

Potential of social enterprises in raising employment of people with health problems

Patrik Kuusinen
Ministry of Employment and the Economy
Finland



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ARBETS- OCH NÄRINGSMINISTERIET
MINISTRY OF EMPLOYMENT AND THE ECONOMY

Social enterprises

- The purpose of social enterprises is to create jobs in particular for the disabled and long-term unemployed.
- Social enterprises are no different from other companies, as companies. They produce goods and services for the market and try to make a profit, the same as any other business. A social enterprise can operate in any sector or line of business. It pays all its employees a salary under a collective bargaining agreement and it always has an entry in the Finnish Trade Register.
- The difference from other companies lies in the fact that at least 30% of the employees in a social enterprise are disabled or all are disabled or previously unemployed in the long term. In addition, the company must have an entry in the register of social enterprises held by the Ministry of Employment and the Economy. Only a company with an entry in this register can use the name and business ID of a social enterprise in its business operations and marketing.
- The Act on Social Enterprises (1351/2003) entered into force at the beginning of 2004.



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Wage subsidies

- The purpose of the subsidies paid as wage subsidies is to compensate for the reduced work contribution of a disabled person or long-term unemployed person.
- The rules regarding employment subsidies have been altered so that social enterprises can be granted such subsidies on looser terms and for longer periods than other companies.



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Potential of Social Enterprises in raising employment

- Present situation
 - 178 Social Enterprises
 - 244 disabled employed
- 2006
 - 67 000 disabled unemployed jobseekers
 - 44 000 job placements on the open labour market
 - 10 000 placements in subsidised employment
- Labour mismatches and the need for occupational mobility
 - educational level of the people with disabilities is below the average
 - finding work that would match capacities and interests, and in which the injury or illness would be as little of an impediment as possible



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Future

- Pursuant to the Government Programme, the legislation on social enterprises will be adjusted to give mental health rehabilitees a better chance of finding jobs with social enterprises than today.
- Social Enterprises vs. “sheltered work”
 - At present, work similar to the previous sheltered work can be organised on the basis of the Social Welfare Act.
 - It is the duty of the municipal authorities to organise work for people with disabilities as well as other activities to promote their employment.
 - Work for people with disabilities *can also be arranged at ordinary workplaces in the form of so called ‘open’ work*. The income of the people with disabilities taking part in this work is chiefly based on the benefits granted on the basis of their illness or incapacity for work



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