There is no specific disposition, other than what is the case in other enterprises, regarding the participation of the workers in integration. It must be noted that only 3% of these initiatives have the status of workers co-operatives, whereas in Italy work-integration initiatives are carried out by (B-type) social co-operatives in which the workers hold the majority of the votes within the managing bodies.

3.9. A limited profit distribution

The recognition convention for integration enterprises can be passed with associations or commercial companies. There is consequently no obstacle to the remuneration of the capital, even though, in practice, when an integration enterprise has a commercial status, the mother-association is, in most cases, the biggest shareholder in the company.

4. The supporting umbrella structures

The National committee for integration enterprises (*Comité national des entreprises d'insertion*, or CNEI), created on March 23, 1988, grouped, in 1998, 450 out of the 784 existing integration enterprises. In 2002 the CNEI grouped more than 500 integration enterprises and temporary work integration enterprises. It has to be noted that the National federation of sheltering and social reintegration associations (*Fédération nationale des associations d'accueil et de réinsertion sociale*, or FNARS) and the Co-ordination of organisations providing support through work to the unemployed (*Coordination des organismes d'aide aux chômeurs par l'emploi*, or COORACE) also group initiatives recognised as integration enterprises. Similarly, the *Régies de quartier* are also often registered as integration enterprises.

5. The innovative features

Integration enterprises have played a key role to carry out simultaneously social and economic objectives and to have this mixed character of their aims acknowledged and consequently financed by public authorities. The innovative character of integration enterprises is also linked, for some of these enterprises, to the type of activity chosen, mainly in the fields of environment and salvation of waste.

Intermediate voluntary organisations

1. Brief historical description

This type of social enterprise was designed and set up for the first time in the years 83-84 in Redon, in the department of Ille-et-Vilaine. In this employment area that underwent severe re-structurations, it was noted that, on the one hand, many unemployed persons lost their motivation to look for a job or kept receiving unemployment benefits granted by the National agency for work (*Agence nationale pour l'emploi*, or ANPE) while, on the other hand, some punctual or occasional activities, often requiring only a low level of qualification, do not end up in the creation of a job, remain unattended or are performed in a non-declared way ("black work"). The idea then emerged to create *new proximity intermediaries* between supply and demand for work. These new intermediaries should no longer act through institutional actors, which were limited by their own rules and operating standards, but through more flexible and reactive organisations, closer to the different local actors concerned.

In disagreement with the employment legislation, that limits the lending of workforce, these organisations place at the disposal of people or organisations, for a short-term period, unemployed individuals who are paid as salaried workers of the organisation. After a two-year period (1984-1986) during which these organisations multiplied themselves, first in Britain and Normandy, then in Northern France and finally everywhere in the country, they become the focus of attention of public authorities. Public authorities, pessimistic about an upturn in economic activities, wanted to implement new employment policies, of a more active nature, through the creation of new sources of employment. A tension rapidly emerged between public authorities, whose sole aim was this, and organisations, that gave work-integration and the social monitoring of their workers the priority. A compromise led to the institutionalisation of intermediate voluntary organisations (*associations intermédiaires*, or AI) with a two-fold objective: the creation of activities not competing with the private and public sectors, and the integration "of the individuals who encounter themselves in the most difficult situations as far as their resources, their rights to social benefits and their employability are concerned".

2. Key features

2.1. Legal form(s) and structure of ownership

The law provides that intermediate voluntary organisations can only be associations.

2.2. Pursued goals

Set up under the law of 1987, the intermediate voluntary organisation has been defined by an exclusive aim: "*Its aim is to hire unemployed persons with re-integration problems, among others recipients of the minimum income support (RMI), long term unemployed and unemployed over 50, to place them (against payment) at*

the disposal of physical or legal persons for developing activities that are not ensured, in the local economic conditions, by the private initiative or by public collectivities or organisations benefiting from public resources". Intermediate voluntary organisations were thus obliged to link their aim of work-integration through the lending of workforce to *the need to develop new activities that do not compete with the already existing activities*, performed either by private initiatives or by public collectivities. That non-competition constraint was abolished in 1998, but the placing of workers at the disposal of enterprises is limited in time by rules dictated by public authorities. Integration through the placing of the workers at disposal of enterprises is restricted to avoid abuses and drifts through which these organisations would be in competition with temporary work enterprises. Since passing of the Law of 1998 intermediate voluntary organisations have been considered as a first step in the integration process for "people in great difficulties of integration or social or professional re-integration, unemployed with no resources or whose level of resources is not sufficient, and who cannot access directly to the labour market".

2.3. Type of jobs provided

Given the characteristics of the lending of workforce, the integration through a salaried job, paid on the basis of the "minimum interprofessional growth salary (*salair minimum interprofessionnel de croissance*, or SMIC), is therefore based on irregular and uncertain missions, that can be very short or, on the contrary, combine in such a way that the workers get a large amount of work in a short period of time. In 1997, each worker worked an average of one month, full-time, per year (Dares, 1998). Since 1998 the total amount of work performed by a worker has been limited; it cannot exceed 240 hours in the twelve months following the date of the first working day. When talking about the employees of intermediate voluntary organisations, one must distinguish between the workers placed at the disposal of other enterprises and the permanent staff ensuring the management of the association, the reception, the follow-up and the monitoring of the workers undergoing the integration process. The permanent staff cannot benefit from the same exemption from social charges than the workers in integration, salaried on a discontinued basis, but they can be employed in the framework of employment and vocational training programmes ("back-to-work contract", "qualification contract", "solidarity employment contract"...).

Some intermediate voluntary organisations orientated their activities towards the promotion and the professionalisation of proximity services: the Co-ordination of organisations providing support through work to the unemployed (*Coordination des organismes d'aide aux chômeurs par l'emploi*, or COORACE) created a specific network of organisations, with a label named "Proxim' services", thanks to the "Family employment" (*Emplois familiaux*) programme adopted by the government at the beginning of the 90s – a programme that, through fiscal exemptions, makes money available for funding the demand for services. Similarly, some intermediate enterprises became active in the environmental field (maintenance of rivers and woods, creation and maintenance of trekking paths, urban planning etc.) in order to professionalise it and to create within it integration dynamics for the unemployed.

2.4. Weight of training

Some organisations devote some time to the training of their workers, in co-operation with local training structures, but those are still a minority. Several logics were developed (Eme 1989). Some organisations have set up a tutoring system with qualified workers who were unemployed and registered in the association. Other organisations have created short training modules. In some sectors, such as proximity services for the individuals or the environmental sector, intermediate voluntary organisations have carried out quite dense and continuous training programmes in order to allow the professionalisation of their salaried workers.

2.5. Types of employed workers

Until 1998, partly due to the kinds of workers they employ, intermediate voluntary organisations had to obtain a pre-recognition by the state, which they received after going through a procedure. Since 1998, they have operated, like integration enterprises and temporary work integration enterprises, in the framework of an "agreement procedure" with a representative of the state.

The analysis of the categories of workers hired by social enterprises reveals that intermediate voluntary organisations are the only initiatives that, given their activities, hire more women than men: in 2000, women represented 59.3% and men 40.7% of the workers; in 1999, these figures amounted respectively to 54.9% and 45.1%. Another particularity of intermediate voluntary organisations is that they are the type of social enterprises in which the share of very long term unemployed among the total number of workers is highest: in 2000, one salaried worker out of 5 (20.8%) had been unemployed for more than 3 years prior to his/her employment in the intermediate voluntary organisation.

2.6. Types of resources

To encourage employment creations in new fields of activities, the legislator introduced reductions of fiscal charges and exonerations from social contributions for these organisations: a derogation to common law allows them to reduce labour cost while remunerating their workers on the basis of the SMIC. Recognised intermediate voluntary organisations are VAT exempted. Intermediate voluntary organisations thus have to self-finance themselves, thanks to exemption from social charges. However, for their starting up, development or consolidation, they can receive financial state support in the framework of the Departmental integration fund (*Fond départemental de l'intégration*, or FDI), after consultation of the Departmental council for integration through economic activity (*Conseil départemental de l'insertion par l'activité économique*, or CDIAE). They can benefit from additional funding linked to the social monitoring of the workers in integration. They can also receive support from the local authorities through the so-called Local programmes for integration and employment (*Plans locaux d'insertion et d'emploi*, or PLIE), from local authorities in the framework of the minimum integration income (*revenu minimum d'insertion*, or RMI) or from state services for the support to specific target groups. They can also be indirectly financed through local authorities (placing of buildings at their disposal, support for non-material investments etc.).

The market resources come from placing the salaried workers at the disposal of individuals, market enterprises and non-commercial enterprises. In 1991, in the total number of hours worked, individuals' share represented 25.4%; this share amounted to 22.1% in 1992 and to 26.4% in 1994, against 49.5% for market enterprises and 20.2% for non-market ones. As we can see, the share of individual households has been continuously increasing in market resources. From 1999, this increase has become even stronger, so that individuals accounted for more than half of the hours worked in 2000. Conversely, market enterprises' share was notably reduced (49.5% in 1994, 17.2% in 2000). Public rules on the limitation of the working hours for which an exoneration from social charges is granted for placing the workers at the disposal of enterprises, on the one hand, and a new repartition between intermediate voluntary organisations and temporary work integration enterprises, on the other hand, account for this evolution. As a matter of fact, intermediate voluntary organisations are more and more providing services to individuals - small proximity services that enterprises and craftsmen do not find it profitable to carry out or do not perform.

The resources of volunteering vary greatly from one intermediate voluntary organisation to another. In some the staff responsible for the monitoring and the follow-up of the workers in integration might be to a large extent voluntary, whereas other intermediate voluntary organisations have chosen the path of professionalisation and salaried work for this staff (Eme *et al.*, 1989). Similarly, the networks mobilised by the organisations at the local level vary greatly and depend on the strategies implemented by the decision-makers and the administrators, strategies that are in turn dependent on the fields to which these people belong, their training, their type of militancy. Some organisations operate in very limited charity networks, whereas others have established co-operations with enterprises, craftsmen, social institutions, training centres.

2.7. Links with public policies

The monitoring of these initiatives by public policies has been important since their origins. The policies have allowed to pass laws on practices that were previously illegal, but they have also brought about restrictions regarding the activities developed by these initiatives. Public rules about the placing of workers at the disposal of enterprises were seen by intermediate voluntary organisations as a questioning of their action and a political will to favour the development of temporary work integration enterprises (*entreprises de travail temporaire d'insertion*, or ETTI). Since 1998, ETTIs have benefited from a total exemption from employers' social security contributions, which partly explains the activity transfer from intermediate voluntary organisations to ETTIs. A re-structuring is happening within the sector of work-integration social enterprises; this trend was wanted by the government, although it was not openly said so.

Moreover, this law caused intermediate voluntary organisations to sign co-operation agreements with the National employment agency (*Agence nationale pour l'emploi*, or ANPE), which influences the modalities of recruitment of the people in integration. That constraint was not always perceived positively, even though collaborations are being set up - it has to be reminded that one of the causes of the setting up of intermediate voluntary organisations is to be found in the shortcomings of institutional

tools to meet job demands while job offers existed. Finally, it has to be underlined that public policies oblige intermediate voluntary organisations to operate in a very limited geographical area and that originally a strong incentive policy had been launched by the government to cover the whole of the national territory.

2.8. Basic data

In 1987 – the year of their creation – there were 225 intermediate voluntary organisations; they were 628 the following year (+179%), and 816 in 1989. Ten years later, in 1999, there were 1,047 intermediate voluntary organisations in activity; they employed 207,600 workers (55% women), representing 18,500 full time equivalents. In 2000, 1,013 intermediate voluntary organisations employed 181,860 workers (59.3% women), or 17,100 full time equivalents. The share of working hours sold to individuals tended to increase, both in 1999 and in 2000, while the share of working hours in enterprises, which had been continuously increasing in the previous years, decreased. In competition with temporary work integration enterprises, the number of intermediate voluntary organisations has been going down since 1997; in the previous years, it had been increasing, although more and more slowly (+3.3% in 1996, +5% in 1995). The number of new intermediate voluntary organisations created reached a peak in 1997, but the volume of employment continued to increase, before going down in 1999. In 1999, the number of intermediate voluntary organisations decreased by 6.9%, whereas the amount of working hours decreased by 7.2%; in 2000 these percentages were respectively of 3% and 18%.

3. Relation to the EMES socio-economic criteria

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

The main source of income of intermediate voluntary organisations is their activity of placing workers at others' disposal, and the main public aids they receive - through exoneration from social security contributions - depend on this commercial activity.

3.2. A high degree of autonomy

Intermediate voluntary organisations are autonomous organisations, despite the legal constraints on their activities. The decree of April 30, 1987 provides that these organisations can only have as an object the aim defined by the law on intermediate voluntary organisations.

3.3. A significant level of economic risk

The level of economic risk is important since, with the exception of exonerations from social security contributions, intermediate voluntary organisations receive very little public aid. However, the evolution of the limits set to these exonerations explains, to a large extent, the reduction of the volume of work (from 22,000 workers to 17,100 workers, in full time equivalents, between 1998 and 2000) and the disappearance of 87 intermediate voluntary organisations in the same period (1,013 intermediate voluntary organisations in 2000, 1,100 in 1998). The economic risk thus depends as

much, or even more, on the way public authorities construct the market than on the evolution of the demand for services.

3.4. A minimum amount of paid work

The creation of jobs, although derogatory to common law, motivated the creation of intermediate voluntary organisations. These initiatives also rely sometimes upon important volunteers networks.

3.5. An explicit aim to benefit the community

Work-integration has a collective interest; moreover, the choice of fields of activity has made it possible to meet non-satisfied social demands, even though meeting these needs is not at the heart of the current support structures.

3.6. An initiative launched by a group of citizens

Many intermediate voluntary organisations originate in the action of people working in the social sector, but analysing the origins of intermediate voluntary organisations reveals a greater variety of dynamics than what is the case for integration enterprises: charity associations, trade unions members, rural associations, members of popular associations. The cultural diversity behind the mobilisation of these people prevented the emergence, with the passing of the time, of a precise and general orientation for these local actions.

3.7. A decision-making power not based on capital ownership

Since intermediate voluntary organisations can only have the associative status, the decision-making power does not depend on capital ownership.

3.8. A participatory dimension involving the people affected by the activity

The recognition can only be obtained if the association is managed exclusively by volunteers who do not have, be it directly or via a third person, any interest (direct or indirect) in the development of the activities of the association or its results. The participation of the salaried workers is therefore limited by law.

3.9. A limited profit distribution

Since intermediate voluntary organisations can only have the associative status, the question of the distribution of profits is not relevant, all organisations being non-profit organisations.

4. The supporting umbrella structures

The Co-ordination of organisations providing support through work to the unemployed (*Coordination des organismes d'aide aux chômeurs par l'emploi*, or COORACE), created on October 12, 1985, before the legislation on intermediate voluntary organisations was passed, groups more than a 1/3 of these, but it has also

grouped, for a few years years, temporary work integration enterprises (*entreprises de travail temporaire d'insertion*, or ETTI) and integration enterprises created at the latter's initiative. The Co-ordination also groups organisations providing services to individuals, under the label "Proxim' services". 450 organisations are members of COORACE.

5. The innovative features

Intermediate voluntary organisations have been pioneers in unexploited activity fields while providing jobs to unemployed people.

The "Régies de quartier" (Neighbourhood Enterprises)

1. Brief historical description

At the end of the 70s, the residents of the Alma-Gare neighbourhood, in Roubaix (Northern France), got together and mobilised themselves, after a rehabilitation process, to optimise the maintenance and cleaning services in their neighbourhood, matching them with the demands of the population. Far from being founded on co-operation among the various actors, the first experience of *régie de quartier*, in this popular neighbourhood, developed in a conflictual context, the so-called "urban fights" (*lutttes urbaines*), about the conditions of the urban development policy of high-risk and degraded neighbourhoods, either in the form of renovation or through rehabilitation actions. In fact, the inhabitants and the civil society organisations opposed any reform designed without consulting them and in which there appeared land, financial and political interests that did not take into account the reality of life in their neighbourhoods of Northern France and the relations of solidarity which structure everyday life in these neighbourhoods.

This invention was re-discovered in 1985 by researchers and field-workers and it was at the origins of these work-integration social enterprises, deeply embedded in the neighbourhoods and aiming at the democratic management of urban services by the inhabitants, social housing owner companies and municipalities. The aim was to re-invent social enterprises combining work-integration, the management of neighbourhood services and the commitment of the inhabitants. The first initiatives were located in Marseille and in Meaux (suburb of Paris), and were soon followed by other initiatives, in Besançon and Avignon, in the years 1985-1986. The *Régies de quartier*, with the support of researchers, gave themselves an autonomous basis to avoid the risk of becoming tools of public policies. In October 1988, the 6 existing *Régies de quartier* created a National liaison committee (*Comité National de Liaison des Régies de Quartier*, or CNLRQ). The main priorities of this network are the reinforcement of existing experiences and the quantitative and qualitative development of this kind of initiatives, and the qualification of "actors". In 2000 there were more than 130 *Régies de quartier*.

2. Key features

2.1. Legal form(s) and structure of ownership

The label of "*Régies de quartier*" is awarded by the CNLRQ, and only to associations. However, a special arrangement has been taken with a worker production co-operative society (*société coopérative ouvrière de production*, or SCOP).

2.2. Pursued goals

The work-integration of people in difficulty, which is one of the objectives of *Régies de quartier*, is part of a more global aim of "social and community development" of

high-risk neighbourhoods (*Charte des Régies de quartier*). According to the principles on which they base their legitimacy, *Régies de quartier* combine integration through a work carried out within the neighbourhood where the person lives, and a *territorial management of urban services* as well as the setting up of a *participative democracy* in which the inhabitants are active actors in the management of public affairs concerning their neighbourhood, on the same level as social housing companies and municipalities (Eme, 1994). *Régies de quartier* can be defined as urban territorial development enterprises that focus on activities linked to the very life of the neighbourhoods; by so doing, they make it possible to create jobs in the area where people live, while aiming at a democratic and community management of this living area. Work-integration only makes sense if it makes part of a larger aim of territorial co-management of the neighbourhoods, where the inhabitants take again in their own hands the life of their neighbourhood, in particular through work.

Translated in economic terms, these objectives make part of a "local economy logic or short channel economy", according the president of the CNLRQ: "The financial flux on which *Régies de quartier* work, the contracts passed with public clients or private costumers (inhabitants and associations), are coming from the territory and the aim of *Régies de quartier* is to convert them, in the best possible conditions, in salaries redistributed in the neighbourhood through enterprises that are labour-intensive (Gardin 2000).

2.3. Types of jobs provided

The type of jobs that *Régies de quartier* were initially supposed to give to the people in difficulty were temporary ones: this is due to the fact that " *Régies de quartier* are not employment places, but constitute a transition toward employment, a place providing temporary salaried work" (Béhar, Estèbe, 1990, p.48). But the different activity sectors covered by *Régies de quartier* as well as the diversity of the inhabitants concerned by the integration process have led to modify this approach. The activities developed can be grouped in three main sectors: cleaning and maintenance (cleaning of halls, staircases etc.); maintenance of open and public areas (parks, street furniture, water and sanitation), gardening and roadmending activities and induced activities such as woodwork, painting, masonry, locksmithing etc; technical intervention and maintenance. The heterogeneity of these sectors in terms of qualifications and skills required and in terms of jobs, on the one hand, and the needs of job-seekers (long term unemployed and women with no qualifications), on the other hand, have led decision-makers to propose two types of jobs: fixed term contracts - often part-time - for women and old workers, and temporary employment, for young job-seekers. In the first case, a strategy was implemented to create jobs for some categories of workers that are wiling to continue working in their neighbourhood (Eme, 1994, p. 180). These categories of workers include unskilled women, older workers, long term unemployed with low qualifications after years of taylorian work, who have no more hope to re-enter the employment market, young people with physical or psychological disabilities and young workers, specialised workers who left school without completing their training. In the second case, *Régies de quartier* operate as integration enterprises providing temporary jobs as a transitory stage towards the labour market. However, since the end of the 90s, some *Régies de quartier* have refused flexibility and precariousness and developed strategies of integration through the creation of stable jobs in the neighbourhood (open-ended

contracts), even for young workers, for whom it was originally planned that they would leave *Régies de quartier* and enter the labour market.

2.4. Weight of training

As for integration enterprises, training mainly occurs "on the field", i.e. in a real work environment, and it is provided by technical monitors. This raises some questions regarding a real professional qualification, which is one of the keys to enter the labour market, as we have already seen with integration enterprises.

2.5. Types of employed workers

The employed workers (with the exception of the top managers and sometimes the monitoring staff) must live within the neighbourhood where the enterprise is active. They are people facing professional integration problems, and for whom the integration policy can follow a logic of transitory stage towards the mainstream labour market or a logic of long term integration (cf. "Types of jobs provided").

2.6. Types of resources

The annual budget of *Régies de quartier* amounts on average to about 400,000 euros. Their main resources come from the services they provide to social housing companies (cleaning, maintenance, housework, painting, small works...), to the municipality (works in public areas) as well as to the inhabitants (punctual mendings, small works...). For their traditional services, 80% of their income come from the services provided, and 20% from public support, mainly for their integration and training activities. For the services provided, *Régies de quartier* try to develop contractual relations for the sale of their services to the local authorities and to the social housing companies, rather than being submitted to a system of answers to public call for tenders. The municipalities have different points of view concerning those claims, but generally, even in case of public calls for tenders, they set up dispositions (social clauses) which make it possible for *Régies de quartier* to keep these markets. They recognise the capacity of these organisations to provide a service of a quality level that nor the private sector or the public sector would be able to reach because they do not benefit from the same "local embeddedness" as *Régies de quartier*. Public resources come from subventions and exemptions that *Régies de quartier* are entitled to when employing people within the framework of training or integration contracts. *Régies de quartier* are recognised by the state as "integration enterprises" for part of their integration activities for young people.

For the other services (mediation, associative garage etc.) that they develop, mainly through employment programmes ("Job-city contracts" or youth contracts), the shares of resources coming from public support to employment and from the sale of services are highly variable. *Régies de quartier* often resort for these financings to different levels of local public authorities (municipality, regional council...), so that when state support to employment stops, their financing will still be ensured (Gardin, 2000).

Finally, the solidarity-based, voluntary commitment of the inhabitants in these project constitutes an important resource. The National liaison committee for *Régies de quartier* (*Comité national de liaison des régies de quartier*, or CNLRQ) evaluated in

1999 the number of voluntary administrators to 2,500. Unlike what is the case in other types of social enterprises, the salaried workers of *Régies de quartier* also take part, in a way which varies from one *Régies de quartier* to the other, to the organisation of the enterprise, the relations with the neighbourhood's inhabitants, the voluntary activities. Like the other types of work-integration social enterprises, *Régies de quartier* mobilise an important social capital, both within the neighbourhood (inhabitants or tenants associations, social organisations, integration institutions, craftsmen, social housing and in a larger area, mobilising a large number of resources in different sectors (economic, cultural, social) of the local life.

2.7. Links with public policies

Social housing owners and municipalities can take the initiative of founding a *Régies de quartier*, which, most of the time, involves a direct or indirect form of control over the social enterprise through the formal decision-making bodies or through the granting of financing or public markets.

2.8. Basic data

In 1989, there were 20 *Régies de quartier*; in 1991, 30; in 1993, 60; in 1995, 90, and in 1997, 130. In 1999, the 130 *Régies de quartier* employed more than 6,000 salaried workers each month, or 3,500 full time equivalents. For the whole year, and taking into account the fact that workers left and others were hired, that represented 10,000 salaried workers.

3. Relation to the EMES socio-economic criteria

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

Régies de quartier provide services in a continuous way.

3.2. A high degree of autonomy

Régies de quartier are autonomous associations mainly composed of representatives of the inhabitants, municipalities and owners of social housing. This co-management policy must guarantee autonomy, although this autonomy depends on the equilibrium among the three parties involved. *Régies de quartier* want the inhabitants to be at the very heart of the organisation, but municipalities or organisations owning social housing can sometimes have a dominant position which reduce the research for autonomy on the part of the *Régies de quartier*.

3.3. A significant level of economic risk

Around 80% of the income from the services traditionally provided by *Régies de quartier* come from the sale of services. Only part of the markets is done on the basis of competition with other service providers. The main customers of the services provided by *Régies de quartier* are municipalities and social housing owner organisations. Consequently, if *Régies de quartier* run some economic risks of losing

a market, those are mainly linked to political and institutional reasons depending on those main partners.

3.4. A minimum amount of paid work

Nearly all the services are provided on the basis of salaried work. Volunteering mainly concerns the commitment of administrators in the socio-political management of the enterprise. In some cases, some administrators or volunteers of *Régies de quartier* can also get implied in the daily operation by acting as intermediaries with the inhabitants to ensure the follow-up of the services provided locally by the enterprise. The members, inhabitants, salaried workers or administrators can also sometimes take part in the organisation of special events such as parties, second-hand markets, "open-doors day" (during which people can visit the enterprise) organised by the enterprise. Moreover, it has to be underlined that the salaried workers get implied extra-professionally since, being inhabitants of the neighbourhood, they play an intermediary role between the services provided by the enterprise and the demands of the neighbourhood's other inhabitants. But although these voluntary implications play a fundamental role and constitute the distinctive character of *Régies de quartier*, salaried work remains quantitatively strongly predominant.

3.5. An explicit aim to benefit the community

The objective of social and professional integration of the inhabitants can not be separated from the "community reappropriation of the neighbourhood" by the inhabitants: the neighbourhood, often degraded and rejected by the inhabitants themselves, recovers its value, mainly due to the fact that the inhabitants themselves ensure its maintenance and give it back its dignity.

3.6. An initiative launched by a group of citizens

The first *Régies de quartier* were created at the initiative of people working in the social or urban development sector. They were supported by researchers who made the participation of inhabitants one of the principles of their action. But few of these first *Régies de quartier* were born out of the action of the inhabitants themselves.

Régies de quartier must necessarily count among their founding members inhabitants of the neighbourhood, elected representatives appointed by the city, and representatives of social housing organisations active in the neighbourhood. A group of citizens is therefore obligatory for the constitution of a *Régies de quartier*. However, it cannot be said that *Régies de quartier* are initiatives systematically launched by a group of citizens: on the one hand, their creation can also be initiated by the municipality or by social housing organisations; on the other hand, even if the inhabitants launch the creation of a *Régie de quartier*, they must compulsorily associate themselves to the two other types of partners mentioned above.

3.7. A decision-making power not based on capital ownership

Since *Régies de quartier* compulsorily have the associative statute, decision-making power is not based on capital ownership. However, the "one member, one vote"

principle can be questioned due to the introduction of electoral bodies that sometimes reinforce the participation of municipalities or social housing owner companies.

3.8. A participatory dimension involving the people affected by the activity

The people concerned by the activities of *Régies de quartier* are of two types: the inhabitants and the salaried workers. The neighbourhood's inhabitants who benefit from the *Régies de quartier*'s services aiming at the improvement of the living conditions are compulsorily members and are represented within the Board. 60% of the Presidents of *Régies de quartier* are inhabitants. The salaried workers in integration who are inhabitants of the neighbourhood are represented via the "inhabitants" college. They can also be present on the Board through a "salaried workers" college, with or without a deliberative vote. These dispositions concerning the direct participation of the salaried workers are not compulsory and vary according to the policies of the various *Régies de quartier*.

3.9. A limited profit distribution

Since *Régies de quartier* can only have the associative status, and since associations are non-profit organisations, the issue of the distribution of profits is not relevant.

4. The supporting umbrella structures

Created in October 1988 at the initiative of six *Régies de quartier*, the National liaison committee for *Régies de quartier* (*Comité national de liaison des régies de quartier*, or CNLRQ), which holds the registered mark "*Régies de quartier*", grouped in 2001 more than 130 *Régies de quartier*.

5. The innovative features

The association of social aims of integration with economic aims of undertaking activities useful for the neighbourhood and with political aims of inhabitants' participation places *Régies de quartier* at the heart of key issues; they provide an answer of a new kind on the basis of a network which, while maintaining co-operation with public authorities, seeks to develop its autonomy.

Temporary work integration enterprises

1. Brief historical description

Temporary work integration enterprises (*entreprises de travail temporaire d'insertion*, or ETTI), whose denomination entered the French labour code in 1998, were initially called interim integration enterprises (*entreprises d'intérim d'insertion*, or EII). The only aim of these enterprises, which were created in 1991, is the integration of people in difficulty through their placement in enterprises under temporary work contracts. Thanks to this temporary work, those people work in an enterprise and are trained by the latter with a social monitoring by the ETTI. The work contracts follow all the rules applicable to these types of contracts.

2. Key features

2.1. Legal form(s) and structure of ownership

A survey carried out in 1996 showed that 42% of these enterprises were associations ruled by the law of 1901, and 45% were limited companies (*sociétés anonymes*, or SA). An ETTI must be an autonomous legal person whose sole objective is the integration of people in difficulty, whom it places in enterprises under temporary work contracts to facilitate their integration.

2.2. Pursued goals

Beside the traditional interim, what is legitimised here is thus *a form of social interim, specific to some groups of people facing major social, psychological and economic difficulties*. These enterprises place people facing difficult situations at the disposal of customer enterprises, thanks to temporary placements whose contents must respect the rules specific to temporary work enterprises while being, at the same time, conform to the common practices of the profession. Through *monitoring and follow up missions, of a mainly social character*, which must play an important role in their organisation, they aim at the temporary integration in enterprises and at the access, for their workers, to a stable employment, if the temporary placement's results are positive.

2.3. Types of jobs provided

Temporary work contracts with an integration aim are managed by all the rules applicable to these types of contracts. As an exception to the usual rule, their maximal length can be of 24 months instead of 18. Through that temporary job, people in difficulty have access to temporary work contracts and are trained in a real work environment within traditional enterprises. This type of temporary work is considered by public authorities as the last step before entering the labour market for the people who follow a "personalised integration path", whereas intermediate voluntary organisations constitute, as we have seen, the first step on this path.

2.4. Weight of training

Beside the administrative management of the temporary work placements, these enterprises must ensure the social and professional follow-up and monitoring of people in difficulty. That consists mainly in an external support to customer enterprises during the placements of people in difficulty and in the follow-up of these people outside the working periods. Strictly speaking, this is not training; training is provided "on the field", within the enterprises, by the managers and technicians.

2.5. Types of employed workers

The people employed by temporary work integration enterprises are defined as being in difficulty according to political and administrative criteria. Those criteria define them as "unemployed people facing integration difficulties, mainly young people under 26, long term unemployed, recipients of the social income support, recipients of the minimum integration income". In terms of duration of the unemployment period, ETTIs' workers seem to be those who have experienced the less difficulties in their lives in terms of precariousness and vulnerability. In 1999 more than a 1/3 of ETTIs' workers had remained unemployed for less than a year, whereas the proportion was less than 1/4 in intermediate voluntary organisations and integration enterprises.

2.6. Types of resources

The only market resources come from the temporary placements in enterprises.

Before the passing of the law of July 29, 1998, State support amounted to 27,440 euros (180,000 francs) maximum per monitoring post and per year, and the total of public subsidies could not exceed 45,734 euros (300,000 francs). Since 1998, this support has amounted to 18,293 euros (120,000 francs) and it cannot be cumulated, for the same post, with other State employment support measures. But, like integration enterprises, temporary work integration enterprises benefit - within the limits of the minimum interprofessional growth salary (*salair e minimum interprofessionnel de croissance*, or SMIC) - from the total exemption from employer social security contributions on the salaries of the workers in integration who are acknowledged by the National agency for employment (*Agence nationale pour l'emploi*, or ANPE). They can also benefit from the support of the Local social and sanitary works department (*Directions départementales des affaires sanitaires et sociales*, or DDASS) for hiring specific target-groups, and of the Local integration fund (*Fonds départemental de l'insertion*) for supporting their starting up, development and consolidation.

The voluntary resources are mainly those of the enterprise's administrators when the enterprise is an association.

2.7. Links with public policies

The signature of an agreement with the state is linked to the monitoring and follow-up functions of ETTIs. The contents of this agreement entitles them to public support and gives them access to resources that are only intended to finance monitoring jobs. The rules limiting the placements in enterprises by intermediate voluntary organisations as

well as the increase of the exemptions from social contributions that ETTIs are entitled to favour the development of the latter.

2.8. Basic data

In 1999, there were 220 temporary work integration enterprises in activity, employing 680 permanent workers; most of these permanent workers ensured the monitoring of the people in integration. The latter were 34,300 to be hired during the year (of which 70 % were men), which represented a volume of activity corresponding to 4,000 full time equivalents. The average duration of the contracts was three times longer than in intermediate voluntary organisations and these temporary work contracts were carried out in market enterprises. The average number of hours of work per worker amounted to 240, against 180 in intermediate voluntary organisations, whereas the average number of users per year and per organisation amounted to 53 for temporary work integration enterprises against 320 for intermediate voluntary organisations. Work carried out in the building and manutention sectors represented two thirds of the activity volume of temporary work integration enterprises.

One year later, the number of ETTIs had increased by 25.5 %. Many new enterprises resulted from the transformation of an intermediate voluntary organisation into a temporary work integration enterprise or from the creation of a subsidiary of an intermediate voluntary organisation which then focused its activities more strictly on the market of private individuals. The 276 temporary work integration enterprises employed 900 permanent workers; they hired 49,300 people in integration, which represented a volume of activity corresponding to 6,770 full time equivalents. The average number of hours of work per worker amounted to 250, against 170 in intermediate voluntary organisations. At the same time, the average number of users per year and per organisation was of 71 for ETTIs against 323 for intermediate voluntary organisations. Consequently, the contracts of ETTIs' workers were longer than those of intermediate voluntary organisations' workers, and their work was less fragmented.

3. Relationship to the EMES socio-economic criteria

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

Placing workers in difficulty at the disposal of enterprises constitutes the continuous activity of ETTIs.

3.2. A high degree of autonomy

They are compulsorily autonomous organisations, whose exclusive aim is that of ETTIs.

3.3. A significant level of economic risk

The income generated by the temporary placements is essential for the economic life of ETTIs. However, the evolution of public policies plays a central role for their development.

3.4. A minimum amount of paid work

Salaried work of people in difficulty is the very basis of this type of initiative.

3.5. An explicit aim to benefit the community

The sole purpose of ETTIs is the placement of people in difficulty.

3.6. An initiative launched by a group of citizens

The characteristics of the groups promoting ETTIs are close to those of the groups launching integration enterprises. Consequently, some intermediate voluntary organisations, members of the Co-ordination of organisations providing support through work to the unemployed (*Coordination des organismes d'aide aux chômeurs par l'emploi*, or COORACE) very soon considered the option of transforming their activity into a true social integration temporary work. Once public authorities had established this social integration temporary placement, in 1991, some intermediate voluntary organisations transformed into temporary work integration enterprises or created one. Similarly, part of the temporary work integration enterprises were created with the support of market-orientated temporary work enterprises, according to professional and entrepreneurial dynamics.

3.7. A decision-making power not based on capital ownership

As for integration enterprises, entrepreneurs starting a temporary work integration enterprise are free to choose the legal status of their initiative; it can be that of a company limited by shares (*société par actions*) or that of a social economy organisation (co-operative or associative status). As for integration enterprises, those under the form of limited liability companies (*sociétés anonymes à responsabilité limitée*, or SARL) or limited companies (*sociétés anonymes*, or SA), it should be noted that they are generally created by associations which hold the majority of capital. This characteristic gives a specific meaning to this shareholding, since the operation of these organisations is thus, *in fine*, similar to the operation specific to organisations with an associative status.

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

There is no specific provision regarding the participation of the workers in difficulty and thus distinguishing, in this regard, ETTIs from other temporary placement enterprises.

4. The supporting umbrella structures

The National committee for integration enterprises (*Comité national des entreprises d'insertion*, or CNEI) seems to group mainly ETTIs. The Co-ordination of organisations providing support through work to the unemployed (*Coordination des organismes d'aide aux chômeurs par l'emploi*, or COORACE) mainly groups ETTIs created by intermediate voluntary organisations.

5. The innovative features

The practices of temporary work integration enterprises are close to those developed by some intermediate voluntary organisations which particularly focus on social temporary placements in enterprises. The innovative character compared to intermediate voluntary organisations lies in the fact that they develop their activity within the framework of the regulations specific to temporary work enterprises.

Employers organisation for work integration and training

1. Brief historical description

Employers organisations for work integration and training (*groupements d'employeurs pour l'insertion et la qualification*, or GEIQ) were founded on the basis of the legal form of employers organisation (*groupement d'employeurs*), which had been created in 1985. GEIQs are autonomous legal organisations, constituted as associations, and based on the principle of vocational training alternating with work (*formation professionnelle en alternance*) for people engaged in a social and professional integration process. Since 1997, employers organisations that want to get the "GEIQ" label must submit a request by the National institute for industrial property (*Institut national de la propriété industrielle*, or INPI). The "GEIQ" label, which is registered at the INPI, is granted each year on the basis of an in-depth inquiry that covers several criteria:

- place of the employers in the statutory bodies;
- characteristics of the workers hired: young people without qualifications, long-term jobseekers, recipients of the minimum integration income, other target groups (disabled workers, single parents...);
- type of contracts (so-called qualification contracts for young people or for adults, orientation contracts, employment initiative contracts...);
- minimum length of the temporary placements;
- qualification aimed at and obtained;
- social monitoring;
- setting of rates.

2. Key features

2.1. Legal form(s) and structure of ownership

Employers organisations for work integration and training are associations based on the existing legal framework for employers organisation, in which employers "share" salaried workers placed at their disposal by the association, that manages the work contracts.

2.2. Pursued goals

From a legal point of view, a GEIQ is thus an employers organisation like any other, which allows enterprises with less than 100 salaried workers to gather in order to pool and share salaried workers in the respect of the legislation and labour code. Like any employers organisation, the GEIQ allows simultaneously a flexible and easier management of punctual employment by enterprises and a stable situation for the salaried workers. The employers organisation recruits salaried workers and places them at the disposal of its members according to their needs and discharges the enterprises of all the constraints linked to the management of the employment

contracts. But unlike traditional employers organisations, GEIQs aim at the social and professional integration of people in a difficult situation. They give them a qualification and integrate them in the labour market by making them work directly in the productive system represented by the enterprises members of the employers organisation.

2.3. Types of jobs provided

These qualification and integration are based on the setting up of an "integration path" based on a work contract and training sessions, avoiding interruptions between work and training: "The GEIQ is the only work-integration organisation that sets up a true training process leading to a diploma or qualification, with no interruption of the integration process, unlike what is the case elsewhere" (CNCE - GEIQ, 1999, p. 10). GEIQs thus combine *work-integration* through jobs within the employers organisation with *training in the meanwhile*. A merit of this training is that it leads not only to the learning of a practical know-how, but also to qualifications, be they or not attested by a diploma. GEIQs employed 1,250 persons on various types of work contracts (CNCE - GEIQ, 1999 p. 11): 55% of "qualification contracts" (17 months on average); 26% of "employment initiative contracts" (16 months); 4% of "orientation contracts" (6 months); 15% of "learning contracts", "adaptation contracts", open-ended contracts, fixed-term contracts...

2.4. Weight of training

As far as training is concerned, the charter clarifies the mission of GEIQs as being that of "*organising integration and qualification paths*" in which "*each contract of employment is the support for the realisation of a professional project elaborated in common agreement between the GEIQ and the person met*". It is a matter of organising "*periods of placements and of acquisition of recognised qualification elements*", in such a way that the latter are integrated within "*a coherent and continuous course*", and of setting up a "*system of alternate work and training*" which "*strongly binds the theoretical training to the concrete work situations*". The device thus intends to call upon tutors (tuteurs) in enterprises, which train the people in integration, but also to trainers who must be in connection with the tutors. The "individual monitoring", which implies taking into account the social aspects of the people in integration, belongs to the mission of GEIQs and corresponds to one of the definition criteria of the sector of integration through economic activity as it results from the law of July 29, 1998.

The weight granted to training is significant in GEIQs: the purpose is to link training process in a real work situation (with a tutor in enterprise) to more theoretical training processes; this link is part of the mission of the "tutor for the project of access to employment" who ensures a global tutoring of the person (CNCE - GEIQ, 1999, p. 10).

2.5. Types of employed workers

GEIQs must hire jobseekers who are facing difficulties to enter the labour market; as for the other types of work-integration social enterprises, these jobseekers are - according to administrative criteria - young people without qualification, long-term

employed, recipients of the minimum integration income (*revenu minimum d'insertion*, or RMI) etc. A survey carried out by the National co-ordination and evaluation committee for GEIQs (*Comité national de coordination et d'évaluation des GEIQ*, or CNCE – GEIQ) at the request of the Social action department (*Direction de l'action sociale*) and the Fondation de France, shows that in 1999, nearly two thirds (65%) of the 1,250 salaried workers of GEIQ were young people without qualification; 12% were long term unemployed, recipients of the RMI; the other long term unemployed represented 11.5% of the workers, and other jobseekers, 11.5% as well.

2.6. Types of resources

The commercial resources come from the sale of services of employment management, integration and training to the enterprises members of the GEIQ. But one can regard them as the mutualisation by the enterprises of a service, which is externalised to a common service to which the enterprises adhere.

The "social extra costs" linked to the social and professional monitoring are covered by external public supports that represented, in 1998, 11% of the turnover of all GEIQs. That financing corresponds to 1,867.5 euros (12,250 francs) per year and per employee. These financing comes from the Local departments for sanitary and social action (*Directions départementales de l'action sanitaire et sociale*, or DDASS), from decentralised state services, from departmental territorial communities which are competent in matters of social action and in particular on the RMI (the so-called "*Conseils généraux*"), and from the Local plans for integration and employment (*Plans locaux d'insertion et d'emploi*, or PLIE), which co-ordinates integration actions at the local communities level. The "long-term work integration enterprise" label allows the GEIQs to tender on public markets containing integration clauses.

GEIQs can benefit from public support for starting up enterprises. The Local department for work, employment and vocational training (*Direction départementale du travail, de l'emploi et de la formation professionnelle*) - a state service -, can grant an "employment promotion agreement" due to the fact that they create activities in favour of people in difficulty; the National fund for urban development (*Fonds national pour le développement et l'aménagement urbain*) can finance projects that will result in the creation of employment. Finally, for the first salaried worker hired, the GEIQ can benefit from the support to employment granted for the first person hired in the form of exemption from employer social security taxes.

Since GEIQs are associations, voluntary resources consist of the work carried out by the voluntary administrators, even though this administration work is to a large extent prepared and carried out by the permanent salaried workers of the GEIQ.

2.7. Links with public policies

Unlike integration enterprises, temporary work integration enterprises and intermediate voluntary organisations, GEIQs do not benefit from a specific definition in the field of work-integration and cannot therefore benefit from government aid linked hereto.

2.8. Basic data

In 2001, the CNCE-GEIQ grouped 110 members, of which 78 recognised (labelled) GEIQs and 13 in the monitoring and creation stage.

GEIQs can be inter-professional or professional. As of July 1, 1999, the distribution of the 84 GEIQs was the following (CNCE-GEIQ, 1999, p. 14): 15 groups were inter-professional (17 %) and 69 (83 %) were professional, of which 49 (58 %) were active in the Public building works, 5 (7 %) in agriculture, and 18 % in other fields: 3 in landscape, 2 in agro-alimentary, 2 in cleaning, 2 in hotel industry...

3. Relation to the EMES socio-economic criteria

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

The employees of the GEIQs, while following training sessions, ensure a productive work in the enterprises members of the employers organisation.

3.2. A high degree of autonomy.

GEIQs, like *Régies de quartier*, are independent from public authorities and operate on the basis of a label granted by a National co-ordination and evaluation committee (*Comité national de coordination et d'évaluation*, or NCEC-GEIQ). The composition of the managing bodies of the GEIQs and the weakness of public financing show a high degree of autonomy of GEIQs and of their managers from public authorities; but at the same time, they reveal the control exercised by private enterprises over these associations. Taking as a basis of analysis the definition criteria for social enterprises (Borzaga, Defourny, 2001), the political management and administration power within the associations is mainly held by private enterprises: the GEIQ can be seen as a tool with a social integration aim of private commercial enterprises.

3.3. A significant level of economic risk

The economic risk depends mainly on the risk run by the employers members of the group.

3.4. A minimum amount of paid work

The GEIQ employs the salaried workers placed at the disposal of its members.

3.5. An explicit aim to benefit the community

The collective interest comes from the integration and qualification aims of these initiatives.

3.6. An initiative launched by a group of citizens

GEIQs were created at the initiative of qualified trainers, then of social action workers, who mobilised local networks to build bridges between enterprises and the

fields of training and social action. There are also dynamics which, within the movement of GEIQs, like within that of intermediate voluntary organisations during a certain period, were launched by commercial private entrepreneurs, without links with the ordinary local citizens or the associative or co-operative worlds.

3.7. A decision-making power not based on capital ownership

GEIQs are associations.

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

There is no specific provision regarding the participation of the salaried workers.

3.9. A limited profit distribution

Although the association itself does not distribute any profits, its members (the commercial enterprises), which use it, aim at profit-making in their own activities. In other words, part of the human resources management is externalised to the association. However, the Charter of GEIQs stipulates however that the use of the "GEIQ" label excludes any will to find the cheapest possible labour.

4. The supporting umbrella structures

GEIQs are grouped within a national network, the National co-ordination and evaluation committee of GEIQs (*Comité national de coordination et d'évaluation des Groupements d'employeurs pour l'insertion et la qualification*, or CNCE-GEIQ), which is the owner of the registered mark "GEIQ" and which delivers labels to GEIQs.

5. The innovative features

To the innovating character of employers organisations – the mutualisation among employers -, GEIQs add objectives of integration and qualification.

Long-term work integration enterprises

1. Brief historical description

We group under a single denomination entrepreneurial dynamics that aim either at the sustainable self-integration, in social enterprises, of unemployed people or of people in difficulty, or at the sustainable integration of the same categories of people by enterprises which make this integration one of their aims. The term "long-term work integration enterprises" thus includes various kinds of initiatives: the creation, by unemployed people, in a non-individual form, of their own jobs; the creation of *Régies de quartier* by and for unemployed or low-qualified persons with the monitoring of networks and organisations; the creation of enterprises by persons embedded in local dynamics which aim to combine the creation of enterprises providing goods and services of social utility and the integration of persons in difficult situations. Born at the crossroads of social work and training based on self-integration dynamics for the unemployed, long-term work integration enterprises subsequently developed in the fields of the local development on the initiative of networks of professional and/or militant actors, in enterprises that consider themselves as social while promoting a sustainable development. These enterprises, which date back to the 70s, have sometimes gathered within the movements of "alternative economy" and "solidarity-based economy" (proximity services, alternative enterprises, associative restaurants...). Sometimes using the status of co-operatives, they are also embedded in social economy networks, such as the General confederation of production co-operative societies (*Confédération générale des Sociétés coopératives de production*, or CGSCOP), which has recently promoted types of co-operatives which can be adapted to the dynamics of long-term work integration enterprises (co-operative society with a collective interest, enterprise incubator).

2. Key features

2.1. Legal form(s) and structure of ownership

The legal statuses are various: associations, co-operatives, traditional enterprises integrating social, participative, environmental... aims.

2.2. Pursued goals

Generally the work-integration aim in this type of enterprises is to make the people in integration become *fully-fledged economic actors*, controlling - beyond their professional tasks - part of the management and organisation of the enterprise. This is the case, for example, of co-operative restaurants created in so-called difficult areas by women from different cultural backgrounds.

In other cases, the aim is to go beyond the concept of work-integration as a transition training period to create *lasting jobs for the unemployed* (Eme *et al.*, 1991) in enterprises that have a social objective by while promoting sustainable development.

Integration is part of a wider issue of development of socially useful and ecologically sustainable goods and services.

The conceptual bases of integration in these enterprises differ from those which prevail in other types of work-integration social enterprises. Integration does not only refer to the specific skills and competences of the people, who have to adapt themselves to defined labour standards (behaviour, gestures, know-how, autonomy etc.); it is rather founded on the acquisition of collective skills of organisation and professional autonomy. In order to reach individual professional autonomy, the workers must first reach collective autonomy and acquire the capacity to become actors of the organisation, and not only of their real work such as required. In a sense, integration is not conceived anymore as the individual adaptation, but as the acquisition of capacities of collective actors within economic organisations. In this sense, we are closer to the "model of competence" such as it develops in enterprises (Zarifian, 1988).

2.3. Types of jobs provided

Most of these enterprises aims at the creation of permanent jobs (open-ended work contracts). This is linked to the fact that work-integration is not conceived as a transitory stage, but as learning a job whose status is the validation of an actor's role and identity.

2.4. Weight of training

Specific monitoring and training, often of long duration (three years), are generally one of the conditions required by the monitors of these enterprises. This is the case for co-operative or associative neighbourhood restaurants. In the case of some long-term work integration enterprises, the general and professional training of the unemployed is very significant: 39 hours per week during 46 weeks (Eme *and al.*, 1991, p. 24).

2.5. Types of employed workers

No unified statistics concerning these enterprises are available.

2.6. Types of resources

Public aid is granted to the unemployed who create an enterprise: they can benefit from the Aid to the unemployed who create or take over an enterprise (*Aide pour les chômeurs créateurs ou repreneurs d'entreprises*, or ACCRE). The exoneration from social security contributions in the framework of the ACCRE was extended in 1998 to the people meeting the conditions to benefit from the so-called "Youth employment" contracts (*Emploi-jeune*) and to the recipients of single-parent benefits (*allocation de parent isolé*, or API). A refundable advance system was created (Encouragement to the development of new enterprises – *Encouragement au développement d'entreprises nouvelles*), a tax system for the micro-enterprise was set up, and rules were adopted which allowed, within defined limits, to simultaneously receive social benefits and incomes from activity.

Some open-ended contracts benefit, *qua* subsidised contracts, from public financial support during a defined period.

The banking system does not allow the realisation of many potential initiatives. The selectivity in the granting of loans and the scarcity of credit supply due to the search for banking profitability lead to a situation in which "only 22% of newly created enterprises obtain funding from banks" (Alcoléa, 1999, p. 5). In order to remedy this unequal access to credit, actions for mobilising local and solidarity-based savings are set up. The forms taken by these initiatives are various: stock-participation in the Investment clubs for an alternative and local management of savings (*Clubs d'investissement pour une gestion alternative et locale de l'épargne*, or CIGALES) or Autonomy and solidarity (*Autonomie et solidarité*) in Northern France, Herrikoa in the Basque Contry, Femi Qui in Corsica; funding of investment and of the starting-up of the enterprise in the Saving clubs for entrepreneur women (*Clubs d'épargne pour les femmes qui entreprennent*, or CLEFE); loans by the Association for the right to economic initiative (*Association pour le droit à l'initiative économique*, or ADIE), by the local initiative platforms of the France Initiative Network (*France Initiative Réseau*), by the Enterprising network (*Entreprendre*), by financial companies such as the Solidarity-based local bank of the Northern Pas-de-Calais area (*Caisse solidaire du Nord Pas-de-Calais*), the New fraternal economy (*Nouvelle économie fraternelle*) (Guérin et Vallat, 2000)... The aim is to make access to credit more democratic and to better accompany the creation of activities to counter the diminution of their number and to increase their rate of survival.

For some enterprises, created in difficult neighbourhoods, aids to employment are complemented by aid from the city and the social housing owner companies as well as from other public financing bodies, through the "city contracts" (*contrats de ville*). Support networks for the creation of these enterprises also receive financing from the European Union in the framework of various eligible programmes.

Market resources come from the sale of the goods and services provided by these social enterprises, some of which have become true SME. The voluntary resources somehow come from the voluntary work by qualified people who support the creation and consolidation of these enterprises (as it is often said, "we do not count our working hours"), but also from the salaried workers who also work extra-hours, beyond the legal standard working time, to develop their enterprise. Associative networks, local active members, social entrepreneurs allow the mobilisation of the expertise resources necessary to these enterprises.

2.7. Links with public policies

Fundamentally, the institutionalisation process of integration through economic activity has privileged *a logic of hetero-integration* to the detriment of *a logic of self-integration*, which had been qualified by the Interministerial delegation for social and professional integration of young people in difficulty (*Délégation interministérielle à l'insertion sociale et professionnelle des jeunes en difficulté*) of "creation of activities by-for-with the people in difficulty". The initiatives that were legitimated were those taken by qualified and militant actors (social workers, trainers, local development actors, trade unions active members, charity organisations etc.), whose aim was the integration of people in distress, whereas the initiatives originating within these

groups of population, or those aiming at their self-responsibilisation, were in their majority left aside.

Consequently, there are no public policies specific to long-term work integration enterprises even though, as we have seen, public financing can be mobilised, mainly in the starting-up stages. It also has to be noted that some financing, such as those allocated for the recipients of the minimum integration income (*revenu minimum d'insertion*, or RMI), privileged the creation of enterprises by individuals rather than the collective initiatives in which long-term work integration enterprises originate.

2.8. Basic data

The scattered statistical data do not allow to produce a synthetic vision of these enterprises.

3. Relation to the EMES socio-economic criteria

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

Long-term work integration enterprises carry out a continuous production activity that often represents, due to the lack of public support, their main resource.

3.2. A high degree of autonomy

Independently from the political and administrative contingencies to which they must adapt, like any other enterprise, long-term work integration enterprises are autonomous, regarding both the composition of their decision-making bodies and the public or private financing from which they benefit. They make part of local collective dynamics launched by the unemployed or of independent networks dynamics in favour of social enterprises creating jobs for the unemployed; those socio-economic dynamics are based precisely on autonomy from the public authorities and the financing networks of the capitalist economy.

3.3. A significant level of economic risk

The weakness of public aid for these long-term work integration enterprises increases the economic risks taken by these initiatives.

3.4. A minimum amount of paid work

These self-integration initiatives aim at the creation of employment by and for their promoters themselves.

3.5. An explicit aim to benefit the community

Within long-term work integration enterprises, the aim is to go beyond the idea of work-integration as a transition training period to create *stable jobs for the unemployed* (Eme *et al.*, 1991) which are embedded in a wider project for the development of socially useful and ecologically sustainable goods and services.

3.6. An initiative launched by a group of citizens

Long-term work integration enterprises, which constitute a small minority among work-integration social enterprises, continue to be created on the basis of local initiatives of individuals - either unemployed people or people organised in networks providing support to people in difficulty. They are the heirs of the "alternative enterprises" created in the period 1975-1985, that aimed at the transformation of the economic system. But unlike these, they have not managed to constitute groups able to influence other actors of the civil society and the public authorities.

3.7. A decision-making power not based on capital ownership

Even when the legal status used is that of a commercial company, these initiatives search to implement participative and democratic operating processes. Some initiatives also search to associate multiple stakeholders (workers, users, voluntary workers...) to their management.

3.8. A participatory dimension involving the people affected by the activity.

Regarding the criteria of the definition of social enterprises, it has to be said that the criterion of the participation of the individuals concerned by the activities of the enterprise concerns the workers engaged in the integration process only in a very small minority of enterprises. What we call the "participative democracy in enterprise" has only concerned to a very limited extent the workers in integration. The only exceptions are some *Régies de quartier* and a large share of long-term work integration enterprises. Long-term work integration enterprises are the only work-integration enterprises aiming to pursue the project of participation of the salaried workers to the running of the enterprise such as it had emerged at the end of the 70s and the beginning of the 80s in some alternative enterprises willing to implement self-management policies.

3.9. A limited profit distribution

Even when the legal status used is a commercial one, long-term work integration enterprises generally try to implement a limited distribution of the profits.

4. The supporting umbrella structures

There are many networks. The solidarity-based economy inter-networks (*inter-réseaux économie solidaire*) groups together some of the networks sharing the dynamics of long-term work integration enterprises (CIGALES, Ré'actives, ADEL, ADSP...). The co-operative initiatives sharing these objectives are grouped within the General confederation of production co-operatives societies (*Confédération générale des Sociétés coopératives de production*, or CGSCOP).

5. The innovative features

Self-integration processes are, despite their many years of activity, still considered as innovative due to their low institutional recognition. These innovations are also linked to the fact that they focus on the democratic management in long-term work integration enterprises and to the production of goods and services which are socially useful and ecologically sustainable.

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