

Critical perspectives on WISEs as a strategy for poverty reduction

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My Business Card

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What am I doing here? – Why me here?

- Economist (Business School) → Background in Development Studies
 - Work and Research on International Development (Africa and Latin America)
- PhD on “Solidarity Economy in the Basque Country”
- Interested in Social Enterprise
- And I wrote an article:
 - *Social Enterprise in the development agenda. Opening a new road map or just a new vehicle to travel de same route?* Social Enterprise Journal Vol. 9, n3, 2013.
 - Some contributions from a critical perspective
- Critical perspectives on WISES as a strategy for poverty reduction

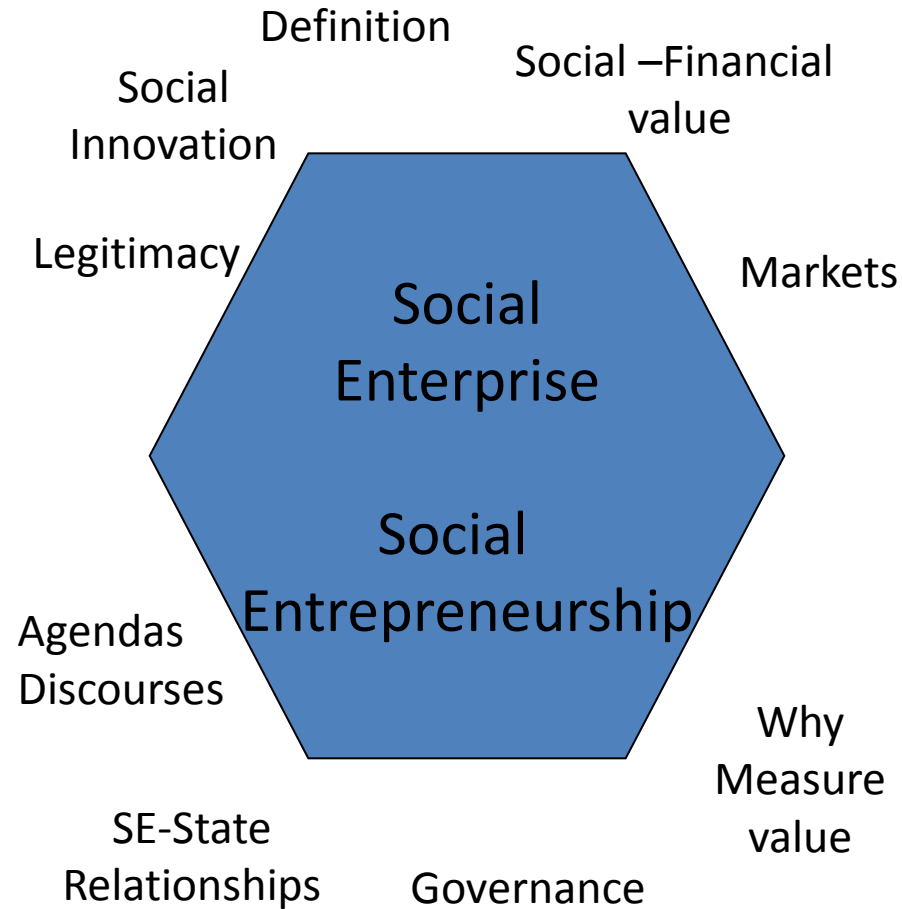


Critical Perspectives?

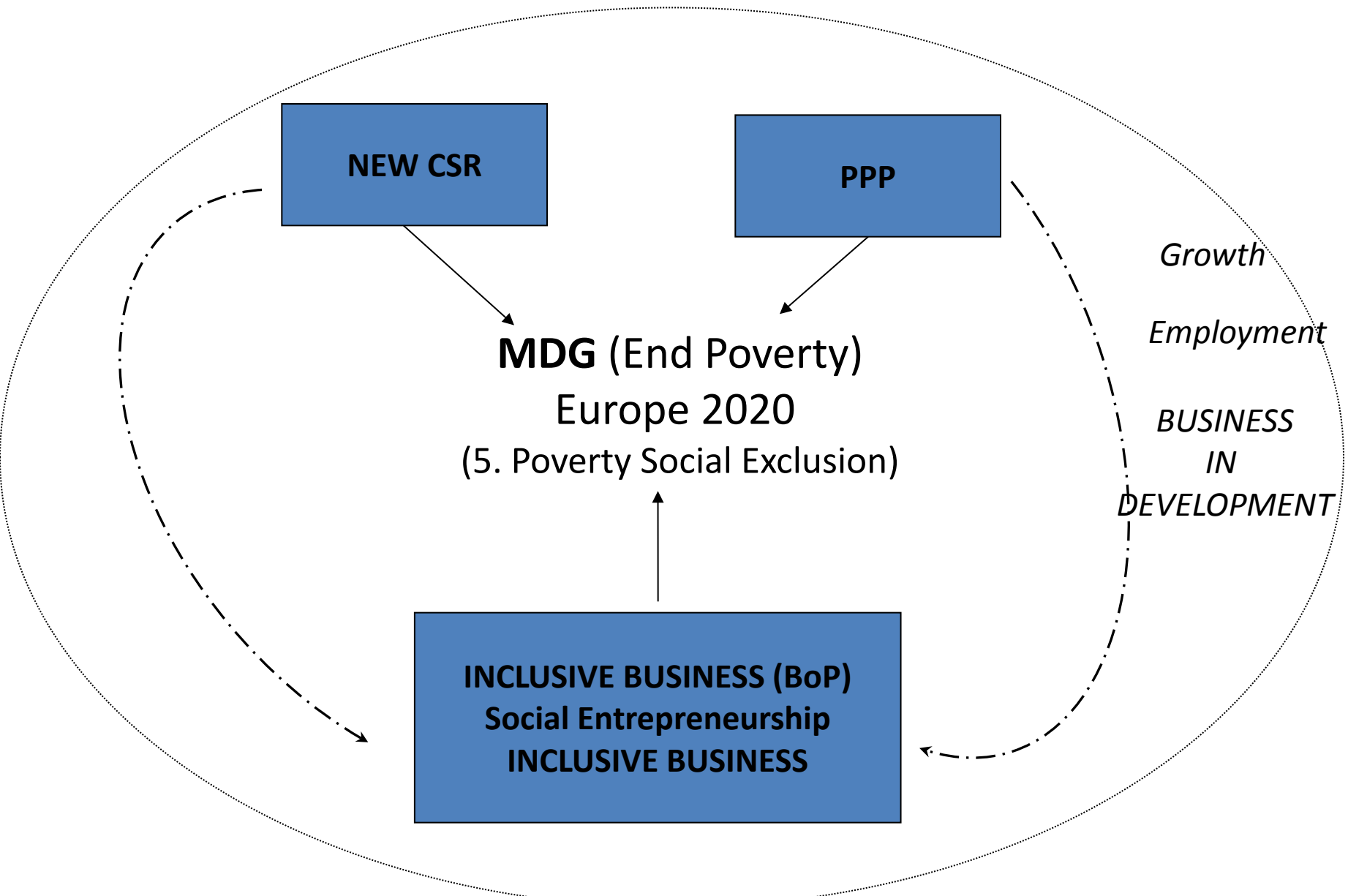
- Not as “criticizing” Social Enterprises or WISES
 - Acknowledge their good work → Help providing better lives for people
- Focus in Europe (not in “Poor Countries”)
- But....
- Looking at the South would be useful to the advancement the SE agenda in Europe
- We are not learning enough from each other



Parallel paths

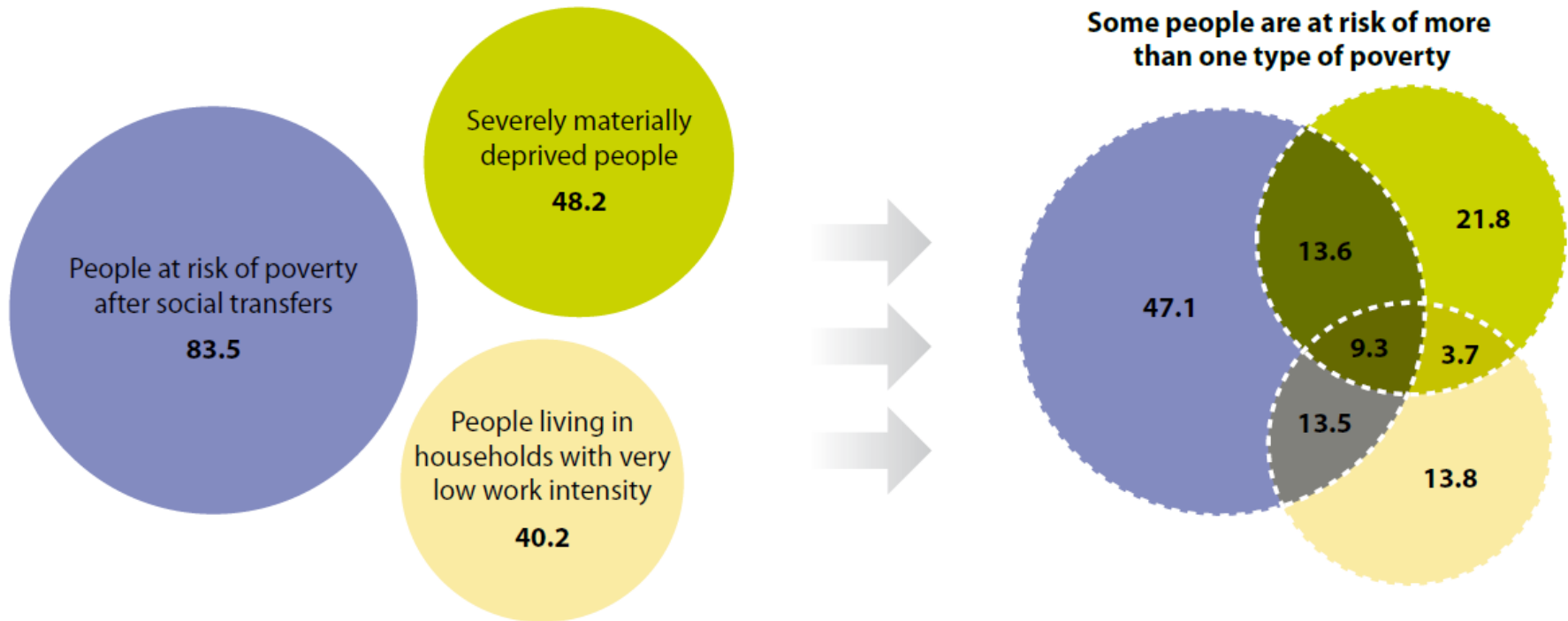


Bridging agendas





People at Risk of Poverty or Social Exclusion in Europe



(*) Estimated data.



- More than 120 million persons (in 2013)
 - Almost 1 out of every 4 persons in the EU
- **More than a third of the population:**
 - **Bulgaria (48.0%), Romania (40.4%), Greece (35.7%), Latvia (35.1%) and Hungary (33.5%)**
- **The lowest shares:**
 - **Czech Republic (14.6%), the Netherlands (15.9%), Finland (16.0%) and Sweden (16.4%).**



Social Enterprise: Some figures

- **Social Economy (including Social Enterprises)**
 - 15% to 17% DGP and Employment in the EU
 - About 2 million enterprises (10% of the total)
- **Most recent mapping of Social Enterprises (2014)**
 - 1% of the total business population
- **European Network of Social Integration Enterprises (ENSIE)**
 - 2500 WISEs employing 400.000 salaried persons



Context/Rational for WISE in the EU

- The aim WISEs is to integrate vulnerable persons and groups into the labour market through economic activity
- Heterogeneous landscape of WISEs in Europe
 - Nyssens et al (2012) identify 44 different categories that can be arranged in 4 main groups using criteria reflecting the ways in which their workers are integrated
 - The targets in terms of quantity –SEs offering work experience (employment) or training through work to help their beneficiaries find a job in the conventional labour market



Context/Rational for WISE in the EU

- WISEs in the context of **Active Labour Market Policies (ALMPs)** or **Activation strategies**
- OECD
 - Help ensure that jobseekers have a better chance of finding employment.
 - Key features: to enforce work-availability and mutual obligation requirements.
 - Benefit recipients are expected to engage in active job search and improve their employability, in exchange for receiving efficient employment services and benefit payment
- Narrative:
 - Job creation and Employment → Social Inclusion → Reduced Poverty
 - SE (WISEs) key actors in the process
 - Europe 2020 agenda: **smart growth, sustainable growth and inclusive growth**



Narrative/Rational for WISE in the EU

- “A new model for poverty reduction and employment generation..” (UNDP 2008)
- Underlying assumption: Social Enterprise can offer the triple benefits of
 - Financial Sustainability
 - Social and/or environmental benefit
 - Integration of disadvantaged people
- Widespread enthusiasm for the potential capacity of WISEs to:
 - reintegrate disadvantage populations into existing labour markets
 - Create long-terms new jobs for such populations
 - Increase the employability of disadvantage populations



But Evidence?

- Despite the rhetoric regarding SE (WISEs) capacity to deal with poverty there is **little evidence to sustain the claim** (Diochon, 2013)
 - A review (Harkiolakis et al 2012) of the 447 research projects funded by the EU from 1994-2013 uncovered none that dealt directly with the relationship between SE and Poverty
- Change and social impact of SE initiatives is often neglected (not measured)
 - Conney and Shanks (2010) reviewed empirical research on effectiveness of 'new' approaches (including social enterprise) to poverty alleviation.
 - Found an *emphasis on organizational sustainability and mission risk, with very little data on client outcomes* (exception EMES work in the effects of participation in SEs on employment).

But Evidence?

- EAPN (European Antipoverty Network) – March 2015 report *“Making progress on Europe 2020. Investing in people for fairer EU”*
 - Commission’s recent Communication underlines, shockingly little progress has been made on the poverty target
 - Concerns about the focus only on *employability, rather than quality job creation and ensuring access to quality employment in a consistent way for key excluded groups*
 - Dangers of a too narrow activation approach, which puts all the responsibility on the unemployed for not getting the scarce amount of jobs available to them

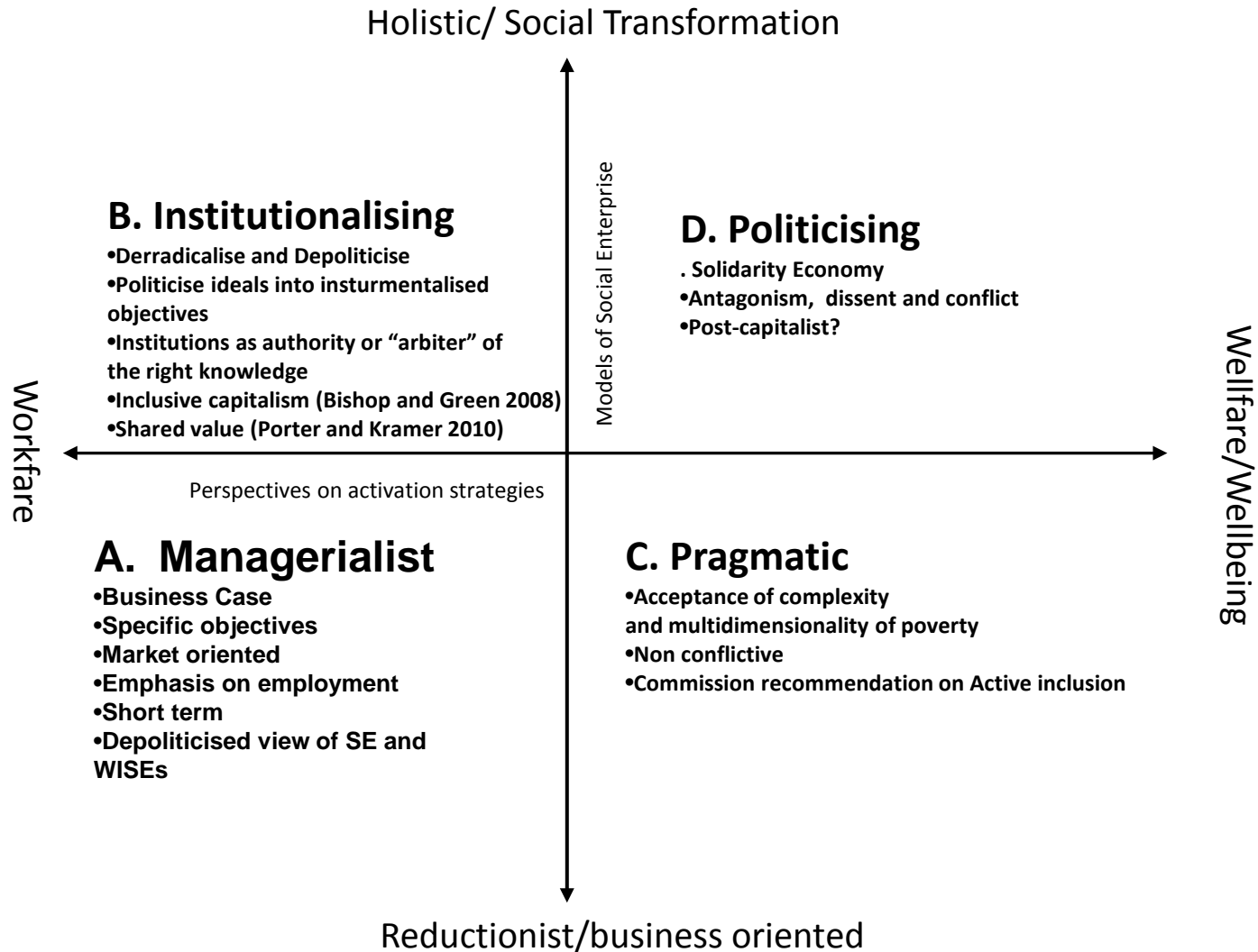


So....

- To what extent the increasing identification of SEs (and WISEs), as a vehicles to fight against poverty in the context of Activation policies in the EU is just another expression of
- *“Dominance of an ideology that ties poverty alleviation to the power of the markets”* and encourages *“market-oriented behaviour in the poor”* (Cooney 2011, 2010)
- Can SEs and WISEs contribute to generate alternative narratives on their role towards poverty reduction?

An Heuristic model

(adapted from Edward and Tallontire (2009))



Narratives on SE

- SE growing acceptance as an academic discipline (different from the study of conventional enterprise)
- But competing discourses and theorizations about SE:
 - Different actors fed by different academic theories
 - Gaining increasing acceptance in different spaces/countries/institutions
- Kerlin (2006); Defourny and Nyssens (2010)
 - → USA (Earned Income and Social Innovation)
 - → Continental Europe (EMES approach, social economy; collective process, democratic control and participatory governance)
- Teasdale (2011):
 - Competing discourses in the UK evolving over the time



Narratives on SE

- Emergence of a dominant narrative (Pre-paradigmatic situation in SE field)
- Nicholls (2010):
 - “The logics of the hero entrepreneur working with a business (or business-like) setting will come to dominate the paradigmatic development of the field, while the logics of communitarian action linked to social justice and empowerment will become marginalized”
- Dey and Steyaert (2010): *“Grand narrative of harmonious social change”*
 - Orthodoxy of entrepreneurship as reference point (de-politicization of discourses)
 - “Quasi-religious” or “mesianic” look
 - Combine in an apparently “miraculous” way the harmonious attainment of social environmental and economic objectives (hybridization, triple bottom line..)
 - Attempts to re-politicize this space is considered as a mere expression of inefficient, barely innovative or directly anti-business tendencies.



Counter-Narratives on SE and WISE

- Counter-narratives for a new agenda on SE and WISE
- ¿Where from?
 - The real experience
 - From developing linkages with Critical Theories:
 - Ecological Economy /Political Ecology
 - Feminists Economics
 - Solidarity Economy movement

Counter-Narratives on SE and WISE

- **1. From the real experience of WISEs** → Coexistence of different logics as a source of conflict → Mission drift or Failure
 - Document all cases vs. Best cases/ Failure vs. success
 - Conflicts on identity and legitimacy (in Emaus) → Resistance
 - *“being a social organization versus being a business”.*
 - *“Living on subsidies” vs. autonomy*
 - *“Becoming just like another business” (the language of ‘professionalism’, ‘efficiency’ and ‘productivity’)*
 - Multiple conflicts: Research on 10 in Spanish Social Enterprises (and WISES)
 - Growth strategies and scale (→ Trade Unions on replacement policies)
 - Leadership (Charismatic, Male-dominated, Founder→ Personalism, inertia and resistance to change and innovation)
 - Participatory governance participation vs. time efficiency (centralization, lack of collective ownership)



Counter-Narratives on SE and WISE

- **2. From developing common ground with Ecological Economics**
 - Questioning Growth as an objective
 - Linking up with the debates around de-growth
 - Including environmental considerations in the core of their operations (energy and material flows in production system and consumption)
 - Generating self-reflective capacity for analysing the impact of their activities in conflicts over access or conservation of natural resources



Counter-Narratives on SE and WISE

- **3. From developing common ground with Feminist Economics (Feminist Theories)**
 - → gender as another structure that organize the economic system (the invisible spheres) (conflict life-accumulation of k)
 - What does it mean being a feminist organization?
 - How to share the collective responsibility for maintaining life
 - Designing governance structures, strategies and mechanisms that give visibility and share equitably all types of work (including that related to care and reproducing and maintaining meaningful lives)



Counter-Narratives on SE and WISE

- **3. From linking up with Solidarity Economy and its networks**
 - Rethinking SE and WISES as catalyzing agents for (radical?) social change
 - Changing the evaluative space to be used when weighing up the outcomes of SE and WISES
 - Economy subordinated to ensuring the wellbeing of all people and the extended reproduction of life
 - What is SOLIDARITY ECONOMY?



SOLEC Trending topic

- **UN Inter-Agency Task Force** on Social and Solidarity Economy (TFSSE) → Founded in 2013
 - Raise awareness and and improve the visibility of SSE within the UN system
 - Enhance momentum towards mainstreaming the issue of SSE in international and national policy frameworks.
- **RELISS**: International Centre on Public Policy for the SSE (2011)
- **ILO**: Academy on Social and Solidarity Economy (5th Edition in South Africa- 2015)
- **France**: New Law on the Social and Solidarity Economy (2014)
- **Spain**: Law on the Social Economy (2011)



Solidarity Economy → Three perspectives (insights) into it:

- **Theoretical perspective**, concerned with building an alternative paradigm of the economy → New theory for an alternative economy:
 - Developing an alternative epistemology and methodology to the standard (orthodox) thinking
 - Sustainability of life at the centre vs. accumulation of K
- **Political perspective:** proposal for social transformation towards an alternative socio-economic model, based on non-capitalist forms of organizing social and economic relationships
- **Organiz. Perspective:** Specific type of organization based on collective entrepreneurship, self-management and democratic governance



Development of SOLEC in Spain reflect these 3 perspectives:

- **Organiz. perspective:** organizations (business) coherent with the values and principles of the alternative model
 - Network of Solidarity Economy Organizations (REAS Red de Redes)
 - Social Auditing (coherence between principles and practices)
- **Political perspective. (social transformation):** as space to rebuild processes and alliances with other social actors and the State:
 - Social Markets
 - Public Policies for the advance of SOLEC
- **Theory development:** SOLEC movement strengthening links with other critical theories: Feminist economy + ecological economy
 - EKOSOL FEM Group (University + Solidarity Economy Network) ¿What does it mean “working for sustainability of life” in the context of a business?



reas - red de redes de economía alternativa y solidaria

portal de economía solidaria

- ▶ ACTIVIDADES
- ▶ NOTICIAS
- ▶ DOCUMENTOS
- ▶ BIBLIOGRAFÍA
- ▶ BLOGS
- ▶ VÍDEOS
- ▶ CONTACTO

- PRESENTACIÓN
- CARTA SOLIDARIA
- FINANZAS ÉTICAS
- MERCADO SOCIAL
- CONSUMO RESPONSABLE
- COMERCIO JUSTO
- CÓMO COLABORAR

El Portal de Economía Solidaria es un espacio dirigido a todos los sectores sociales, económicos, políticos y particulares como lugar de encuentro, reflexión, participación, adhesión, y comunicación sobre estructuras económicas solidarias no excluyentes.

CARTA PER UNA SOBIRANIA ALIMENTARIA DES DELS NOSTRES MUNICIPIS

TRANSLATE

:: REDES DE ECONOMÍA

- :: REAS – RED DE REDES
- :: MESA FINANZAS ETICAS
- :: RED AERESS
- :: RED ANAGOS - CANARIAS
- :: REAS ANDALUCÍA
- :: REAS ARAGÓN
- :: REAS BALEARS
- :: REAS EUSKADI
- :: REAS EXTREMADURA
- :: REAS GALICIA
- :: REAS CASTILLA Y LEÓN
- :: REAS MADRID
- :: REAS MURCIA
- :: REAS PAÍS VALENCIÀ

PRÓXIMAS ACTIVIDADES

24/02/2015

Foro Internacional de Agroecología orientado a la Soberanía Alimentaria (Mali)

(Está siendo AHORA)

26/02/2015

Charla Finanzas éticas para una sociedad más justa (Monzón)

(faltan 2 días)

ÚLTIMAS NOTICIAS



23/02/2015

Troika Kanpora! ¡No al TTIP! ¡No al Plan Juncker!



23/02/2015

Constituida la Asociación Red de Finanzas Alternativas y Solidarias



23/02/2015

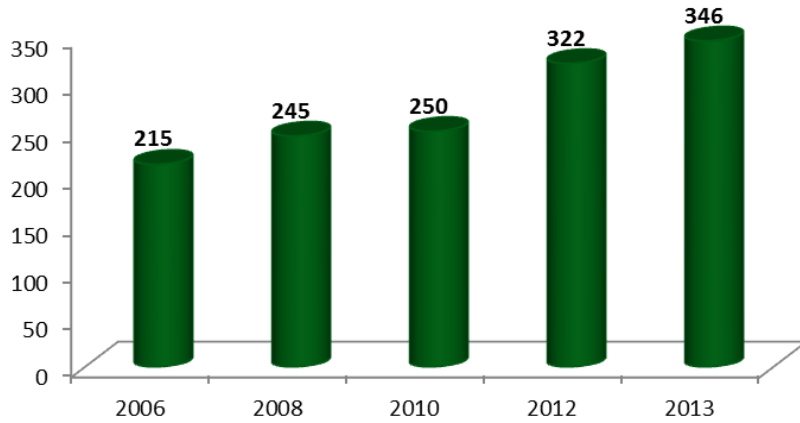
«Debemos pasar de

DOCUMENTOS

- Moneta Sozialak Nazioarteko Mintegiaren bideo eta aurkezpenak
- El Estado de la Pobreza en España
- Una nueva forma de hacer economía a partir de la validación de la teoría económica de la solidaridad
- ¿¿POR QUÉ LA DESIGUALDAD CONTINÚA CRECIENDO??



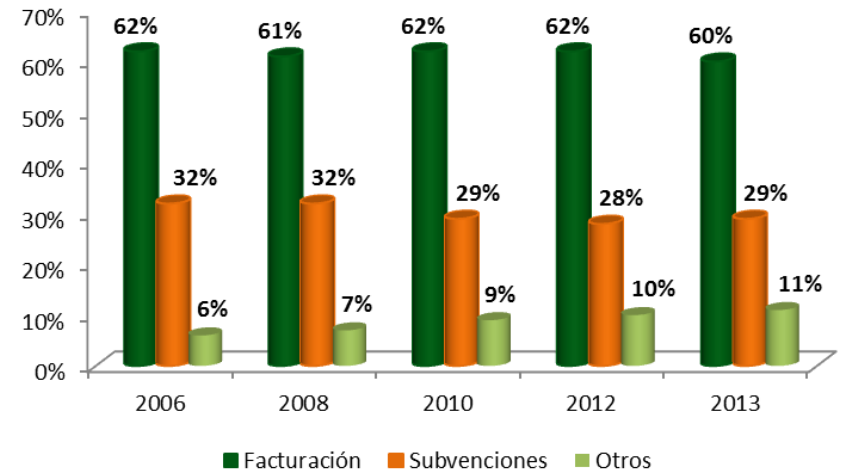
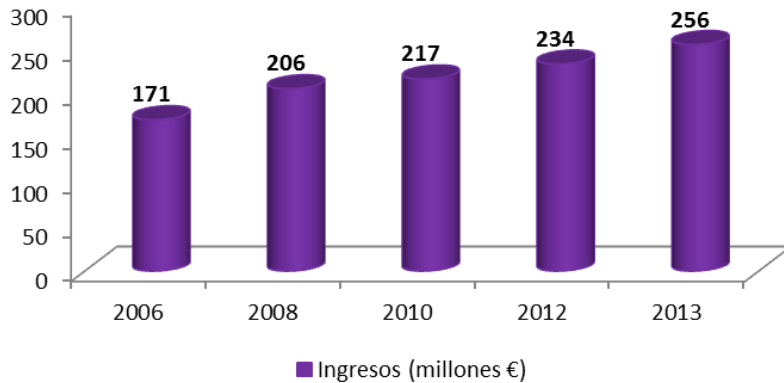
Nº entidades



Personal



Ingresos totales (millones €)



Construyendo un Mercado Alternativo de Economía Solidaria

Mercado Social

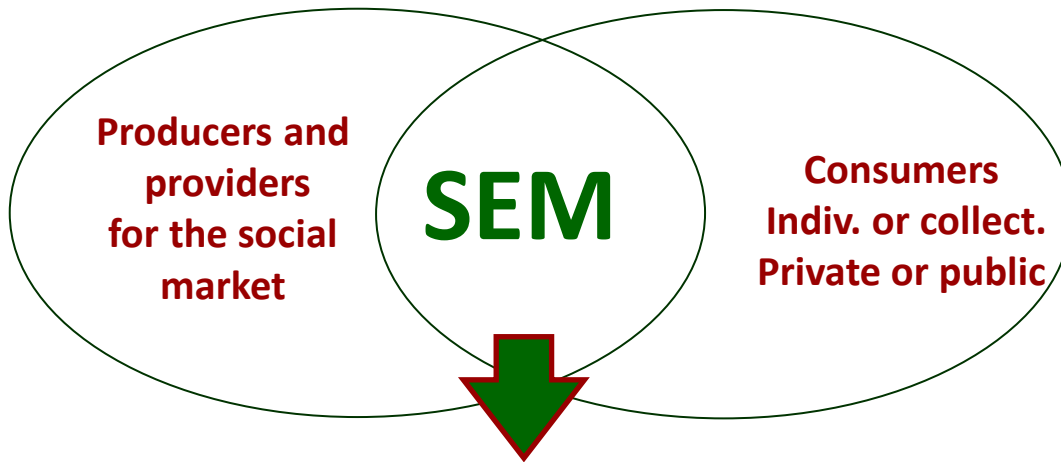


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alternativa y solidaria



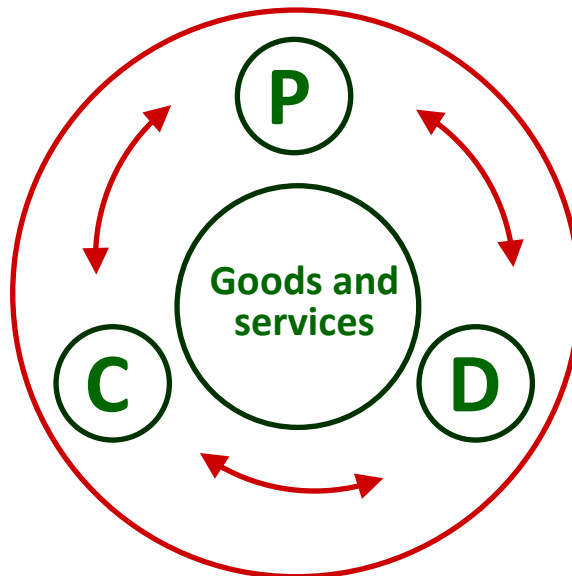


NETWORK OF PRODUCTION, DISTRIBUTION AND CONSUMPTION



Goods and services: 3 conditions

- Social utility
- Ecologically sustainable
- Produced under conditions of equity and democracy



Creation of:

- New SOLEC Enterprises to complete and close productive cycles
- Collective learning (CO-Creation DD and SS and hybridization of different logics: market, redistrib. and reciprocity)
- Social currency
- Social and cultural Innovation
- New social relations and values



PROMOTING PUBLIC POLICIES FOR SOLEC

- Forging new partnerships with public administrations based on:
 - Mutual recognition of roles and responsibilities in constructing “otra economía”
 - Objective: Create the conditions of possibility for the sustainability of life → Wellbeing /Needs
 - Innovation/ Experimentation based on “trust”, “cooperation” and “accountability”
 - Public administration not substituting “organized citizenship”
 - Participation
 - Co-construction of public services/ commons
 - “Bottom –up” processes



ROLES FOR PUBLIC ADMINISTRATION: Some ideas

1. Create appropriate conditions and facilitate

- Needs assessments
- Collective spaces
- Participatory budgeting
- Pilot experiences

2. Inform and sensitize

- Mapping of experiences
- Good practices
- Develop transversal plans for the SSE development in different departments

3. Provision

- Legal frameworks for hybrid organizations
- Public purchase and social clauses (public procurement 20% of European GDP)
- Fiscal schemes
- Financing



ESKERRIK ASKO