



## HOW DID EXPERTS RATE THE SITUATION IN THE CEFEC MEMBER STATES?

**The following member states of CEFEC rated the development and situation in their countries:**

Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Finland, Germany, Greece, Portugal, Slovenia, Spain, Switzerland and United Kingdom.

### **1. Methodical approach**

A systematic method of ongoing reporting on the occupation of disabled persons in the EU is still in development. Therefore it seems appropriate to look at the situation from the “bottom up”:

In preparation for the “Linz Appeal,” CEFEC conducted a survey with the help of experts from its member states . These experts are largely professionals who are practically involved in regional services, projects and Social Firms for disabled persons. Being CEFEC delegates they also coordinate the corresponding networks and are therefore well informed about the development and implementation of projects in their countries.

## 2. Levels of Rating

The rating is divided into three levels:

### Level A

**The economic development of the country**

### Level B

**The medical and social care available to implement a user orientated psychosocial structure for sick and disabled persons.**

### Level C

**The public programmes for disabled and disadvantaged employees.**

Using questionnaires the experts were asked to evaluate the items on a scale between 1 (“very rudimentary beginning”) and 5 (“almost adequate in covering required needs”).

The last Part ( D ) of the questionnaire asked for future recommendations.

## 3. Results – general remarks

The evaluation reflects a wide range of developments in the member states. Due to a lack of general objective guidelines, understandably the assessments are based on subjective viewpoints pertaining to the country of origin.

### Results of Level A

**The change from agricultural and industrial to service economy**

The representatives of most countries responded to this question with a rating of “satisfactory” and “adequate”. It was surprising that even those which are in the early stages of modernisation rated

positively. The reason might be that although they have not yet fully established a service economy, they are wise enough to recognise that this is the unavoidable future. To us this indicates that service economy work projects need to be implemented even in agricultural areas. This would give disabled persons a chance to engage in modern fields of employment.

### Results of Level B

**The medical and social care available to implement a user orientated psychosocial structure for sick and disabled persons.**

It is not surprising that the experts perceived great differences on the path to humanisation, decentralisation and normalisation of services for psychiatric patients. In the Green paper, strategy of mental health and plan of action 2007, the EU offers a detailed analysis of this matter and therefore the results are not given in detail here.

([www.ec.europa.eu/health/index-de.htm](http://www.ec.europa.eu/health/index-de.htm))

When considering the “Linz Appeal” it is important to note that the WHO guidelines have been accepted by all member states. In many countries programmes are conducted for long-term patients and the disabled to get them out of big institutions and integrate them in normal conditions in the community. This results in a growing need for varied and individualised occupational programmes.

If this need is not met, therapeutic activities will be wasted in an attempt to respond to the problems arising from doing nothing. This trend is currently being observed in the course of German psychiatric reforms where considerable effort is necessary to lower the cost of medical and social support by creating adequate work opportunities. It is encouraging that new member states like Slovenia seem to be integrating work much earlier into their community care. This might be partly due to the strong influence of the Italian reforms.

Throughout the member states it is striking that the medical and social sectors still lack early and adequate intervention to prepare patients who are aiming for reintegration into work and employment.

The availability of sheltered workshops in the member states seems satisfactory. A good example is Switzerland and Cyprus. Experts do point out that the lack of adequate jobs for the disabled in open employment can lead to inappropriate and expensive use of workshop places. This trend has also been observed in Germany where sheltered workshops are interested in starting Social Firms for their more able clients.

A special EU programme in this field exists in the Czech Republic.

The experts also indicate that more vocational training programmes are needed in their countries to increase the chances of placement in the open market and mainstream business.

## **Results of Level C**

### **The public programmes for disabled and disadvantaged employees**

Here are the main trends in the CEFEC member states :

Support and Work Development Programmes - a necessary step for successful integration – are being implemented in all countries even if the standard varies a great deal. A good example is Belgium.

All member countries report on activities to implement legal support and shelter for the disabled on the employment market. Good examples can be found in Finland and Greece, where Social Co-operatives help to empower the employees. However, implementation is regarded as a problem in a number of states.

A compulsory employment quota on the open market is only to be found in a few countries, like Germany and Austria. Consequently incentives for mainstream firms are rare.

Legal support and public funding for Social Firms varies a lot. A third of the countries consider the situation as satisfactory. A similar assessment was made of regulations to top up salaries in case of reduced work performance and with investment schemes to create jobs for special target groups.

Training and coaching of Social Firms' managers is inadequate in many countries and likewise programmes for qualifying disabled employees.

Portugal, Belgium and Austria seems to have a satisfactory situation.

An increasing emphasis has been laid on “Individual supported employment and placement programmes” (ISP), especially in the United Kingdom, supported by international scientific studies. In practice, however, little influence is reported.

Umbrella organizations and networks of Social Firms, essential for transfer of know how and lobbying, is rated as satisfactory in every second country. A good example for this is the Spanish Andalusia. The other half of the countries report on deficits, especially in the new member states like Bulgaria where structures of civil society such as networks and NGOs are still to be implemented.

The costs per person are being discussed by everyone, but no country yet has enough experience and working knowledge. More research info this matter is needed.

The promotion of alternative semi-sheltered work, such as part time jobs, jobs in Social Enterprises or voluntary work are seen as necessary, but nowhere satisfactory with the exception of Belgium and Finland.

**Part D**  
**What priorities should be set by your country or the EU?**

The experts were given the following items and asked to mark the three most important recommendations for the future.

1. To promote programmes using the model of countries which have built up Social Firms with supportive structures such as
  - > Investment funding for the firms
  - > Long term subsidies for workers

**11 countries**

2. To create a legal framework to secure medical, social and vocational integration

**5 Countries**

3. To implement existing laws

**5 Countries**

4. To create psychosocial services for all disabled and disadvantaged persons

**5 countries**

5. To diminish psychiatric asylums and build up community services

**4 countries**

6. To create social enterprise networks for mutual support and common goals

**4 countries**

7. To support and coach managers of Social Firms

**4 countries**



# WHAT ARE CEFEC RECOMMENDATIONS OF FUNDING SOCIAL FIRMS?

CEFEC formulates its expectations to the EU and the European governments on grounds of reports of the member countries and practical examples as well as a special rating on the countries situation.

## **CEFEC expectations are:**

### **1. To clarify the present overall situation in the member states**

The Lisbon agreement of the EU countries to report regularly should be extended to regular quality and quantity reports on the employment situation of the disabled including social firms.

To reach this aim CEFEC has helped by presenting an expertise on the state of developments in some of their main member states (see chapter IV). This shows how different the situation is in the countries and it shows main priorities and needs.

### **2. To ensure basic psychosocial care**

An important factor for any Social Firm to be successful is an existing medical and social system, which cares for the psychological wellbeing of the disabled employees. The Social Firms could not guarantee such care, but they contribute by preventing people from becoming unemployed and thus lower public costs.

Therefore reforms of medical and social systems such as offering alternatives to mental hospitals can go right from start hand in hand with the availability of occupational therapy and employment opportunities.

### **3. To offer vocational training and rehabilitation**

Another precondition is the opportunity of vocational training which prepares the individual for the necessary work performance in a Social Firm.

Some Firms have schemes to offer this as “training on the job”. It is a regional decision which services can provide rehabilitation and vocational training.

The level of training has to be qualified taking into account the level of work performance that is demanded on the labour market.

### **4. To make institutions more flexible**

Benefits have to be organized along individual and not institutional needs. Vocational and psychosocial services have to cooperate and network so that the client can easily change and progress from one to the other.

### **5. To plan for individual functions**

A necessary change in approach stresses the fact that public planning and action programmes have to do away with focusing on services and institutions.

The new approach has to pay attention to the individual needs and provide individual facilities according to function (e.g. assessment, coaching, training, finding jobs) and not institutions (e.g. sheltered workshops, vocational centres). In this way it is quite feasible that one service can offer different functions at different times, if there is a regional demand. By doing this the whole structure and facilities of a region will stay flexible instead of fixing rigid and “chronic” institutional conditions.

### **6. To individualize funding**

Whenever a legal framework is implemented to support the disabled, this should be done along the individual person who can then choose from among adequate services and facilities. This helps to increase autonomy and freedom of choice for all citizens and also promises to be more flexible and economical.

### **7. To ensure equal rights and obligations for firms**

If there are equal conditions between mainstream and social firms there will not be any fear of distorted or unfair competition :

- Every employer and firm can demand special funding if they employ a disabled person.
- Funding has to function as bonus or “dowry” for the future employer.

### **8. To compensate disadvantages instead of granting subsidies**

Basically Social Firms have to work under the same competitive conditions as mainstream firms and earn the necessary turnover through sales, goods and services. The funding they do get is therefore not a subsidy for cheap labour but a compensation for the disadvantage of the reduced work performance of the employees.



Employer can get this compensation

- for giving the disabled employee a guaranteed wage and unlimited work contract.
- for providing special technical and organizational aids due to disabilities.

### **9. To promote special help for investments**

If Social Firms are non profit organizations and do not have enough capital to start the Firm on their own financial basis, no doubt public funding is necessary. On the whole they are unable to pay interest for investment capital themselves.

The conditions to get this funding should be tied to the guarantee of the Firm to dedicate a substantial part of their jobs to disabled persons. In doing this they serve a need of common interest.

### **10. Consultation and Coaching of founders and managers**

To minimize risks and mistakes e.g. wrong investments and contracts on the one hand and to encourage founders of Social Firms and qualify them on the other hand, public funding should be tied to professional control concerning the conceptualisation and implementation of a Firm. This also includes training and coaching of the managers and monitoring the process.

Countries which have a national structure such as umbrella organizations can in addition organize peer help between Social Firms.

### **11. Support Communities of interests**

Social Firms managers and owners should be encouraged to form networks of competence and team up with other firms in their country. They can support each other on a professional level. They should be recognized by authorities and be involved at early stages to help with the planning and developing of programmes and funding schemes.

According to the guideline of the European Union , public organizations and administration, when acting as employers handing out contract work, they should obey to social and ecological criteria. This increases the chance of social entrepreneurs to create jobs for disabled and disadvantaged people. It helps to cut down on social insurance and security expenses.



## WHAT ARE THE CONCLUSIONS FOR POLITICAL AND FINANCIAL STEPS?

On grounds of experience and expertise CEFEC appeals to the EU and their member countries :

**A.** To give priority to the new EU member states to start Social Firms and support the EU in policy and efforts to promote inclusion and avoid exclusion.

**B.** To change the approach: Instead of paying out unemployment money for doing nothing, promoting opportunities for sustainable occupation of disabled and disadvantaged persons. This decreases rates of illness and hospital admission due to the negative effects of unemployment and decreases costs of transfer in all systems such as pensions, sickness benefits and social security.

**C.** To stop the misuse of expensive pensions and too early retirement for disabled persons who have not had the chance of rehabilitation. Vocational training and rehabilitation should always come first as a right of the individual. If this is not successful a pension

as basic income can encourage integration provided additional occupation is not prohibited.

**D.** To give additional incentives to employers and thus increase the quota of disabled persons in mainstream firms. Firms which do not meet these requirements have to pay into a pool which is then used for the creation of further jobs for disabled.

**E.** To be open minded towards new ways of occupation and work schemes placed between often detrimental pay of unemployment money without occupation and a regular fulltime employment contract.

**F.** Economical and social change can bring about new creativity for new solutions. This has to be encouraged in the whole of Europe. Social Firms have a wealth of experience and can lead the way. The Experts are convinced that the promotion of these recommendations would strengthen the confidence of EU citizens in democratic and social developments.



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# THE LINZ APPEAL

WHY THERE SHOULD BE MORE  
SOCIAL FIRMS FOR DISABLED  
AND DISADVANTAGED PEOPLE  
IN EUROPE

[WWW.CEFEC.ORG](http://WWW.CEFEC.ORG), “LINZ APPEAL”



Confederation of European Social Firms,  
Employment Initiatives  
and Social Co-operatives

