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SOLIDARISCHE ÖKONOMIE ZWISCHEN MARKT UND STAAT

Gesellschaftsveränderung oder Selbsthilfe?

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The institutionalization of 'work integration social enterprises'

1. Introduction

In this article, I analyze the emergence of 'work integration social enterprises', as well as their progressive institutionalization in the field of public policies. These organizations, which are established by the social and solidarity-based economy, aim, by continuously producing goods and services, at creating jobs for people excluded from the labour market. These days, work integration represents one of the most important spheres of activity of social enterprises in Europe and plays an important part in the public negotiation of such social problems. I begin by exposing the theoretical framework of the research. Then, I go on to present the construction of the field of these initiatives, starting with their emergence in the 1970s and looking into the evolution of the public policies in which they have gradually been institutionalized. In the third part of my work, I examine the effect of the different paths of institutionalization adopted by these social enterprises on the organizational practices developed.

2. Theoretical framework: the political embeddedness of social and solidarity-based organizations

Traditionally, analyses of organizations, including their relations to their environment, are undertaken on the basis of sociological or economic theories of organizations (Laville et al. 2006). In various ways, such theories focus on the insertion of the organization into a context which is apprehended either in market, technological and informational terms or in cultural and normative terms. Most of the time however, such theories understand the

organization as dependent upon its environment and conceive its margins of autonomy in terms that are limited to its internal processes. The idea according to which organizations can actually generate changes in their environment and participate in the construction of public action remains underdeveloped (Lemaître 2009).

In order to overcome this blind spot, I find embeddedness theories quite useful. Beyond the simple question of rationality, these theories include the notion of legitimacy in their framework and they see an organization not only in terms of its organizational dimension but also in terms of its institutional context. They conceive the relation between the organization and its environment as an interaction, which needs to be understood in political terms. Just as the environment shapes the organization, the organizations construct their environment in turn.

Among the various embeddedness theories, my position builds on works on plural economy that draw on a substantive understanding of the economy as developed by Polanyi (1983). Indeed, if the embeddedness notion emerged in 1944 with Polanyi's *The Great Transformation*, it is necessary to wait until Granovetter seizes this concept in 1975 so that the theory achieves a certain success and is mobilized by economic sociology. Granovetter (2000) mentions that his theory of embeddedness has a very general applicability. However, he develops in his work a set of examples related to market situations and market relations of for-profit private enterprises. It is within this framework that the author develops his concept of reticular embeddedness, which later develops into the embeddedness of market relations in networks of personal relations. Reticular embeddedness is centered on the social construction of the markets, as is also the case when the author treats institutions. By doing this, Granovetter tends to consider the market as being the only economic fact (Zelizer 1988).

Polanyi (1983), on the contrary, allows us to re-conceptualize the economy. Drawing away from a view focusing on a utility-maximizing behaviour in a framework of limited resources (Robbins 1932), he promotes an understanding of the economy as one which includes all phenomena related to interdependencies among human beings and with their natural environment. This substantive understanding of the economy must be seen as an invitation to see the economy, as well as the organization producing goods and services, as plural, that is, as articulating, without *a priori* hierar-

chies, a variety of actors and logics. It also helps us to analyze the specificities of social and solidarity-based economy organizations by studying how they try to reconcile the economic, the social and the political.

Although Polanyi (1983) develops a rather wide approach of embeddedness, which covers a diversity of modalities in his writings, I draw on his thesis that economy is an institutionalized process in order to develop the foundations of the notion of political embeddedness. I also rely on the philosophical and sociological theories that put forward a bipolar understanding of the political. Indeed, for Habermas (1986), the political power includes, on the one hand, the power applied administratively according to the Weberian tradition and, on the other hand, the power generated communicatively, as already highlighted by Arendt. The power applied administratively is the political system which is in the field of the authority: it covers the political activities which arose from the authority and from the forms of control associated with it. It is the State power which administratively implements the orientations given through the mechanisms of the representative democracy. The power generated communicatively expresses the central place of the judgment exercise related to the 'being among' (Arendt 1991). In Habermas (1986), this power is spread in the public sphere. This last form is composed of the free association of citizens. It is the place of the discursive formation and the exchange, of the expression and the visibility, of the opinion and the will of creation concerning life in the community. According to the Habermasian approach, the public sphere is the "arena of discursive debates between equals, the definition of a consensus around a 'common good'" (Pirotte 2007: 58).

According to this vision, civil society is apprehended as "a particular sphere where is played a process of argumentation and of deliberation mainly within a dense fabric of associations and institutions. The civil society becomes this public sphere in which the social differences, the social problems, the public policies, the governmental action, the community affairs and the cultural identities are put in debate" (Pirotte 2007: 55). In this sense, the civil society is constituted by plural public spheres, which "institutionalize the discussions which propose to solve emerging problems concerning the subjects of general interest" (Habermas 1997: 395). It has a power, a capacity of influence, insofar as it is considered as "an alarm system equipped with antennas highly sensitive to the problems of the society", as

a plurality of social actors which formulate “the problems in a convincing and influential way, support them by contributions and dramatize them so that they can be relayed and treated by the parliamentary organizations” (Habermas 1997: 386).

By proposing a synthesis between administrative power and communicative power, this view makes it possible to conceptualise the various interactions and the possible pressures and tensions between these two forms of power (Laville et al. 2005). Thus, Habermas considers that one can characterize the democratic constitutional States in terms of a “conflictual complementarity” between the administrative power and the communicative power (Laville et al. 2005: 8). The first needs the second to establish its legitimacy and the second needs the support of the first to deal with the identified social problems, to reflect its influence in formal resolutions and to thus take “the form of an authorized influence” (Habermas 1997: 399). But this complementarity is deeply conflictual, insofar as the communicative power reacts to and challenges the administrative power when there are supposed mismatches between the social reality and the general interest, while the administrative power has the tendency to instrumentalize the communicative power, “by integrating it as one of its functions” (Laville et al. 2005: 8).

This bipolar view of the political authorizes the adoption of an extensive understanding of the public action, as including the two poles of the political: not only the activities of the public bodies but also the activities of other organizations carried out in the public sphere in the name of the common good. “Such an extensive view permits to bring together in a common framework the actions directly linked to the public power and those initiated by ordinary citizens when they act in relation to collective issues” (Laborier/Trom 2003: 11).

The adoption of an extensive understanding of public action breaks with a too unilateral vision of the political as being merely the administrative decisions which are imposed from top to bottom on the other bodies of the society. Such an approach is justified by the many historical observations of a possible participation of the action resulting from the engagement in the public sphere in the formal resolutions defining life of the community. It rests on the observation that the action of the associations is far from having always led to the disengagement of the State and that there is, on the contrary, a possible complementarity between the intervention of the

social and solidarity-based economy organizations and the intervention of the public bodies.

On these bases, the notion of embeddedness, which has remained rather vague in the literature, can be stabilized. Therefore, I focus on the political embeddedness of social and solidarity-based organizations, which means that I see the inscription of these organizations in the public sphere and within public policies as reciprocal processes. The hypothesis is that of a co-construction of the field through the institutionalization of social and solidarity-based organizations. I then go on to analyze the double move through which, on the one hand, these organizations manage to play a role in the public debate, to construct a collective actor (organized and recognized in the public sphere) and to participate in the development of public policies. On the other hand, their specific inscription in the public sphere and within public policies can influence in turn the organizational practices developed, understood in a plural sense.

Thanks to this framework, social and solidarity-based organizations can be analyzed through not only their economical dimension (as producing goods and services), their social dimension (as developing services for the community), but also their political dimension (as enabling public action, i.e. collective expression in the public sphere, and participation in public debates which may influence institutional frameworks and further public policies). These dimensions of the social and solidarity-based economy organizations tend to be handled separately in the literature. While apprehending both the structural and the institutional dimensions of such organizations, it is possible to study their organizational practices and their institutionalization processes, as well as the interactions between them.

3. Work integration social enterprises

In this paper, my focus is on social enterprises that are active in the field of integration by work. As I mentioned before, these are social and solidarity-based organizations which develop an economic function through the continuous activity of producing goods and/or services and which explicitly pursue a goal defined by their will to create employment for disadvantaged workers in relation to the labour market. Indeed, difficulties of

social inclusion into production activities organized by dominant economic actors are perceived and problematized by various groups. Such difficulties are therefore likely to be disseminated in the public sphere, and the issue of social inclusion tends to become a key criterion used by the authorities while formulating public policies. It is therefore interesting to examine how such organizations find their place in the public sphere and whether, during the institutionalization process within the public policies, they are recognized in their specificities and encouraged, or framed and instrumentalized by the public bodies.

Our focus will be on the Walloon region in Belgium, although several dynamics of progressive institutionalization within the active labor market policies that our analysis emphasizes can be encountered in many other European countries (Laville et al. 2006). The results presented hereafter were developed in the framework of the PERSE research project of the EMES European research network, undertaken in Belgium with the collaboration of Marthe Nyssens and Alexis Platteau.

3.1 Historical analysis of the co-construction of the field: from contestation to institutionalization within active labour market policies

In order to study the political embeddedness of work integration social enterprises, I begin with an institutional analysis of the co-construction of the field that reconstructs, historically, the manner in which such enterprises have been inscribed in the public sphere and within public policies. Indeed, a picture of the field in a given moment of time would lead us to conclude that there has been a unilateral constraint of the public policies on such initiatives. The adoption of an historical perspective can show, according to the hypothesis of the co-construction of the field, how such initiatives have been able to trigger public action in the public sphere and to cause the development of public policies. In other words, we will see that the institutionalization process of work integration social enterprises has not been a top to bottom process but that these initiatives have themselves participated in the development of public policies.

In Belgium, as well as in several other European Union countries, work integration social enterprises (WISEs) emerged in the late 1970s and early 1980s, launched by civil society actors, mainly social workers but also associ-

ated militants, unions, and so on. In a context of increasing unemployment and social exclusion, they did not find adequate public policies to tackle these problems. Thus, they emerged in a stance of protest and autonomy against established public policies and pointed, in the public debate, at the limits of institutional public intervention with regards to the people excluded from the labour market: the long-term unemployed, the low-qualified, etc. At that time, such organizations embodied a strong conception of social exclusion: they questioned the different actors, denounced the structures producing exclusion and claimed the right to work.

These WISEs played a pioneering role by integrating, through work, those excluded from the labour market. In this sense, we can say that the first WISEs developed active labour market policy practices before the corresponding public policies appeared. They contributed to the renewal of public policies and, subsequently, a second generation of WISEs appeared, in a negotiating perspective, open to networks and to collaboration with other actors, including public bodies (Petrella 2001).

In the mid-1980s, in Belgium as in other European countries, the WISEs used public programmes offering intermediate forms of employment. These programmes, called 'second labor markets programmes', were between employment and social policies. The development, by the State, of this first generation of active labour market policies, besides the 'passive labour market policies' guaranteeing social benefits to the unemployed, issues from the observation of both a number of unsatisfied social needs and the increasing problem of unemployment. According to Laville and Nyssens (2001a), the social expenditures of the Welfare State at this time no longer reached consensus. These second labour market programmes thus try to encourage the creation of new jobs in areas where they can satisfy social needs that are not met by the market or by the intervention of public bodies. Such programmes are a means of creating jobs for unemployed persons and curbing mainstream social spending. The non-profit associations are then mobilized in order to put in practice this social treatment of the unemployment. In the 1980s, the WISEs had an associated status and pursued their action by using resources issuing from these second labour market programmes.

According to Nyssens and Grégoire (2002), in the 1990s, beyond such second labour market programmes, which represent a mix of employment

and social policies and which have been transformed into regular employments in the associative sector, we can see across European countries the development of a second generation of active labour market policies, which could be referred to as 'activating labor market policies'. Simultaneously, direct job creation through the second labour market programmes declined. The activating labor market policies are much more targeted at the employment goal. They include the development of a wide range of temporary subsidies, conditional on the hiring of persons belonging to groups considered 'at risk in the labour market'. For a limited period of time, the unemployed stay in such programmes, which intend to increase, in the end, the person's chances of employment in the 'normal' labour market. The measures are open to all kind of firms: non-profit as well as for-profit and public enterprises. The unemployment benefits are used to finance such programmes. This second generation of active labour market policies reflects the changing regulatory role of the State since the end of the 1990s: there is a tendency to transform the Welfare State into an Active Welfare State.

Indeed, due to changes in the organization of work, and to threats to the social expenses incurred by the State in a globalised world, a new paradigm seemed to emerge in Europe, as well as in the United States, one that redefined the role of the State in some domains of the public action. The Active Welfare State demonstrates a will to make the State more efficient, both in terms of expenditure and in terms of results (Løedemel 2001). According to this polymorphic and ambiguous notion, the State should not only provide a sufficient income to the unemployed; it should also develop incentives encouraging them to engage actively in life, and more specifically in the labour market. Social beneficiaries, on the other hand, are obliged to 'cease all opportunities they are faced with'. With regard to employment, the State then developed activating labor market policies where means are used not only to reinforce the qualifications of the unemployed people but also to reduce what has been described as 'anti-incentive measures towards work'.

At that time, the number of WISEs increased and their activities became even more significant. After negotiations with representatives of the sector, the public authorities decided to acknowledge the WISEs by according to them a specific public scheme, as has happened in various European countries. In the Walloon region of Belgium, it is the 'Insertion Company' agreement that appears in 1998. Such an agreement institutionalizes the WISEs

into the Active Welfare State, as one of the tools of its activating labour market policies. Numerous existing WISEs will adopt the agreement. At the same time, following this decree, a range of new WISEs have been also created. The reciprocal process of institutionalization is clearly visible here: whereas the action of several pioneering WISEs in the public sphere leads to new public policies (the adoption of the decree), the latter in return has contributed to the creation of new initiatives.

Table 1: History of the interaction between the WISEs and public policies: a co-construction of the field

| | | 1970s | 1980s | 1990s–2000s |
|--|--|---|-------------------------|----------------------------|
| Public sphere Public debate and networking (in a context of ‘passive policies’) | | Civil society actors, social work, social exclusion critic, right to work | | |
| Public policies (active labor market policies) | Second labor market programmes | | Non-profit associations | Non-profit associations |
| | Activating policies | | | All kind of firms |
| | Specific public scheme, as a tool of the activating policies of the Active Welfare State | | | Insertion companies (1998) |

Source: *Own elaboration*

The integration of the WISEs into the State’s public policies allows for the public recognition of their role of integrating disadvantaged people into the labor market and the granting of specific subsidies to follow such a

mission. However, if the construction of the legal framework has not been one process from top to bottom, it does not mean that the co-construction of the field is free from tensions. On the one hand, the modalities of the recognition by the authorities of such enterprises were discussed and the Insertion Company agreement underwent several revisions. On the other hand, if certain initiatives are recognized by the authorities, others are not.

It is thus challenging to note that some WISEs did not choose to adopt the agreement, deciding not to institutionalize themselves within the Active Welfare State, and so not to adopt this mode of political embeddedness. The most significant part of these WISEs is constituted in a non-profit association legal form, which allows them keep their double anchoring within social and employment policies.

In today's field of the WISEs, one therefore finds associative initiatives and initiatives institutionalized within the Active Welfare State. It is interesting to notice that, while the WISEs emerged with a strong conception of social exclusion, the public policies that recognized them show a weak understanding of it. Indeed, for the Active Welfare State, the question is one of helping excluded persons by integration through work, or forced integration through work, using integration measures targeted at the lack of qualification of these individuals, measures which are becoming increasingly precarious (Liénard 2001). It thus implies a return of the notion of responsibility to the field of social policy and represents a move from the social to the individual, making the individual responsible for their own social destiny, thus hiding the structural lack of jobs as well as the responsibility of other actors. Today, the majority of WISEs do not express a political objective of criticism of social exclusion in the public debate any longer. However, it does not mean that all these enterprises develop, internally, the same understandings of insertion as those of the Active Welfare State. Those which adopted the legal framework of Insertion Company can position themselves in various ways *vis-à-vis* this framework.

3.2 In-depth analysis of the organizational modes in a given institutional framework: the influence of the specific inscription in the public policies landscape

We observed, in the WISE field, and following the political embeddedness assumption, that there has been a co-construction of the field between the public action of the organizations, through settings in networks, and the State public action, in the form of public policies. The political embeddedness assumption also implies that the organizational modes are partially the production of interaction processes between the organizations and the public policies. They are the fruit of the interdependence between the intentionality of the local actors and the institutional contingency to which each initiative is subjected according to its position. Consequently, the political embeddedness assumption implies in turn that the position within public policies can influence the organizational practices developed.

This is why, in this section, I present very briefly the results of the in-depth analysis of the organizational modes developed on a sample of WISEs in 2003. The sample includes, on the one hand, WISEs which adopted the Insertion Company legal framework, which are thus institutionalized within the activating labor market policies of the Active Welfare State. On the other hand, the sample is composed of organizations which have the mission of creating jobs for disadvantaged people through a continuous activity of producing goods and services, but which did not adopt this legal framework. These last are self-described as WISEs; they are recognized as such, developing such an identity through their location in networks.

The study of the organizational modes according to a plural economy approach invites us to widen the sole reference to the lucrative and market character of the organization, in order to analyze the various dimensions of its action whereby a plurality of registers can be developed (Borzaga/Defourny 2001). We can thus study the way social and solidarity-based organizations question dominant economic paradigms by developing different combinations of actors and logics. With this intention, I study the following dimensions of the organization: the objectives pursued, the monetary and non-monetary resources mobilized and the governance structures developed (Defourny/Nyssens 2006).

In contrast to traditional capitalist enterprises, the goal of social enterprises is not monetary accumulation; therefore, the activity is not subor-

dinated to the maximization of capital remuneration. That does not mean that the organization cannot, or does not have, to produce a financial surplus but it implies that this surplus is a means to carry out the activity and never the sole purpose of the activity. Other goals motivate the collective entrepreneurship, which can be defined as noted before, in terms of various dimensions (Evers 2001): economic, social and political.

With regard to the resources mobilized, the plural economy literature about the social enterprises presents the assumption according to which, on the basis of their goal of service to the community, they need to mix various types of resources, i.e. different logics of the exchange of goods and services (Laville/Nyssens 2001b). Indeed, market resources (coming from the sales of goods and services) are not enough. These mechanisms articulate private supply and private demand of goods and services but they do not internalize the production of collective benefits. Thus, these enterprises have to resort to other types of mechanisms, such as redistributive resources (by way of monetary and non-monetary subsidies) and reciprocity resources (by way of gifts, voluntary work and the mobilization of social capital; see Coleman 1988, 1990; Putnam 1993, 1995). By means of redistributive resources, the public intervention allows the taking into account of certain collective benefits which are not considered by the market mechanisms. However, the standardized nature of the State's public action limits its ability to identify the emerging social requests. The reciprocity resources of the enterprise can then introduce innovations (Salamon 1987) at the borders of existing public policies. They also have their limits, though, such as their voluntary base ('philanthropic failure'), the support of specific groups ('philanthropic particularism'), or the dependence of the project on certain individuals ('philanthropic paternalism'). It is then postulated by Laville and Nyssens (2001b) that the capacity of social enterprises to support their project in a way which is consistent with its initial logic presupposes their ability to hybridize the three poles of the economy. In the research, I reconstituted precisely the different monetary and non-monetary resources mobilized by the WISEs in the sample. I could then make visible all the resources of the organizations, such as their specific articulation with the various logics of exchange of goods and services: the market, redistribution and reciprocity.

Concerning the governance structures developed, the literature on the social enterprises proposes also the assumption according to which, on the

basis of their goal of service to the community, they are able to mobilize a diversity of stakeholders (Bacchiaga/Borzaga 2001). The term of 'stakeholder' is generally defined as being every actor for whom the objectives of the organization constitutes a stake: consumers, donors, the public bodies, private investors, workers, the volunteers, etc. In the case of a 'multi-stakeholder enterprise', several of these categories are represented in the ultimate decision-making bodies of the enterprise (the General Assembly and the Board of Directors). The mobilization of a plurality of actors around a project characterized by a social purpose would permit the better identification of latent collective requests and would be a way to take into account the various facets of the collective benefits. Indeed, putting into relation usually separate orders would shift the problems, making it possible to approach them differently and to cover new potentialities (Bacchiaga/Borzaga 2001). Thus, the goal(s) of a social enterprise cannot be summarized as the aggregation of identical individual interests, such as those of the members of an assembly of shareholders.

The in-depth analysis of the organizational modes developed by the WISEs allows us to present three groups of organizations with similar organizational modes. Those correspond *a posteriori* to three paths of institutionalization within the Active Welfare State: non-institutionalization, institutionalization during the history of the organization and emergence in institutionalization. I develop hereafter these three groups of organizations.

3.2.1 The non-institutionalized WISEs: organizations with multiple social purposes and with a non-market dominance

These non-profit associations are characterized by multiple social purposes. Indeed, whereas the other WISEs of the sample are active in the production of private goods, these associations follow, in addition to the social objective of integration of disadvantaged people, another social objective, through the production of one service to the community, and the production of social services for disadvantaged people. The pursuit, at the same time, of these two social objectives is valorized by these associations; the fact that people excluded from the labour market integrate through the production of a service for other precarious people has the advantage of creating a chain of horizontal solidarity, of mutual aid between people

sharing similar difficulties. But it can happen that these two social objectives are in tension. Thus, a certain selection of the disadvantaged workers can sometimes occur, in order to guarantee the quality of the rendered service. Platteau and Nyssens (2004) show that these associations employ workers among the less disadvantaged of the sample, and that the profile of their workers in integration is less precarious than in the case of the WISEs institutionalized within the Active Welfare State.

Concerning the resources mobilized by the WISEs, the analysis of the sample shows that *de facto* all the WISEs mix different types of resources, i.e. of relations of exchange of goods and services. However, the associations of this first group of WISEs prove to be organizations with a non-market dominance. Indeed, they mix, on average, only 13% of market resources with 54% of redistributive contributions and 33% of resources coming from reciprocity. Redistributive and reciprocity resources thus make up a significant part of their total resources, the market relations being less important. In fact, these organizations cannot generate important market resources: it would go against their social aim of offering services to people with very low income. This last social dimension of the organization is then financed partly by redistributive and reciprocity resources. These non-profit associations did not adopt the Insertion Company agreement: they prefer to keep a double anchoring within social and employment policies, benefiting from important redistributive resources issuing from the second labour market programmes. The more significant part of the reciprocity resources of such organizations can be understood in terms of the multiple social purposes of these associations, allowing the mobilization of volunteers and of contributions of other social economy organizations.

Lastly, concerning the governance structures, all the WISEs of the sample are multi-stakeholder organizations. Nevertheless, it is interesting to notice that the disadvantaged workers in integration are very rarely represented in the decision-making bodies of the WISEs of the sample. This observation is challenging as the integration of disadvantaged people is at the heart of the mission of such enterprises. Beyond this weak participation, very few of the other channels of participation are developed for these workers, and this, especially within the WISEs institutionalized within the Active Welfare State.

The non-profit associations of this first group of WISEs are characterized by governance structures (General Meeting and Board of Directors) where an important number of members of the permanent work team (who accompany the disadvantaged workers in integration) sit besides other types of stakeholders. The analyses also show that there is a correlation between the governance structures of the organization and the relative weight accorded to its different objectives. The non-profit associations prioritize the social purpose of the organization, ahead of its economic dimension.

3.2.2 The institutionalized WISEs within the Active Welfare State: more market-oriented organizations with a simple social purpose of integration

This second group of organizations is composed of WISEs that are institutionalized within the activating labor market policies of the Active Welfare State, through the adoption of the Insertion Company agreement. They are characterized by a simple social purpose: they pursue the sole social objective of integrating disadvantaged people into the labour market. The situation of disadvantaged workers integrated into such WISEs is more precarious than in the case of the non-profit associations (Platteau/Nyssens 2004). According to the requests of the Insertion Company decree concerning the targeted group employed, the workers of these WISEs are very low-qualified.

In relation to the resources mobilized by such WISEs, they can be qualified as ‘quasi-market’ organizations in the sense that they are characterized by a significant part of market resources, coming from the sales of private goods and services (for instance, construction and restoration of buildings, cleaning of offices, etc.), with, however, redistributive relations, allowing mainly the integration of disadvantaged workers into the labour market, but few reciprocity relations. These WISEs articulate on average 76% of market resources, 17% of redistributive resources and 7% of reciprocity resources. They have few reciprocity resources because their activity of production is not perceived as a social stake by civil society, as in the case of the non-profit associations.

Concerning the governance structures developed by the institutionalized WISEs, two different configurations appear. The WISEs that emerged before the Insertion Company decree and that adopt this agreement during their history are characterized, as the non-profit associations, by the pres-

ence of an important number of members of the permanent work team besides other types of stakeholders. Such WISEs also valorize the social purpose of the organization more than its economic dimension. For the WISEs created after the Insertion Company decree, which emerged institutionalized into the Active Welfare State, the specificity of their governance structures is the presence of representatives of the for-profit sector besides other types of stakeholders. These 'new WISEs' give a more important relative weight to the economic dimension of the enterprise, and to its objective of producing private goods and services. Thus, the institutionalization within the Active Welfare State clearly tends to accentuate the market and entrepreneurial dimension of the WISEs.

4. Conclusion

In the field of the WISEs, we observed, following the political embeddedness assumption, that there has been a co-construction of the field. The first WISEs emerged in the late 1970s and early 1980s, in a context of growing unemployment and social exclusion problems; at the time the public policies were seen as not providing an adequate answer. They set up active labour market policies *avant la lettre* and took part in the development of such public policies. They used more and more the active labour market policies which developed when the Welfare State was assigned a role of integration in the 1980s. At this time, the majority of the WISEs, in an associated form, used the second labour market programmes. Thanks to their situation in networks, the WISEs challenged the public bodies that decided to recognize them in the 1990s, by providing them with a specific legal framework. This legal framework registers WISEs within the activating labour market policies of the Active Welfare State.

The entry of the WISEs into the State's public sphere of action allows the public recognition of their role in the integration of disadvantaged people into the labour market and the granting of specific subsidies to pursue this mission. However, the co-construction of the field is not free from tensions, and today some WISEs have decided not to adopt the agreement and to instead maintain their associative form, with a double anchoring within social and employment policies.

Table 2: Organizational modes according to the path of institutionalization adopted in relation to the Active Welfare State

| | | | |
|--|---|---|---------------------------------|
| Political embeddedness mode Organizational modes | WISEs remaining out of the decree: non-profit associations | WISEs created before the decree and that adopted it after | WISEs created within the decree |
| Goal(s) All WISEs, by definition, pursue an integration objective | Multiple social purposes (the integration objective and the social services production objective can be in tension, less disadvantaged workers) | Simple social purpose (more disadvantaged workers) | |
| Exchange logics (resources) | Organizations with a non-market dominance | Quasi-market organizations | |
| Governance structures Multi-stakeholder structures | Overall members of the permanent work team – importance of the social dimension | Representatives of the for-profit sector – importance of the economic dimension | |

Source: Own elaboration

Indeed, public resources are given according to the priorities defined by the State’s public action. The political embeddedness in the public policies of the Active Welfare State produces then an effect of framing which is reflected, partially, in the organizational practices developed. The institutionalization of the WISEs within the Active Welfare State tends to cover organizations with a simple social purpose – the integration of disad-

vantaged workers into the labour market – and which are more market-oriented. Those established under the decree are carried by groups issued from private entrepreneurship, giving a special attention, a weight relatively more important, to the economic dimension of the enterprise. It thus appears clearly, in the case-studies, that, while the institutionalization of the WISEs within the public policies allows them to be recognized by the public bodies, this public recognition implies at the same time, for the organizations, a tendency towards an institutional market isomorphism (DiMaggio/Powell 1983).

In fact, most of the political debates surrounding the social economy in Belgium, as well as in other European countries, are based on the distinction between the market social economy and the non-market social economy, translating a certain dichotomy between the State and the market. The public policies do not recognize, in the institutionalization processes of the social economy, its ability to mix different registers of the economy and to combine a market added-value with a non-market one. The Insertion Companies are then registered in the market economy. They engage the more precarious public of the sample; this social dimension of their actions in terms of the profile of the target group is required by the decree. On the contrary, the associated initiatives, which choose a certain degree of autonomy in relation to the Active Welfare State, use plural resources to pursue multiple social purposes, such as those of integration and of production of social services for disadvantaged people, which sometimes involves them engaging workers who are comparatively less disadvantaged.

The institutionalization of work integration social enterprises within the Active Welfare State implies fewer plural organizational modes but guarantees that the initiatives concentrate on the objective of service to the community of integration, in terms of profile of the targeted group. Thus, in the experience of the Insertion Companies, which develop organizational modes closer to the for-profit private enterprise, the question of an alternative entrepreneurship, of a redefinition of the organization producing goods and services and of the plurality of its dimensions, no longer appears as important. In these organizations embedded in the activating labor market policies of the Active Welfare State, the question is one of the effectiveness of a public policy which supports and frames an entrepreneurial action turned towards the social objective of integration. This last aspect is under-

stood as the engagement of a certain quota of a particularly disadvantaged target group.

The non-profit associations, which are not recognized as Insertion Companies by the public bodies, work more with a redefinition, in a plural sense, of the economy and of the organization producing goods and services. Nevertheless, the pursuit of a plurality of goals within the organization – plurality proposed in the literature on the social enterprise (Evers 2001) – is not always easy to define in practice. The experience of these associations is evidence to the fact that, although they are supported by a more significant part of reciprocity resources and redistributive resources – these last issuing from public policies halfway between the social and employment policies – their various objectives can be in tension and they can be confronted with the task of carrying out trade-offs between certain social objectives. This is why some authors suggest that the sustainability of the local social and solidarity-based economy initiatives rests on the broader conditions of the institutionalization of a plural economy (Fraisse 2003).

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Abstracts

The concept of political embeddedness offers a way to analyze the processes of the institutionalization of organizations according to a twofold movement: on the one hand, how did they participate in the development of public policies and, on the other hand, to what extent do such policies influence the publicly recognized organizations? In the field of social enterprises actively involved in the integration of disadvantaged people into the labour market, this movement is quite clear. In Belgium, and in the European countries in general, these enterprises have contributed to the development of active labour market policies, constituting today an implementation tool of such policies. The article aims to examine in what ways this institutionalization affects the objectives, the governance structures and the resources of such enterprises.

Der Prozess der Institutionalisierung von Organisationen kann mit dem Konzept der politischen Einbettung in zweierlei Hinsicht analysiert werden: einerseits kann gefragt werden, wie die Organisationen an der Entwicklung von staatlicher Politik beteiligt sind, und andererseits, in welchem Ausmaß diese Politik die Organisationen selbst beeinflusst. Im Falle der Sozialunternehmen, die aktiv in die Integration von benachteiligten Menschen am Arbeitsmarkt involviert sind, sind diese Fragen einfach zu beantworten: In Belgien und generell in den europäischen Ländern haben diese Unternehmen zur Entwicklung von aktiver Arbeitsmarktpolitik beigetragen,

heute stellen sie selbst ein Instrument zur Umsetzung entsprechender Maßnahmen dar. Der Artikel untersucht, auf welche Art diese Form der Institutionalisierung die arbeitsmarktpolitischen Ziele, Governance-Strukturen und Ressourcen der betrachteten Unternehmen beeinflusst.

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