Social Entrepreneurship as an Alternative for Disabled People

M. Raudsaar, M. Kaseorg, University of Tartu

Abstract — Employment of people with disabilities is an important aspect in terms of social involvement because non-active residents inhibit economic development. Estonia performs average in comparing ratio of non-active people (including disabled workforce) across EU countries. The situation can be improved when motivation to enter job market is increased either eliminating barriers or applying active employment policy measures. In this regard Estonia has not used its full potential, since intensity of measures taken is relatively modest. However, some good alternatives have emerged among third sector organizations. The main risk groups are women, young people, disabled people and elderly. In this paper we concentrate on the problems of unemployment among disabled people and the aim is to explore alternative work possibilities for disable people. We search for different solutions and analyze cases what has been used in Estonia.

Index Terms — Best practices, Employment, Legislation, Local activities, Public policy

I. THE LABOR MARKET SITUATION AND LABOR MARKET POLICY IN ESTONIA

Due to the global economic crisis, which started in 2008, the situation on the Estonian labor market changed remarkably. Employment, which had been steadily increasing since 2001, decreased rapidly in 2009 and 2010 and dropped to the level of ten years before, i.e. to the level of the previous economic crisis. In 2011 the situation on the labor market improved. The unemployment rate started to increase rapidly in the second half of 2008 and reached nearly 20% in the 1st quarter of 2010, when the number of unemployed persons was at a record high at 137,000. In 2011 the number of unemployed persons decreased to 87,000, which is smaller than in 2009 (see Table I).

In the last three years, unemployment in Estonia has been higher than the EU average. According to the data of Eurostat, the average unemployment rate of the EU in 2011 remained on the level of 2010 (9.7%). At the same time, in Estonia it decreased by 4.4 percentage points – to 12.5% (see Table I). As it was the largest decrease in unemployment among EU Member States, the position of Estonia improved in the ranking of countries by unemployment rate. In 2010 unemployment was bigger than in Estonia only in Spain, Latvia and Lithuania, while in 2011 it was higher in seven Member States (Spain, Latvia, Lithuania, Ireland, Greece, Slovakia, and Portugal).

Labor market policy is funded from the state budget and external resources of the European Social Fund. Government labor market policy is characterized as passive or active. Income support (unemployment benefits, early retirement schemes) are classified as passive policies and programs directly stimulating job creation, promoting employment or improving the employability of jobseekers as active policies. Different labor market measures are integrated in European countries to reduce unemployment. Most common are job search assistant, all kind of training, cancelling and wage subsidies. There are several risk groups on the labor market, for whom it is more difficult to find a job due to insufficient qualifications, lack of experience, age, and insufficient skill in the Estonian language, health problems or some other reasons:

- Long-term unemployed persons;
- Young unemployed persons aged 16-24;
- Unemployed persons aged 55 till retirement;
- Disabled unemployed persons;
- Unemployed persons without sufficient knowledge of Estonian;
- Unemployed persons who have been previously engaged in duties of care;
- Unemployed persons released from prison.

It is important to offer various labor market services to the unemployed persons belonging to risk groups so as to assist them in finding a job as quickly as possible. At the end of 2011, 76.4% of all registered unemployed persons belonged to one or several risk groups; compared to the previous year, this indicator has decreased by 2.2 percentage points. At the end of 2011, the number of persons belonging to risk groups was 36,204, i.e. 29.4% less than at the end of 2010 and 30.8% less than at the end of 2009.

<table>
<thead>
<tr>
<th>TABLE I</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LABOR STATUS OF POPULATION AGED 15-74, 2007-2011</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Labor force, thousands</td>
</tr>
<tr>
<td>..employed, thousands</td>
</tr>
<tr>
<td>..unemployed, thousands</td>
</tr>
<tr>
<td>Inactive, thousands</td>
</tr>
<tr>
<td>Employment rate, %</td>
</tr>
<tr>
<td>Unemployment rate, %</td>
</tr>
</tbody>
</table>

Source: Table code ML330, 2013. [1]

Manuscript received February 28, 2013. This work was supported in part by the Estonian Ministry of Education’s project SF 0180037s08 and CB INTERREG IVA project ENTREINT.

M. Raudsaar is with the Centre for Entrepreneurship, Faculty of Economics and Business Administration, University of Tartu, 51009 Tartu, Estonia (e-mail: mervi.raudsaar@ut.ee).

M. Kaseorg is with the Faculty of Economics and Business Administration, University of Tartu, 51009 Tartu, Estonia (e-mail: merike.kaseorg@ut.ee).

DOI: 10.5176/2010-4804_2.3.228 ©The Author(s) 2013. This article is published with open access by the GSTF
The aim of rehabilitation is to teach people with disabilities to cope independently, increase their social inclusion and facilitate their working or taking up a job. In order to improve people’s ability to cope, the social benefits for people with disabilities are becoming more and more centered on rehabilitation. The aim of rehabilitation is to teach people how to cope as independently as possible in the new situation they find themselves in.

In 2011 there were 1,475 unemployed persons with disabilities who were registered as unemployed in a regional office of the Estonian Unemployment Insurance Fund. [6] Main labor market services for registered unemployed disabled work seekers are: a) Adaptation of work premises and equipment is a service designed for unemployed people with disabilities in which an employer’s premises, working area or equipment are rendered accessible to people with disabilities so that they are able to use them in their work. b) The ‘special aids equipment’ service provides equipment to people with disabilities without which they would otherwise be unable to do their job. c) Communication support at interviews is a service provided to unemployed people with disabilities who need help communicating with a potential employer due to their disability. d) The ‘working with a support person’ service is provided to unemployed people with disabilities, who need assistance and supervision while working due to the nature of their disability. The service is designed to increase the ability of the person to work independently and is therefore provided in decreasing amounts over time. e) Labor market training and work practice services are also in the list. [7] The Unemployment Insurance Fund pays employers a fee for the work of a support person. The usage of these services is quite low; during 2006-2010 there were adaptation of work premises and equipment (6 times), the ‘special aids equipment’ (19 times), communication support at interviews (71 persons) and the ‘working with a support person’ (134 times). A little bit more are used labor market training and work practice services. [6]

Disabled people work in very different areas and positions. Nearly one third (31%) disabled older than 16 years have found employment doing simple jobs. One fifth (20%) are employed as skilled specialists in handicraft industry and fifth (21%) in service and sales. In addition 9% of them work on middle level management positions, 10% are civil servants or managers and 3% are top level specialists [8]

### III. MAIN BARRIERS FOR WORKING AMONG DISABLE PEOPLE

Effective employment policy requires knowledge about the factors that have impact on disabled workforce labor supply. In addition to traditional factors there are specific factors related to people with disabilities only. Several studies have focused on barriers inhibiting employment of people with disabilities ([9], [10]) and showed that health ([11], [12], [13]), disability benefits or other support measures play an important role here ([14], [15]). Ethnicity and cultural and linguistic problems may also prove additional hurdles for disabled people attempting to claim benefits.

According to the qualitative research [16] it was noticeable that many disabled persons were actually very willing to work. Keywords included flexible working time, and according to one respondent, also good working environment to prevent the isolation of employees. Also was noticed that people desired a job that would correspond to their type of disability. People

**TABLE II**

<table>
<thead>
<tr>
<th>Reason of Inactivity, thousands</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studies</td>
<td>117.7</td>
<td>109.0</td>
<td>105.6</td>
<td>106.1</td>
<td>99.5</td>
</tr>
<tr>
<td>Illness or disability</td>
<td>50.0</td>
<td>50.0</td>
<td>48.5</td>
<td>49.4</td>
<td>47.3</td>
</tr>
<tr>
<td>Pregnancy, maternity or parental leave</td>
<td>26.3</td>
<td>28.3</td>
<td>32.9</td>
<td>28.2</td>
<td>27.0</td>
</tr>
<tr>
<td>Need to take care of children or other members of family</td>
<td>13.4</td>
<td>12.2</td>
<td>9.0</td>
<td>10.8</td>
<td>9.4</td>
</tr>
<tr>
<td>Retirement age</td>
<td>82.5</td>
<td>80.3</td>
<td>79.4</td>
<td>79.6</td>
<td>75.7</td>
</tr>
<tr>
<td>Lost hope to find work (discouraged workers)</td>
<td>7.1</td>
<td>5.5</td>
<td>8.7</td>
<td>8.7</td>
<td>8.8</td>
</tr>
<tr>
<td>Other reason</td>
<td>8.6</td>
<td>8.2</td>
<td>8.2</td>
<td>8.3</td>
<td>10.8</td>
</tr>
</tbody>
</table>

Source: Table code ML45, 2013. [1]
with physical disability would like a job where they do not have to walk much or not walk at all; those with hearing or speech impairment would prefer a job that would not require much communication with other people.

Several people expressed a fear of losing their benefits upon starting work, and that demonstrates insecurity for the future. Thus, disabled persons must be better notified about the fact that employment ensures better income than state support provides on its own.

Barriers for finding work can be divided into inner (arising from the person himself) and outer (arising from the environment) barriers. Main barriers arising from the person upon starting work are [16]:

- The person’s health status does not allow him to engage in many (most) known jobs.
- People have become relatively passive and started using the wait-and-see tactics because in addition to being disabled, they have not acquired a profession.
- Lack of courage and initiative arising from the feeling of inferiority.

Main barriers arising from surrounding environment are:

- Presumed prejudices and lack of interest of employers.
- Technical barriers arising from the negative joint effect of the person’s disability and “unadjusted” environment.
- An indirect obstacle is the need for more flexible working time, arising from the weaker health status of the disabled, which may be in conflict with the employer’s request for performance, or be additionally inconvenient for the employer.
- Unemployment.
- Fear of losing benefits. [16]

The unemployment rate among the disabled is not higher than that for the non-disabled, possibly because of the ‘discouraged worker’ effect. Probably, many disabled persons know or believe that they are very unlikely to get a job, so that they do not even attempt to find one and are therefore classified as inactive. [17]

IV. CONCEPT OF SOCIAL ENTREPRENEURSHIP

The major economic value that social entrepreneurship creates is the most obvious one, because it is shared with entrepreneurs and businesses alike: job and employment creation. Although the academic literature does not provide recent data on how many people are employed in social enterprises in a multi-country context, a study from the John Hopkins University from 1998 on the percentage of people employed in the non-profit sector is growing: it ranges from one to seven percent in the selected countries. [18]

The employment development is almost unique to social enterprises; social enterprises provide employment opportunities and job training to segments of society at an employment disadvantage, such as the long-term unemployed, the disabled, the homeless, at-risk youth and gender-discriminated women. [19]

In our paper we define social entrepreneurship as EMergence des Entreprises Sociales en Europe (EMES) has: “Social enterprises are not-for-profit private organizations providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics, involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks, linked to their activity.” [20]

A. WISE

According to WISE researchers, work integration social enterprises (WISEs) have existed in Europe for nearly 50 years, though many were born in the last 20 years in the framework of policies set up to fight unemployment. Despite the fact that they are often linked to such public policies, WISEs are autonomous economic entities whose common aim is the occupational integration, within the social enterprise or elsewhere, of people who are handicapped or disadvantaged in the labor market. [21]

In Europe, WISEs play an important role in promoting social inclusion and employment. WISEs are a specific type of social enterprise and can be divided into three groups: a) private and autonomous enterprises operating on the market, b) where the disadvantaged workers have employee rights under national labor law, and c) whose core mission is the integration through work of disadvantaged people. The core mission is fundamental because this is the reason why WISEs manage to displace thousands of disadvantaged persons from the conventional welfare structures in which they were simple objects of assistance, to re-integrate them fully in society by transforming them into producers and generators of value for themselves and for others. [22]

There are no defined WISEs in Estonia, but similar actions are carried out by NGOs and Ltd-s. In 2012 the umbrella organization for social enterprises was founded and at the moment there are approx. 30 member organizations. Also there are few foundations where social enterprises can apply for start-up money.

B. Social farming

Social farming activities are gaining attention from an increasing range of stakeholders in recent time. On one hand this is the result of a different perception of the role and the possible positive effects of agricultural and rural resources on the social, physical and mental well-being of people. On the other hand, social farming represents a new chance for farmers to carry out alternative services to broaden and diversify the scope of their activities and their role in society.

The very broad definition for social farming is that it concerns all activities that use agricultural resources to promote (or to generate) social services in rural areas. Examples of these services include rehabilitation, therapy, sheltered employment, life-long education and other activities that contribute to social inclusion. [23]

Social farming includes all activities that use agricultural resources, both from plants and animals, in order to promote (or to generate) therapy, rehabilitation, social inclusion, education and social services in rural areas. However, it is
strictly related to farm activities where (small) groups of people can stay and work together with family farmers as well as social practitioners. [24]

Estonian Rural Network (NRN) activities for social farming are based on European Network for Rural Development thematic working group. The specific purpose of the social farming thematic initiative is to improve the implementation of Rural Development Programs in support of social farming and to provide inputs to the development of the future programming period at national and EU level. Leader program offers great opportunity to support social farming activities. Because it allows different investments related to disabled people. For example in Estonia Leader program has supported projects like [25]:

- Furnishing working places for disabled people;
- Building parking spaces and pavements for horse therapy centre;
- Trainings;
- Building entrances for wheelchairs.

V. CAPABILITY APPROACH
A. Methodology of research

The empirical part of this article is using qualitative methods, more specifically phenomenology and case studies. Phenomenology enables to describe the meaning and impact of particular experience on persons involved – and offer the specific mapping of it. Such an individual description is used for deriving more common and universal meanings, in other words the structural core of an experience. [26] Hence our aim to explore alternative work possibilities for the target groups, we pose two research questions: what are the ubiquitous alternatives and are these more effective than state based measures?

Case studies based on secondary data were used for mapping the main factors of these social enterprises. First of all, authors’ own observation and knowledge is used, then, search in press was carried out using Google. After that web-pages and annual reports of the companies were studied. The facts collected were evaluated in the context of labor market policies and social entrepreneurship.

B. Cases

Social entrepreneurship is a relatively young area of business in Estonia, but not a separate legal form of business. First of all, it focuses on solving social problems or providing additional value for society. For analyzing the phenomena of social entrepreneurship in Estonia, we look closely the organizations’ historical background, their aims and activities and also finance schemes.

NGO Helping Hand
Homepage: http://www.abikasi.ee/
NGO was founded in 2009.
NGO aims:
- Increasing reputation of disabled workforce in open job market.
- Increasing awareness of entrepreneurs about hiring disabled workforce.
- Finding collaboration partners for improvement disabled employment.

Service/product: Initial idea was to mediate people to job market or function between employers and disabled people however, for now it has become an employment center. Disabled person is sent to job market only after necessary qualification is received. The services offered are: telemarketing, data processing, IT service or simple handicraft.

Clients: Private companies like Viasat Ltd, Digidoc Ltd, political party Pro Patria and Res Publica Union (IRL).
Employees: 15 (2010).
Members: 2 (2010).
Incomes: 2010: donations (393,025 €) and earnings from entrepreneurship (232,574 €). [27]

NGO Think Estonia
Homepage: http://www.think.ee/?doc=54
NGO was founded in 2004.
THINK (Towards Handicap Integration Negotiating Knowledge) stands for integrating disabled people to job market and providing them relevant training.

NGO aim: Help the subsistence of disabled people through continuing education and practical work. They have two main directions – e-learning with seminars and work, plus career planning.

Service/product: NGO arrange courses in computer handling, text processing, spreadsheet calculations, English language, career help, work law, document handling, accounting, ABC of entrepreneurship, marketing, project writing, Photoshop plus Linux and HTML. Courses are mostly in e-learning style plus seminars. After every course there is a test of knowledge.

Clients: Mainly NGOs and private enterprises: Turu-Uuringute AS (Research Company), Datel (ITC Services Company), Projektekspert (training and other services), two websites were developed and administrated also up to the present day: http://www. epsol.ee and http://www.pimedateliit.ee
Employees: 3 (year 2010 and 2011)
Incomes: 2010: donations (821,566 €) and earnings from entrepreneurship (54,321 €); 2011: donations (36,474 €), earnings from entrepreneurship (14,868 €), and other (8,796 €). [28]

NGO Merimetsa Support Centre
Homepage: http://www.merimetsa.ee/?lang=eng
NGO was founded in 1997 on the basis of the liquidated state enterprise (Tallinn Therapy Enterprise). The target group of the Support Centre is adults who have special needs due to severe and/or permanent mental disorders.

©The Author(s) 2013. This article is published with open access by the GSTF
NGO aim: To support and facilitate the coping of disabled people in society and improve their quality of life: facilitation of working, instruction, support, advice, offering an opportunity for communication.

Service/product: NGO offers its clients two of the nine services of state care for people with special mental needs:
- The service of support in work (finding suitable jobs, taking into account the special needs of the people, such as an appropriate work load and flexible working hours, the workers support and encouragement).
- The service of support in daily life (try to help solve any problems).

The Centre has the following work groups: sewing group, paper and cardboard group and repair and painting group. In addition, the Merimetsa Support Centre has a production unit in the form of a sewing workshop. Products are also made for individuals and for companies of the clients own material. Prices are subject to agreement mending of hospital garments and working clothes.

Clients: Municipality, business chain Selver
Employees: 32 (2011)
Incomes: 2011: donations (240,071 €), earnings from entrepreneurship (240,740 €) and others (13,365 €). [29]

**NGO Pahkla Camphilli Village**


NGO was founded in 1992.

NGO aim: It is a life-sharing community together with adults who have special needs. The Camphill Movement strives to create communities in which people with special needs can live, learn and work together with others in healthy social relationships, based on mutual respect.

Service/product: the daily work on the land and in the houses and workshops, the weekly village meeting, social evenings, various hobby/sport groups, Bible evening on Saturday, a Sunday morning gathering, musical instruction and performances, and the production of various plays, singing, music lessons/therapies, where people learn to play different instruments. Various holiday possibilities for people are also provided throughout the year, both within Estonia and abroad. Skills are developed through work on the farm, in the gardens and households, creamery and cheese workshop, wood workshop, weaver, and candle workshop.

Clients: four households or “extended house communities”. In each house share life together as a group of 7-10 people.

Wages are not paid in the usual manner, but the daily and long-term needs of each person are met by the others who live in Pahkla. [30]

VI. DISCUSSION

For the development of society and gainful employment of as many people as possible should be reached. For one thing it provides economic coping, possibility to utilize ones skills and talents and feel being involved in society, for another side facilitates entrepreneurship development and provides additional value to the society. [31]

It is important that disabled workforce has employment. The issues of creating equal opportunities for less competitive labor force are crucial in many developed countries (see [3], [7]).

Employment of disabled people is considered important in terms of social involvement. United Nations Disabled Persons Convention declares their right for employment and responsibility of countries signed, including Estonia to provide support in realization of this. This means providing access to training and re-training and career by preventing discrimination. ([32], [6], [7]) As we see from Table II, unemployment of risk groups is very high, thus it is important to pay attention to this group in Estonia. [4] One reason for high unemployment could be that many disabled persons know or believe that they are very unlikely to get a job ([17]).

There are quite many organizations dealing with disabled peoples’ unemployment problems. Although there is no such concept like WISE, there are organizations who act like WISEs’. Most of these organizations are NGOs. When we look at our cases, the foundation time goes back to the 1990s. Most organizations established in that time are on the basis of the liquidated state enterprises, like Merimetsa Support Centre. As it is established with the support of state or municipality, the main client who buys their services is also the same municipality, it fulfill the municipalities need of certain services. Newer NGOs, like NGO Helping Hand or NGO Think Estonia see the market differently; they don’t see municipalities as main clients, but try to find clients from private companies or individuals. The business model is quite different from these who have municipalities as fixed clients.

All the cases work hand-in-hand with the disabled people, not for them. It is important to make disabled people feel useful as human beings. The samples are acting in two ways: as training centre for disabled people, but also they create jobs those who finish their trainings and want to work. So, the environment has already familiar and one of the barriers is already passed.

For creating their activities all the cases have used more or less financial support from foundations (EU grants or national) (see [25]). Also for product development and support for different activities are support money used. In the beginning is such kind of support very important, but organizations should realize that creating sustainable business model is crucial for their sustainability. Very good example is NGO Helping Hand, whose business model is sustainable. Their entrepreneurial earnings are more than 200,000 €. [27] Good result has also Merimetsa Support Centre. [29]

For job creation there are different ways: NGO Helping Hand has created jobs by their own, but they have strong client relationships with big private companies who buy their services; NGO Merimetsa Support Centre and NGO Think Estonia train and acts like managers for disabled people who deal with handicraft, also they have some agreements with some companies who need people for simple work.

Social agriculture hold two terms: diversification of agriculture and community level social work. In literature
social farming has different terms, but same meaning: Care farming, Green care, farming for health. Social farming use farming and agriculture as a therapeutic tool to provide health and social or educational care services (see [21], [23], [24], [30]). The more severe the degree of disability, the lower the participation in the labor force: only 20% of the severely disabled as compared to 68% for those without long-standing health problem or disability [17], [16] (see [11], [12], [13]) and may face more than one set of barriers to employment like cultural and linguistic problems.

As earlier research shows more than half employed people with disabilities have used their social network for finding job, e.g. relatives, friends or umbrella organizations (see also [27], [28]). More than third have found job on their own initiative: job ads, direct contacts with employers or starting their own business. Governmental unemployment insurance fund and role of training has had less impact on finding the employment of disabled. [8], [16] Social entrepreneurship and farming have been effective ways in decreasing unemployment among people with disabilities.

REFERENCES


Authors:

Mervi Raudsaar and Merike Kaseorg are with the University of Tartu, Estonia.

©The Author(s) 2013. This article is published with open access by the GSTF