

The Story of Social Economy in the Basque Country

Direction

Marta Enciso Santocildes
Aitor Bengoetxea Alkorta
Leire Uriarte Zabala

Publisher

Aitziber Mugarra Elorriaga

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Dykinson, S.L.

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Work Integration Social Enterprises in the Basque Country: narrative

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5.1. INTRODUCTION

Work Integration Social Enterprises are the result of certain social entities exploring the field of socio-occupational integration to provide innovative responses to social needs that are not suitably resolved by traditional economic agents, both public and private (MARCUELLO ET AL., 2008; ARETXABALA & CARO, 2013).

In the Basque Country, Work Integration Social Enterprises are self-defined as “not-for-profit economic initiatives whose social purpose is to accompany and socially and professionally integrate unemployed persons who are in a situation or at risk of social exclusion, with special difficulties in accessing the job market” (Gizatea.net).

History

We must hearken back to the 90s to find the first experiences, the result of reflections made during the middle of the crisis in the 80s in Spain. This was stated by ASKUNZE (2016, p.3), indicating their origin as “initiatives by social intervention entities that were not-for-profit and specialised in social and employment integration for individuals in a situation and/or at risk of social exclusion. These entities, which have been working in training (pre-employment, occupational, and employment, formal and informal, educational and vocational), as well as employment intermediation (orientation and job search), consider the possibility of opening a new channel for work, straddling both intervention strategies.” In short, they

are the result of a social and community initiative that seeks “integration by economic means” and that was only later recognised by law, as we shall see later on.

Consequently, their origin lies in a social challenge of special impact: unemployment, which has been recognised since the 80s as a serious issue with direct consequences on the economic exclusion of people which, in many cases, is the trigger or is combined with “other difficulties in participation and social integration, such as access to housing, healthcare, relationship networks, the exercise of citizen rights, etc.” (ASKUNZE, 2016; ALVAREZ DE EULATE, 2017) As such, employment is a key element in shaping *people’s life projects*, beyond their role as a source of economic resources.

These social initiatives respond to the main challenge of “containing and reducing marginalisation dynamics to allow population sectors with the greatest difficulties to integrate into the job market” (VECIANA, 2007, p.19). They inspire, and at the same time, draw from active employment policies, which in the late 80s began to be implemented, supporting the first Work Integration Social Enterprises (still without a legal definition at the time), which arose from promoting entities¹ that came from a variety of entities: in some cases, religious-based organisations, and in others, neighbourhood associations and job integration entities, always with great volunteer contributions. (VECIANA, 2007, p.20; PANIAGUA, 2013, p.189)

The experiences of these entities, working with population sectors with special difficulties in accessing employment for different reasons, such as social and economic exclusion, low qualifications, social disconnection, health issues, social skills, and limited relationships... “demand a need to diversify and personalise the different strategies and instruments for employment integration” (ASKUNZE, 2016, p.4). And they recognise that there is a profile of unemployed persons for whom specific training to improve their employability is insufficient to obtain more or less standardised access to the job market (ASKUNZE, 2016, p.4; ALVAREZ DE EULATE, 2017, p.190 For example, “certain groups of unqualified immigrants or with special difficulties, such as low knowledge levels of the language, lack of job experience and/or an irregular administrative situation” (ARETXABALA & CARO, 2013, p.150).

The main innovation of Work Integration Social Enterprises arises from this diagnosis, which revolves around a methodology that combines the personalised itinerary accompanying each individual in their integration process with practical training in an actual work

¹ For example, the Emaús movement (which in 1980 created Emaús Fundación Social), Cáritas, Sartu, Peñascal, etc.

setting (VECIANA, 2007, p.20; Gizatea, 2012, p.23). They thus become an “intermediate device between training and direct employment-access strategies,” always based on personalised accompaniment. An instrument to train and learn employment and social skills and abilities, fundamentally in the job position (without forgetting other possible added interventions that are not directly associated with the professional profile), and “all this under the framework of a business and employment setting that is as standardised as possible” (ASKUNZE, 2016, p.4; ALVAREZ DE EULATE, 2017, p.190).

Reference beyond our borders

Historically, the Basque Country has been a leading region in the sector, with European programmes EQUAL ITUN and EQUAL LAMEGI, which in the 2000-2007 period created a great number of enterprises and developed tools to strengthen them. In fact, the Association of Work Integration Social Enterprises (WISE) of the Basque Country, GIZATEA, formalised in 2007, played a leading role (that same year) in creating the Federation of Integration Company Business Associations (FAEDEI, in Spanish). However, Basque Work Integration Social Enterprises (WISE) and their promotion entities already played a noteworthy role in creating the Spanish Federation of Work Integration Social Enterprises (WISE) (FEEDEI, in Spanish) in 1998,² as an initial step in shaping the associative sector of WISEs companies in Spain.

Thus, and according to data from the Corporate Report of the Federation of Work Integration Social Enterprise Business Associations (FAEDEI) in 2019,³ Basque WISEs (44) accounted for 22.4% (much more than the 6% that would have corresponded for being one of the 16 regions with I.C.) of the total number of WISEs in Spain (192), 19% of total workers, and 19.2% of integration employment. Only Catalonia exceeds the Basque Country in the number of WISEs (59 in 2019), both of which are much ahead of the rest: the next are in Madrid (16) and in Aragon (15 I.C.).

² Founded in July 1998 by AMEI (*Madrid Association of Integration Entities and Companies*), ACERES, AERESS (*Spanish Association of Social Economy and Solidary-based Recovery Operators*), Spanish Cáritas, Emaús Social Foundation, REAS, and the Anagos Network. (FAEDEI, Corporate Report 2009, p.5)

³ Data from 2020 still not available.

Illustration 59. Geographic distribution of WISEs in Spain

Distribución geográfica



Source: FAEDEI (2019) Corporate Report

Basque Work Integration Social Enterprises also stand out because there are more legal forms of social economy when they are established, even though, both nationally and within the autonomous community, over 80% of the I.C. are legally established as limited liability companies. In fact, in 2019, of the 7 existing in the country as a cooperative⁴, the vast majority (almost 3 out of every 4) (5, 71.4%) were Basque.

⁴ FAEDEI'S 2019 Corporate Report does not include data on I.C. in Catalonia. And the *Federació d'Empreses d'Inserció de Catalunya* (FEICAT) does not offer information on the legal form of its 59 associates.

Illustration 60. Legal forms involved in WISEs (2019)

Legal Form	Spain		ACBC	
	WISES			
Cooperative Enterprise	7	5%	5	12%
Worker-owned company	8	6%	1	2%
Limited Company	115	87%	36	84%
Other	3	2%	1	2%
Total	133	100%	43	100%
	PROMOTING ENTITIES			
Association	43	29%	12	22%
Cooperative	26	17%	24	44%
Public entity	4	3%	3	5%
Foundation	58	39%	11	20%
Other	19	12%	5	9%
Total	150	100%	55	100%

Source: The authors, based on 2019 FAEDEI and GIZATEA corporate reports

And as we can see, this preference for social economy is also influencing promoting entities in the Basque Country: most WISEs are managed by Tertiary Sector entities, with a clear presence of promoting entities as cooperatives (44%), which is more than double the nationwide number (17%).

5.2. CURRENT REALITY IN THE BASQUE COUNTRY

Current X-Ray

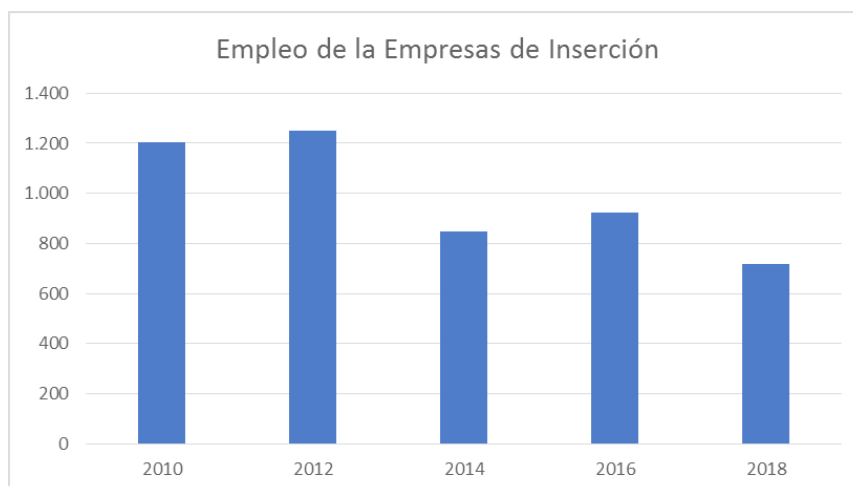
According to official data from Biannual Social Economy Statistics, in 2012, we observe a high point, both in the number of entities and in job positions, and in added value created by this type of organisation.

Illustration 61. Evolution of main macro-numbers of WISEs in the ACBC

Work Integration Social Enterprises	2010	2012	2014	2016	2018
Entities	44	78	76	65	43
Employment	1.204	1.252	845	924	719
GAV	14.433.337	24.197.042	16.187.617	16.535.783	10.045.637

Source: Social Economy Statistics, Basque Government

Illustration 62. Evolution of employment in Basque WISEs



Source: Social Economy Statistics, Basque Government

In 2019, GIZATEA grouped 43 WISEs, all the I.C. in the CAV, 1,368 employees⁵, of which 61% are integration workers. 63% is the percentage of people who, once their integration itinerary in 2019 was complete, joined the job market, either as self-employed or as an employee, or in the integration company itself, but as non-integration staff.

Together, they receive an annual income of almost 32.1 million euros, of which 72% come from billing for product and service sales,⁶ and only

⁵ 54% women and 46% men.

⁶ According to the 2019 report, 77% of these sales come from private clients, with only 23% being sales to the public sector, but this entails 6% growth in comparison with sales to the public sector in previous years: “a reflection of the additional 4th

24% from public aid⁷. Lastly, they estimate an added gross value of over 20.2 million euros that were generated. Regarding the activity sector, 72% work in the services sector, followed by a great distance by the industrial sector (14%), construction (9%), and the primary sector (5%).

Their economic return in 2019 for public administrations is calculated at⁸ approximately 4.7 million euros, which accounts for a contribution of 8,970.43€ for each integration job created and return to the public sector of almost 62% of specific grants received as I.Cs.

Regarding the prevailing legal form when formalising Work Integration Social Enterprises in the Autonomous Community of the Basque Country, the vast majority were created as limited liability companies (84%) and the other 16% took on social economy forms: 12% are cooperatives, and the leftover 2% are worker-owned companies (GIZATEA, 2019).

Applicable legal framework

This kind of entity existed before its legal recognition was formalised, and just like in other social policy, and employment and social integration fields, the first regulatory initiatives were legislated under the framework of several autonomous communities⁹ before the Law 44/2007 of 13 December to regulate the integration company system was approved in 2007.

This nationwide standard was a need demanded by the Work Integration Social Enterprises themselves, because “it is exclusively the central administration’s competence in terms of employment legislation, and partially, employment policy” and this lack of nationwide regulation before 2007 explains that fact that “different employment reforms driven by the State, especially during the 2000s, (...) did not consider the particular conditions under which these enterprises operate” (ASKUNZE, 2016, p.8-9).

National law 44/2007 sets forth in its first article that “its purpose is to regulate the legal system of WISEs and establish a framework to promote

provision of Law 9/2017 of Public Sector Contracts, which binds public administrations to establish a reserved percentage for participation in certain tenders for WISEs, has begun to have a certain impact.” (GIZATEA: Report 2019, p.14)

⁷ And of these, the vast majority (89%) are from specific grants for WISEs. (GIZATEA, Report 2019, p.14)

⁸ Calculated as the sum of contributions to Social Security and through VAT, Corporate Tax, Personal Income Tax, and other taxes

⁹ In chronological order, Navarre in 1999, the Basque Country in 2000, Catalonia in 2002, the Canary Islands, Madrid, La Rioja, and Balearic Islands in 2003, Aragon in 2006, and the Region of Valencia, Castile-Leon, and Galicia in 2007, coinciding with the first nationwide legislation.

the employment integration of people who suffer from social exclusion through this kind of company.” Its article 4 defines them as “commercial companies or cooperative enterprises that are legally established and are duly qualified by autonomous bodies with authority in this regard, that conduct any economic activity of goods and services production, whose social purpose seeks to integrate and provide socio-occupational training to people who suffer from social exclusion as a way to transition toward ordinary employment.”

This idea of “transition to ordinary employment” set forth in the regulation concluded a debate between transitory or finalist options for Work Integration Social Enterprises, with the first option winning. Moreover, this specific regulation also closed the possibility to continue using other legal forms they had worked with before in previous experiences: foundations and associations, basically (ASKUNZE, 2016, p.10), with limited liability companies being the most-used legal form.

Moreover, the Basque Government’s previous¹⁰ Decree defines them as “structures that produce goods or services whose purpose is for collectives who are socially disadvantaged or excluded to join the job market and carry out a personal integration project, by means of a suitable learning process that includes acquiring social and employment skills, basic training, employment qualification, and market knowledge so they can improve their employability conditions.”¹¹ And this same definition remains in Decree 182/2008 of 11 November, regulating qualification of WISEs, which establishes the procedure to access and register them and updates the previous Decree.

This Decree of 2008, in article 4, lists the requirements to be classified as an integration company:

¹⁰ In the Basque Country, “the fundamental antecedent is Law 12/1998 of 22 May against Social Exclusion, which states that non-participation or residual participation in the job market dictates, almost necessarily, the beginning of a social exclusion process. It is from this perspective that the need to regulate certain structures arises. While these structures had been working for years on integration, they had not been subject to said regulation.” (GARCÍA MAYNAR, 2007, p.158; GIZATEA, 2012)

¹¹ Decree 305/2000, of 26 December.

Illustration 63. Requirements for classification as a WISE

1. Establish a commercial or social-economy company
2. Conduct a legal economic activity in goods production or services provision in any sector of the market
3. Not conduct activities other than the corporate purpose
4. An essential objective of its social purpose must include the socio-occupational inclusion of individuals with special difficulties in accessing the job market
5. Be duly registered with the pertinent registry based on their legal structure
6. Be promoted and held by one or several promoting entities. This participation must translate to at least 51% holding in company capital for commercial companies. For cooperatives and worker-owned companies, this participation must fit the maximum limits set forth in different laws that are applicable to collaborating or associate members
7. Not have balance sheets, profits and losses accounts, and equity linked to other economic activities that do not fall under the social purpose
8. Be current in payment of taxes and Social Security and have no pending debts with the General Administration of the Autonomous Community or its Autonomous Bodies when applying for the classification
9. Not have eliminated any job position through unfair dismissal during the year prior to applying for the classification.

Source: Decree 182/2008 of 11 November

However, in article 7, it also defines requirements to be promoting entities of Work Integration Social Enterprises, many of which are also part of the social economy:

Illustration 64. Requirements for classification as a promoting entity

1. Public or private not-for-profit entities whose purposes include the social integration of disadvantaged persons, when they promote the establishment of Work Integration Social Enterprises and hold at least 51% of them, and if applicable, provide the social accompaniment measures referenced in article 23.1 e) of this decree
2. For cooperative enterprises and worker-owned companies, this participation must fit the maximum limits set forth in different laws that are applicable to collaborating or associate members.

Source: Decree 182/2008 of 11 November

More recently, the Law 5/2011 on Social Economy has set forth Work Integration Social Enterprises as part of the social economy, and also in

its article 5 declares “Special Employment Centres and WISEs, established and classified as such by their regulating standards” as entities that provide Services of General Economic Interest (SIEG, in Spanish). Since 2015, this recognition had been included in national regulations for self-employment and for fomenting and promoting autonomous work and the Social Economy, and justifies certain measures that had been requested for some time by these entities, such as the reserve for public contracts¹², and specific aid to boost these entities, “insofar as it is recognised that they have cost overruns in their mission as SIEG and this provides them with legal security” with European public aid regulations. (ASKUNZE, 2016, p.13).

Associationism and representation networks

In 2007, along with nationwide legal regulation, the first business associations of WISEs began to arise, and one of the first was the *Association of Work Integration Social Enterprises of the Basque Country* (GIZATEA)¹³ in that same year. Also in 2017, the *Federation of Integration Company Business Associations* (FAEDEI, in Spanish), which is currently home to 12 regional associations, was also born. Since it came about, it has formed part of the *Spanish Social Economy Business Confederation* (CEPES, in Spanish). It is also part of the *European Network for Social Integration Enterprises* (ENSIE). Moreover, many of these enterprises and/or their promoting entities acknowledge that they form part of solidarity-based economy networks like REAS¹⁴ (*Alternative & Solidarity-based Economy Network*) and AERESS¹⁵ (*Spanish Association of Social Economy and Solidarity-based Recovery Operators*).

Since its creation and in fulfilling its mission, Gizatea has promoted reflection, analysis, training, and work-process systematisation in relation to the University in the sector (MARTÍNEZ & ÁLVAREZ DE EULATE, 2015). For nearly 15 years, this collaboration led to the development of a set of materials (FERNÁNDEZ, GALARRETA & MARTÍNEZ, 2007; GALLASTEGI &

¹² Already included in the additional fourth provision in the new Law 9/2017 of 8 November on Public Sector Contracts, approved 19 October 2017 by the Spanish Parliament, “allowing all public administrations to reserve participation in the tender exclusively to special social-initiative employment centres and Work Integration Social Enterprises.” (ÁLVAREZ DE EULATE, 2017, p.196)

¹³ “*Gizatea* is a word that combines the terms *giza* (human), *gizartea* (society), and *atea* (door). With it, we seek to express the role played by Work Integration Social Enterprises as one of the possible entryways to participation and social integration, by means of a socio-occupational integration process, where the person is the protagonist.” (GIZATEA, 2012)

¹⁴ www.economiasolidaria.org

¹⁵ www.aerness.org

MARTÍNEZ, 2011; MARTÍNEZ, GALLASTEGI & YÁNIZ, 2012) that have acted as a reference for professionals to develop and improve their practises.

In the Basque Country, in addition to forming Gizatea, Work Integration Social Enterprises actively participate and collaborate with other social networks. In addition to the aforementioned FAEDEI and REAS, they are part of the Basque Social Economy Network EGES, the Tertiary Social Sector Network in the Basque Country *Sareen Sarea, Networks for Social Inclusion in Euskadi EkaIN*, “participating in alternative-finance initiatives like Fiare Banca Ética, or driving fair commerce, recycling, or local and ecological agricultural projects” (ASKUNZE, 2016, p.22) such as Mercado Social (Social Market), in addition to other examples of inter-cooperation practised by Basque WISEs. This work as a network is always geared toward “creating inclusive employment opportunities for everyone and, in short, for a more cohesive, fair, and solidarity-based society” (GIZATEA, Report 2019).

5.3. DRIVING NOTIONS FOR WORK INTEGRATION SOCIAL ENTERPRISES IN THE BASQUE COUNTRY

Not-for-profit economic initiatives driven by not-for-profit entities specialised in employment and inclusion

Work Integration Social Enterprises are economic initiatives that are closely connected to the not-for-profit spirit, both at WISEs and at promoting organisations, as solidary initiatives whose main purpose is human and social promotion. Thus declares Gizatea in its Statement of Values, defining them as not-for-profit initiatives.

They share a critical vision of the current economic model with social and solidarity-based economy, and conduct economic practises based on alternative principles and values, as well as a marked socio-political and transformative socioeconomic nature.

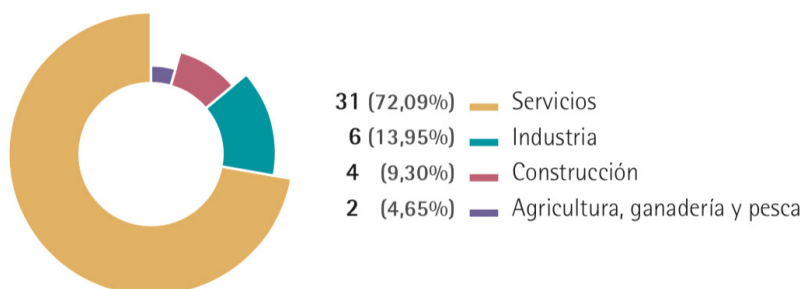
They operate on the market like any other company

Work Integration Social Enterprises are self-defined as “productive structures of goods or services” to improve the employability of people at risk of exclusion and seek to be “serious and solidly managed business projects” (GIZATEA, 2009, p.16). As such, these are enterprises that must also conduct economic activity on the market, competing with others. Like any other company, they must apply criteria of productivity, competitiveness,

and efficiency in their operations, “both in terms of their competitive activity and in terms of their internal operation and the employment relationships that are established” (ASKUNZE, 2016, p.5).

Basque WISEs operate in all activity sectors, with the spotlight on the services sector, and within this sector, restaurant and catering, waste collection, management, and recycling, and cleaning.

Illustration 65. Activity sectors



Source: GIZATEA Report 2019

Sales are the main source of income for WISEs associated with Gizatea: data from 2019 show total income of 32,166,302,25€, of which 72% comes from billing for the sale of products and services. Of total sales, 77% came from private clients, and 23% from the public sector. These data show that WISEs mainly operate on the private market.

Even so, we have observed increased billing of the public sector, an indicator that the “additional 4th provision of Law 9/2017 of Public Sector Contracts, which binds public administrations to establish a reserved percentage for participation in certain tenders for WISEs, has begun to have a certain impact.” (GIZATEA: Report 2019, p.14)

Initiatives with an intrinsic social nature different from other enterprises

The success of Work Integration Social Enterprises is two-fold: on one hand, “success referring to the specific social purpose of these companies, consisting of people joining the job market who are at risk of exclusion,” but combined with success in terms of the “social purpose of the commercial activity that sustains this collective integration process.” At these enterprises, the social

result takes priority over the economic result. The latter is understood to be a tool at the service of the former (RETOLAZA ET AL, 2008, p.40), but is also necessary for the project's survival and sustainability over time.

Regarding not-for-profit organisations, Work Integration Social Enterprises devote 100% of their surplus to improving their structures or promoting social-employment integration activities, but they never distribute profits. And this defining characteristic, along with certain “competitive disadvantages on the market” (RETOLAZA ET AL, 2008, p.64), the result of conditioning factors of their social role, do not allow us to “use profitability as an indicator of corporate success.” (RETOLAZA ET AL, 2007, p.53). Even so, in 2019, these enterprises obtained 72% of their income from billing on the market (especially in the services sector (72%)), and 77% from clients in the private sector.

Work Integration Social Enterprises seek to broaden their client portfolio and increase the weight of the public sector in this portfolio by fomenting Responsible Public Purchase initiatives. They understand that “employment opportunities created by the public sector for people at risk of, or who are socially excluded are clearly insufficient” (ALVAREZ DE EULATE, 2017, p.96). For this reason, they are raising awareness with Public Administrations in terms of the profitability, both social and economic, of applying social clauses, which are “the inclusion of certain criteria in public procurement processes, based upon which aspects of social policy are added to the contract as a prior requirement (admission criteria) and/or an element for assessment (scoring). (Ruiz et al, 2007, p.143). They also argue to apply contracts reserved¹⁶ for entities that provide Services of General Economic Interest (SIEG, in Spanish), which are mandatory for all Public Administrations, as set forth by the additional 4th provision of Law 9/2017 of 8 November on Public Sector Contracts.

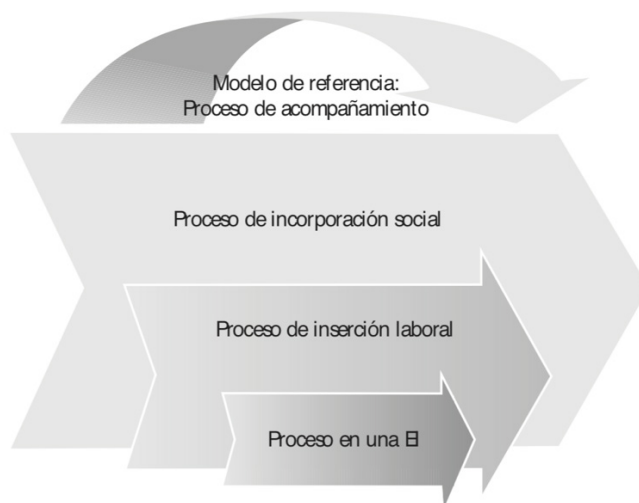
Main objective: to improve employability and achieve socio-occupational integration for the unemployed in a situation, or at risk of social exclusion

Indeed, Work Integration Social Enterprises' hallmark is the generation of “opportunities for integration on the ordinary job market for people in a situation, or at risk of social exclusion” and they explicitly recognise this in their mission. This is their *raison d'être*, their central mission: “under the framework of a personalised itinerary, to offer a series of intervention and accompaniment

¹⁶ As an extreme case, the social clause “where their restrictive nature would, de facto, be so strong that it would only allow the participation of a certain type of company” (RUIZ ET AL, 2007, p.143), and already in Law 9/2017 of 8 November on Public Sector Contracts.

services to improve skills and abilities to improve their employability level.” This makes them a “facilitating resource within a broader employment integration process which, in turn, and given the role that employment plays, falls under a global social integration process” (ASKUNZE, 2016, p.15)

Illustration 66. Processes involved in social integration



Source: FERNÁNDEZ ET AL., 2007, p.16

As stated by MARTÍNEZ, GALARRETA & AROSTEGUI, Work Integration Social Enterprises “are proving to be an effective programme to meet the needs of people with complex employment-integration needs” by means of a process to improve employability, wherein contextual and individual factors have an influence. WISEs provide a job that acts as a foundation to conduct a process-itinerary of social and employment inclusion, offering a wide range of opportunities to people who, for different reasons, were excluded for educational, employment, and social opportunities (MARTÍNEZ ET AL., 2019, p.79). To this end, they have a temporary contract modality to foment employment¹⁷ with specific peculiarities¹⁸ designed for

¹⁷ Set forth in the first additional provision of Law 43/2006 of 29 December, to improve growth and employment, and of a duration between 12 months and 3 years (maximum). Once concluded, this entitles one to an economic compensation equivalent to 12 days of salary per year worked.

¹⁸ Such as a part-time day greater than half the workday for a full-time worker, right to absence without loss of pay (to attend treatments, trainings, or other measures

WISEs. In fact, the law requires that least between 30% and 50%¹⁹ of staff be individuals in the process of integration. The employment conditions and relations of all workers (whether integration or not) are in accordance with the convention for the specific activity sector in which each integration company operates.

As such, these are initiatives that fall under what are known as active employment policies. The data prove their effectiveness. The employment created by the sector increased in 2019, especially employment for people in a situation or at risk of exclusion: associated WISEs employed 1,368 people in 2019, 836 of which were in the process of integration, making 2019 the year with the most integration employment generated.

Key methodology: personalised accompaniment itinerary

For each individual in the integration process, a personalised itinerary is drawn up for social and technical accompaniment, no longer than three years' duration, for social and expert professional accompaniment in the employment process, and through other educational and social supports.

To this end, there is an accompaniment model that has been drawn up with the University. It was updated in 2018 and shared by the sector. New tools have been developed to assess employability, based on a concept of employability focused not only on the person, but also on the opportunities offered by the person's environment. This design, made in the CAV, is especially innovative in this field. It has become an example, applied across the country at all WISEs, as a specialised contribution from Basque I.Cs.

Numbers of people who joined ordinary employment upon completing their itinerary at Basque WISEs remained stable in 2019: 63% of integration workers who completed their itinerary joined the ordinary job market.

Commitment to the community

Work Integration Social Enterprises have proven to be effective, efficient, and sustainable socio-occupational integration tools, both in

set forth in the personalised integration itinerary), obtain a certificate of services provided and employment performance, and not applying certain disciplinary dismissal elements.

¹⁹ Article 5c) of Law 44/2007 sets forth the obligation to “keep an annual count, as of classification, of the percentage of workers in the process of integration, regardless of the hiring modality, of at least 30% during the first three years of activity and at least 50% of total staff as of the fourth year, and this number shall be no lower than two.”

terms of training and employment preparation and in terms of accessing employment. They contribute to social cohesion, working in collaboration with Public Employment Services and Social Services, and boast progressive social legitimacy that grants them increasing protagonism in different strategies and active policies for social inclusion.

This is shown by the numbers in their Corporate Reports, where they account for fiscal, economic, and social returns of a large part of investments in this sort of company, thanks to their activity (GIZATEA, 2012, p.18):

- In fiscal terms, via economic activity taxes paid and salaries generated, with their pertinent Social Security contributions and personal income taxes. In 2019, they calculated returns through this channel at approximately 8,970€ per integration position generated.
- In economic terms, they alleviate public expense by reducing the number of people who receive social and unemployment benefits, and also contribute to boosting the economy with their activity. In 2019, savings for Public Administrations were calculated at approximately 7,570€ per integration position at these enterprises.
- Socially, encouraging social cohesion (between 50% and 75% of staff were people in the integration process, and in 2019, 63% of them entered the job market once their itinerary was complete) and “building a fairer world.”

Commitment to strengthening a social and solidarity-based economy

Work Integration Social Enterprises in the Basque Country are committed to a Solidarity-based Economy and include democratic values in their working style: On one hand, in their code of ethics, they commit to fomenting participation “through both consulting and decision-making channels” and involvement “in decision-making processes, attempting to guarantee the utmost horizontal approach.”

They combine participation with the necessary exercise in transparency to be able to “periodically render accounts” both to participants at Work Integration Social Enterprises and other agents, in aspects related to management, applied organisation criteria, activities, and the results obtained. In fact, they present their Corporate Report every year with grouped data on 100% of Gizatea’s enterprises.

They defend equal opportunity in their day-to-day operations, so that “people whose situation, due to circumstances beyond their control (natural or social happenstance), puts them at a clear disadvantage, makes them discriminated against, or vulnerable, or fragile in comparison with

others, can be placed under equal conditions to participate in the social and professional world.”

In addition to their work for equal opportunity, they have special sensitivity in terms of gender equality, with “systematic consideration of different situations, conditions, aspirations, and needs of women and men” in their management.

In short, Work Integration Social Enterprises clearly fall under the “scope of initiatives based on prioritising people and social ends above capital ends” (ASKUNZE, 2016, p.20). As part of the social and solidarity-based economy, “they share a critical vision of the current economic model with social and solidarity-based economy, and conduct economic practises based on alternative principles and values, as well as a marked socio-political and transformative socioeconomic nature,” (ASKUNZE, 2016, p.21), including a commitment to environmental sustainability.

For this reason, and as mentioned, they fall under the community of social economy networks. Thus, Gizatea participates in the following networks:

- Ekain – Networks for Social Inclusion in the Basque Country,
- Sareen Sarea – Network of Tertiary Social Sector Networks in the Basque Country,
- EGES – Basque Social Economy Network
- FAEDEI - Federation of Business Associations of Work Integration Social Enterprises
- Ethical Finance Association of the Basque Country.

Alliances as models for collaboration

Working as a network and creating alliances is a constant in Gizatea and its Work Integration Social Enterprises’ operations. In this regard, the challenge set by Sustainable Development Goal 17, to create alliances to achieve the other 16 SDGs, perfectly matches how WISEs operate, as they seek to make progress in SDG 8, on dignified work for all.

In fact, Gizatea has identified different experiences implemented by WISEs in the Basque Country that are exploring different “collaborative experiences and alliances between the public sector, the private sector, and the social sector,” thereby contributing to goal 17.17: “encourage and promote public, public-private, and civil society partnerships.” And it is making them publicly visible²⁰ with the goal that they act as an example

²⁰ ALVAREZ DE EULATE, L. ET AL. (2019) *Tejiendo alianzas público-privadas para la generación de empleo e inserción* (Weaving public-private alliances to create employment and integration). *Noticias de la Economía Pública, Social y Cooperativa CIDEDEC*, (60) 55-68.

for public administrations and private companies that wish to contribute toward fulfilment of the Agenda 2030 by creating inclusive employment through social entities and WISEs. As a presentation:

1. Public-private promotion of the integration company Oarsotek, S.L. (Oarsoaldea, Gipuzkoa) since 2005 to facilitate employment integration for single mothers with family burdens and no support networks. Town Halls of the Oarsoaldea (Gipuzkoa) region collaborate through the Development Agency and the company Rubitec, S.A.
2. Public-social promotion of the integration company Berziklatu, S.L. (Ortuella, Biscay) since 2007 to create integration employment through comprehensive processing of voluminous waste generated in Biscay, amongst others. The Provincial Council of Biscay and the public company Garbiker (a company 100% belonging to the Provincial Council of Biscay, under the Ministry of Sustainability and the Natural Environment), and in the social sector, Emaus Bilbao S.Coop and Rezikleta S.Coop, collaborate.
3. Creation of the integration company Urbegi Inserción, S.L. by relocating industrial activity (Amorebieta, Biscay) since 2012 to create employment for individuals in vulnerable situations. Draxton Atxondo (formerly Funchosa) and the Urbegi Foundation and EI Urbegi Inserción collaborate.
4. Project to create WISEs in the Lower Deva region (Gipuzkoa and Biscay) since 2018 for employment integration of individuals in a situation of, or at risk of exclusion in the region, preferably in the industrial sector. The Lower Deva Development Agency (DEBEGESA) and the Association of Work Integration Social Enterprises of the Basque Country (GIZATEA) collaborate.
5. “Laneratzuz” programme (Oñati, Gipuzkoa), since 2019, to promote socio-occupational integration in Oñati for individuals in a situation or at risk of social exclusion with special difficulties in accessing the ordinary job market. The cooperative group ULMA and the Town Hall of Oñati (Gipuzkoa) collaborate.

5.4. FUTURE CHALLENGES

In 2018, after a two-year reflection process, Gizatea identified several challenges and strategic lines for progress both in Basque Work Integration Social Enterprises and in Gizatea as a business group, whose purpose is precisely to promote the improvement of its enterprises and reach higher and better quotas of institutional and social interlocution. These challenges must now be reviewed, given the COVID and post-COVID scenario.

Basically, these challenges can be summarised as four:

1. Considerably increasing the number of people in the process of integration at our enterprises, with the objective of tripling this number within three years.
2. Improving the percentage of people with satisfactory results assessed under the framework of public employment policies.
3. Extending the geographic presence of WISEs to all the regions in the Basque Country.
4. Appropriately introducing WISEs into different instruments and relevant, recognised agents for socio-occupational inclusion processes, up to the challenge and complexity of employment and inclusion in our society.

In order to tackle these challenges, Gizatea has proposed the following:

Boosting the sector's growth

- Fomenting favourable regulatory developments for Work Integration Social Enterprises around the country, through Faedei, and actively participating in writing new regulations for WISEs in the Basque Country.
- Bringing proposals of interest for WISEs to other kinds of regulatory developments related to employment, the social economy, or inclusion.
- Incorporating WISEs into active employment, social, and inclusion strategies and policies at different institutional and competency levels.
- Boosting social clauses and reserved contracts, thereby favouring WISEs' access to public procurement.
- Assessing and taking advantage of existing opportunities to develop new markets in local development plans or other kinds of economic promotion policies, as well as the socially responsible practises of ordinary companies.
- Promoting spaces and activities to facilitate mutual knowledge and a relationship between member WISEs, as well as internal consumption of goods and services.
- Boosting dynamics to promote innovation or to identify new activity sectors.

Influence on key agents

- Maintaining a high degree of dialogue with public institutions (Ministry of Employment and Social Policies, Lanbide, provincial and local administrations), to achieve recognition of the network and the integration company sector.
- Increasing the network's degree of dialogue and its relationship with policy and social agents (political, union, business organisations).
- Promoting development and actively participating in spaces for collaboration with social economy networks by participating in the Basque Social Economy Network-Euskal Gizarte Ekonomia Sarea (EGES).
- Actively participating in Faedei, and through it, the European Network of Social Integration Enterprises (ENSIE) and maintaining a relationship of collaboration and mutual support with other regional integration company associations.
- Boosting the close collaboration with the Alternative & Solidarity-based Economy Network of the Basque Country - REAS Euskadi, as well as with solidarity-based economy agents (Fiare Ethical Banking, Social Market).
- Contributing to the strengthening of ekaIN- Networks for Social Inclusion in the Basque Country, fomenting the development of shared spaces.
- Contributing to the process of structuring and strengthening the Basque tertiary social sector through participation in Sareen Sarea.

Raising visibility in Basque society

We must increase visibility of the added value, innovative nature, and economic and social returns of Work Integration Social Enterprises:

- Continuing to annually disseminate results from the social balance and going in depth in data analysis.
- Conducting actions designed to promote extension of the “integration company” brand.
- Developing and starting up communication tools to socially boost Gizatea and Basque WISEs.

Strengthening the model of accompaniment for integration

- Disseminating and providing tools for work in accompaniment for integration.
- Conducting processes to assess and perfect the model.

- Promoting training actions in subjects related to accompaniment for integration.
- Making progress in employment intermediation tasks in the transfer to the ordinary job market for integration workers.

Strengthening Gizatea as a leading network in the Basque Country for Work Integration Social Enterprises

- Promoting its institutional and social dialogue and increasing its capacity to offer services to WISEs.

5.5. CONCLUSIONS

— **Employment is a key element in shaping people's *life projects*, beyond its role as a source of economic resource.**

Unemployment is a social challenge with a special impact, recognised since the 80s as a serious problem with direct consequences on the economic exclusion of people which, in many cases, is combined with other difficulties for participation and social inclusion.

— **Work Integration Social Enterprises are economic initiatives for the socio-occupational integration of people in a situation, or at risk of social exclusion**

There is a profile for unemployed people for whom specific training to improve their employability is not sufficient for them to access the job market. For the comprehensive development of these individuals, WISEs apply an innovative methodology, combining the personalised accompaniment itinerary in their integration process with practical education in a real work setting. This way, they acquire work and social skills and abilities that allow them to transition to ordinary employment.

— **Work Integration Social Enterprises arose from social initiative as experiences that only later obtained legal recognition**

This kind of entity existed before it was formally legally recognised: in the Basque Country, they were regulated in 2000, and in 2007, Law 44/2007 was approved, which was key to incorporate recognition of WISEs into labour law nationwide. Law 5/2011 on Social Economy recognises them as part of the social economy, and also declares them entities that provide Services of General Economic Interest (SIEG, in Spanish).

— **Work Integration Social Enterprises have proven themselves to be effective, efficient, and sustainable tools for socio-occupational integration**

They offer a tax, economic, and social return on a large part of their investment, contributing to public revenue, alleviating public expense, and favouring social cohesion. They work in collaboration with Public Employment Services and Social Services and boast progressive social legitimacy that grants them increasing protagonism in different strategies and active policies for social inclusion.

— **Through its Fourth Additional Provision, Law 9/2017 of 8 November on Public Sector Contracts binds public administrations to reserve contracts for entities that provide Services of a General Economic Interest, such as Work Integration Social Enterprises**

WISEs seek to increase the weight of the public sector in their client portfolio so as to create more job positions for individuals in a situation, or at risk of exclusion by complying with the contract reserve.

— **Work Integration Social Enterprises in the Basque Country are committed to a Solidarity-based Economy**

WISEs are not-for-profit organisations, and their promoting entities should be, also. They share a critical vision of the current economic model and conduct economic practises based on alternative principles and values, as well as a marked socio-political and transformative socioeconomic nature.

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