

# OECD perspectives on the social economy: how to better meet the needs of vulnerable groups'?

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# OECD and the Social Economy



- OECD mission: to assist Governments in the design of their policies
- Why the social economy and social entrepreneurship? To reconcile economy and society and to build a plural economy
- Links with sustainable local economic development: social economy a full actor of LED strategies



# Social insertion economy

- An essential role but not the only one: a risk of isolating the social economy in a « reparation and integration role ». The social economy is wider than this.
- Different kinds of WISE ( working integration social enterprises) within the social economy( an EMES « map »).

- **4 main modes of integration:**

1. Transitional occupation: = temporary jobs , temporary subsidies
2. Creation of permanent self-financed jobs: permanent jobs, temporary subsidies
3. Professional integration with permanent subsidies: permanent jobs , permanent subsidies
4. Socialisation through productive activities

- **Modes of professional training**

1.« On the job » professional training

2.« Structured» professional training

- **Target groups:**
- Defined by the legal framework of the WISEs
- No legal framework but a variety of target groups
  - the great majority of WISEs work with mixed target groups

# What works

- The existence of a specific legal form : B type social co-op Italy for example.
- The specification of work integration as the exclusive goal.
- The existence of an appropriate threshold for the percentage of disadvantaged workers to be integrated.
- A focus on different typologies of disadvantaged groups.
- The provision of longer term financial support for hard to reach target)

# What works (cont.)

- The impact of work integration policy increases with the implementation of complementary policy measures.
- Measures to create access to markets.
- Creating a level playing field for SMEs and SEOs.
- Procurement.



# What does not work?

- Imposing too high a quota of disadvantaged people to be integrated.
- The pursuit of a plurality of goals (work integration and supply of social services).
- Short term wage subsidy in conflict with the expectation of financial sustainability .
- Top down programmes are likely not to meet the needs of target groups: tenders should to be tailored to focus on need.

# Policy making to better target

- Policy tools are most effective if they are designed collaboratively = **CO-CONSTRUCTION OF PUBLIC POLICIES.**
  1. Across « silos » within government( *horizontally*).
  2. Coordinated across levels of government (*vertically*)
  3. Participation of social economy actors (*multistakeholders policy*)

*Interesting examples exist in a number of countries (Canada – Quebec, UK, Poland, Korea, Brazil)*

# Policy making to better evaluate

- Important to measure the tangible impacts ( numbers of workers, income, and saving costs).
- But also important to measure intangible factors ( contribution to social capital, to social cohesion, empowerment, life improvement of workers , beneficiaries, participation, social accomplishment).
- The overriding philosophy : supporting social economy is an investment rather than a cost and evaluation should reflect this.
- SROI to be looked at by Governments as a source of inspiration for evaluating social economy

# Conclusions

- What is needed for the future development of social economy?
- To develop social economy requires effective and wide ranging policy. These include finance, labour market strategies, policies to develop market capacities, business training, research and favourable macro policy.