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Social Enterprise: Working for the Young Unemployed

*Work integration social enterprises as a transformational model
for improving labour market outcomes for the low-skilled young unemployed
in Australia, the United Kingdom, the Netherlands and Denmark*

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List of Acronyms

ALMP	Active Labour Market Policy
AU	Australia
BW	Bikeworks
CL	Charcoal Lane
CS	Circle (previously Circle Sports)
CMOC	Context-Mechanism-Outcome Pattern Configuration
DEEWR	Department of Education, Employment and Workplace Relations
DK	Denmark
DO	DropOuts
DWP	Department for Work and Pensions
EU	European Union
GG	Grantoftegaard
JCP	Job Centre Plus
KF	Kaffé Fair
LSAY	Longitudinal Survey of Australian Youth
NEET	Young people not in employment, education or training
NL	Netherlands
OECD	Organisation for Economic Cooperation and Development
ST	STREAT
TCK	The Colour Kitchen
UK	United Kingdom
VET	Vocational Education and Training
WISE	Work Integration Social Enterprise

Abstract

This study examines work integration social enterprises as a transformational model for improving labour market outcomes for low-skilled young unemployed people in Australia, the UK, the Netherlands and Denmark. Social enterprises are increasingly important for the social policy goals of governments in ever-harsher austerity. However, advanced economies take different approaches to the policy levers that can act to promote this model.

Some social enterprises have the specific aim of employing people experiencing 'distance' to the labour market. These work integration social enterprises (WISEs) do not just provide employment or training. Instead, WISEs generate successful outcomes by combining demand-driven real work experience, training and guidance in a supportive environment. Examined through WISE case studies in four countries, this holistic approach triggers mechanisms that enable changes in participants' resources and reasoning, resulting in greater employability and sustainable transition into the labour market.

Importantly, WISEs generate these outcomes within the contexts of public policies and of key enabling relationships: with public agencies, with partner companies and end customers, and with participants' future employers. In each of these relationships, there is a mutual understanding that the product is at least as good as that offered by the mainstream but is produced to achieve social goals. These contexts can act to enable WISEs to build confidence and trust within their business community and to be successful financially sustainable social enterprises. Policy settings in different advanced economies can therefore act to hinder or help WISEs in improving labour market outcomes for the low-skilled young unemployed.

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1. Introduction

Since the economic downturn in the late 2000s, young people aged 15-24 years across the OECD group of countries are around two to three times more likely to be unemployed than the rest of the working-age population (OECD, 2014). Governments have experimented with a variety of potential solutions to reduce youth unemployment including changes targeting education and training systems, adjusting the conditions of unemployment benefits and increasing incentives for employers to take on young people. These public policy measures can be effective in helping some young people to find a job (Eichhorst & Rinne, 2014; Kluge, 2014; Lahusen, Schulz & Graziano, 2013) but overall success has been mixed. However, young people who have missed out on educational opportunities, are lacking in work experience or who have other social and personal issues face higher barriers to employment and are less likely to be reached by the existing public policy solutions. Governments are therefore looking for different policy solutions to youth unemployment.

During the last 15 years, an alternative model for tackling social and environmental problems has become increasingly visible. Social enterprises – businesses that sell their goods or services as a means to fulfil a social goal – have received attention from governments because they use market forces to make an impact in a way that charities cannot and governments tend not to (Kerlin, 2013). Consequently, some countries have introduced specific public policy initiatives to promote or facilitate the development and functioning of social enterprises (Nyssens et al., 2012). One type of social enterprise that capitalises on the incorporation of a social goal in a business is the work integration social enterprise model.

During the last 15 years, an alternative model for tackling social and environmental problems has become increasingly present. Social enterprises – businesses that sell their goods or services as a means to fulfil a social goal – have received attention from governments because they use market forces to make an impact in a way that charities cannot and governments tend not to do (Kerlin, 2013). This has meant that some countries have introduced specific public policy initiatives to promote or facilitate the development and functioning of social enterprises (Nyssens et al., 2012). One type of social enterprise relevant to the issue of youth unemployment is the work integration social enterprise model.

Work integration social enterprises (WISEs) are those “whose main objective is the professional integration – within the WISE itself or in mainstream enterprises – of people experiencing serious difficulties in the labour market” (Davister et al. 2004: p.3). A key factor in this model is the alignment of incentives for the business to invest in the human (and social) capital of individuals in order to pursue both a social goal to improve employability and an entrepreneurial goal to be a successful business (Spear & Bidet, 2005). WISEs most often combine vocational training, work experience and personal development in a supportive but real business environment (Defourny & Nyssens, 2010; Spear & Bidet, 2005; Davister et al. 2004). Through this holistic approach, WISEs work to reduce the three most significant labour supply-side barriers – lower levels of education or training, limited work experience and other social or personal issues – that low-skilled young unemployed people

experience. WISEs hence provide an interesting model for successfully bringing low-skilled young people into regular employment (Dean, 2013; Buckingham & Teasdale, 2012; Alter, 2006; Aiken & Spear, 2005).

WISEs produce impressive outcomes in terms of equity, but also in terms of efficiency for governments through social security savings and by using market-based models to reduce program costs, as well as in economic terms by utilising the productivity of people who may otherwise be inactive (Social Ventures Australia, 2012). Despite its potential to tackle this social policy problem, the extent to which this WISE model can work to get low-skilled young people into employment is not well researched (Cabinet Office, 2007; Social Ventures Australia, 2012).

This research aims to provide an understanding of the effectiveness of WISEs in increasing employability and facilitating a transition into work for low-skilled young unemployed people. It also aims to understand how public policy conditions influence the success of WISEs, and how policy can be used to leverage their potential to tackle youth unemployment. This is done through a ‘realist evaluation’ (Pawson, 2013; Pawson & Tilley, 2004) of the youth-employability WISE model in four advanced economies. Realist evaluation considers social policy program outcomes as generated by mechanisms operating under the influence of their context (Pawson, 2013; Kazi, 2003). It then seeks to understand variation in outcome patterns related to context and mechanisms, in other words, “what works for whom in what circumstances and in what respects, and how?” (Pawson & Tilley, 2004: p.2). The research approach and methodology are described in *Chapters Two* and *Three* respectively.

The research first considers the policy and labour market contexts of Australia, the United Kingdom, the Netherlands and Denmark. Although all are advanced post-industrial economies, these welfare states differ sufficiently to be able to understand the impact of their social and economic policy contexts. National contexts are compared on the size of the youth unemployment problem, the ease of the school-to-work transition, the degree of activation in labour market policy, and the maturity of the social enterprise sector. Understanding the policy settings under which WISEs’ operate therefore forms *Chapter Four*.

To examine how WISEs are effective in getting low-skilled young unemployed people into work, two case studies in each country are carried out. Leaders of each WISE were questioned regarding the WISE’s local context, business and integration models, interventions across the five domains of the WISE model, successful outcomes, and challenges and opportunities. WISEs’ interventions were expected to trigger a number of mechanisms amongst participants that change their resources and reasoning and therefore their employability. It was also expected that the WISE model’s unique combination of work, training and guidance would trigger a particular set of mechanisms. This examination is the subject of *Chapter Five*.

Depending on each WISEs’ specific context, the mechanisms triggered were expected to generate varying degrees of success in labour market outcomes. The research explores how

the configurations of context, mechanism and outcome pattern vary across different WISEs in different public policy contexts. It was anticipated that the expectations and regulations built into active labour market policy in each country would affect outcomes. Furthermore, WISEs themselves influence the context in which their participants work. The exploration of commonalities and variations across these configurations builds an understanding of the effectiveness of WISEs in getting people into work within specific contexts. This forms *Chapter Six*.

The viability and sustainability of the WISE model and its implications for public policy are then considered. This is done by considering the impact of social and economic policy levers on the application and proliferation of the WISE model in a particular context. In *Chapter Seven* recommendations are set out regarding policy measures that could serve to stimulate the success of youth-employability WISEs.

2. Research Approach

This chapter introduces the theoretical approach used in the research and the key assumptions made. The logic of realist evaluation and its appropriateness for this research are explained. This is followed by the expected mechanisms, the contextual variations expected to be relevant for the triggering of the mechanisms, and the logic of comparison between national contexts.

2.1. Realist evaluation

To investigate the effectiveness of WISEs in facilitating transitions to employment in different contexts, a realist evaluation approach is employed. Realist evaluation considers social policy program outcomes as the product of the interaction of mechanisms and the context within which they are triggered (Pawson, 2013; Kazi, 2003). Realist evaluation sees programs as open systems: porous and plastic, impacted by externalities, and in which “successful interventions can change the conditions that made them work in the first place” (Pawson & Tilley, 2004: p.5). It necessarily combines quantitative and qualitative information to pragmatically elicit the theory underlying a program’s functioning. Realist evaluation is seen as appropriate for comparing how an approach works differently in different locations and for different individuals, particularly where the approach is new or not yet well understood (Westhorp, 2014). It has been used by social scientists to evaluate programs such as a prison education program (Duguid, 2000), and is increasingly used in evaluating social work and community development practices (Kazi, 2003; Westhorp, 2014).

The realist framework involves *context*, *mechanism*, *outcome pattern*, and *context-mechanism-outcome pattern configuration*. The *context* that influences program outcomes may include social and economic institutions, geographical and organisational context, the participants themselves and other individuals with whom they come in contact during the course of the program. Some contextual factors enable mechanisms whilst others may inhibit mechanisms. The theorists behind realist evaluation suggest that “the best programs are well-targeted programs and the notion of context is a crucial entrée to that goal” (Pawson & Tilley 2004: p.8). Within programs, *interventions* are the concrete activities that are carried out. A *mechanism* is the process of how a participant interprets and acts upon the working of the intervention that results in a change in resources or reasoning that enable them to make different choices. It is hypotheses about these possible processes that are tested.

The impact of various mechanisms being triggered in different contexts forms *outcome patterns*. As different salient conditions activate different mechanisms and have mixed outcome patterns, realist evaluation aims to decipher the reasons for their variation. One advantage is said to be that the “notion of ‘outcome patterns’ allows for a more sensitive evaluation of complex programs” than the performance measures by which policymakers are often “besotted and sometimes bewildered” (Pawson & Tilley, 2004: p.9). *Context-mechanism-outcome pattern configurations* (CMOCs) comprise “models indicating how programs activate mechanisms amongst whom and in what conditions, to bring about alterations in behavioural or event or state regularities” (Pawson & Tilley, 2004: p.9). By bringing together mechanism-

variation and context-variation in empirical testing, realist evaluation aims to explain outcome pattern variation and identify the configurations of factors that are most important.

In practice, this research examines under what conditions and according to what mechanisms a WISE increases employability and facilitates transition into regular employment for low-skilled young unemployed people within different national and local socio-economic contexts. This approach meets the research aims of providing an understanding of the effectiveness of WISEs in achieving these outcomes and of the public policy levers that influence WISEs' success.

2.2. Mechanisms for bridging distance to the labour market

The WISE model works to facilitate unemployed people's transition into employment by reducing their distance to the labour market. Employers in the labour market demand certain characteristics of their labour supply. If a jobseeker is unable to provide these, this deficiency can be understood as creating a barrier to work for the jobseeker, distancing them from being successful in the labour market. This concept of barriers creating distance to the labour market is the way in which unemployment policy and active labour market programs are regularly framed (Eichhorst et al. 2008; Martin & Grubb, 2001). In the absence of an empirical measurement of 'employability', it provides a useful "supply side-defined measure of the capacity to find employment" (Kluve, 2014; p.8).

This research considers only the supply side. It is premised on two assumptions. The first is that an individual is able to learn a skill – whether a change in their resources or reasoning – that enables them to be more desirable on the labour market. By investing in an individual's 'human capital', it may be possible to bridge distance to the labour market. This is the underpinning of active labour market policies (Bonoli, 2011; Kluve, 2010). However, this 'human capital' view does not provide a complete picture and needs to be complemented by considering personal development, such as self-confidence and interpersonal communication (Finn & Simmonds, 2003). Hence the second assumption is that a person is able to develop such personal characteristics in order to become more employable.

A number of mechanisms are expected to be triggered for participants by the interventions of the WISE model (Fowkes & Middleton, 2012; Spear & Bidet, 2005; Davister et al., 2004; Aiken, 2007; O'Connor & Meinhard, 2014). Table 2.1 lists potential mechanisms.

Domain of WISE model	Mechanisms may include that individuals:
Sourcing and selection	access an opportunity that is suited to their set of barriers to the labour market
Vocational development	undertake structured “qualifying theoretical training adapted to individual needs” (Davister et al., 2004: p.4)
Vocational development	undertake training that is linked to a specific industry
Vocational development	reinforce training with supervised “meaningful application of work skills” and on-the-job learning (Fowkes & Middleton, 2012: p.4)
Personal development	improve their “capacities to manage social relations, ... competencies in the management of their possessions, and ... sense of responsibility and citizenship” (Davister et al., 2004: p.9)
Personal development	develop relationships of trust and respect
Personal development	develop social and professional autonomy
Employer familiarisation	develop behaviours matching employer expectations
Employer familiarisation	become familiarised with a real work environment
Transition into work	raise aspirations through other trainees and employees acting as role models
Transition into work	become aware of and can access specific employment opportunities
Transition into work	are encouraged to transition into regular employment

Table 2.1: Potential mechanisms that could be expected to be triggered and the corresponding domain of the WISE model.

2.3. The context

The contextual conditions under which WISEs operate are considered to be crucial for the working of the mechanisms discussed above. Contextual conditions are assessed by examining the size of the youth unemployment problem, then education systems and the nature of the school-to-work transition is examined, followed by active labour market policies. The maturity of the social enterprise sector in each country completes this comparative policy analysis. In Pawson and Tilley’s (2004) terms, examining these areas clarifies the context in which interventions take place.

While contexts may influence the business and integration models of WISEs, each WISE’s specific context is expected to influence the mechanisms they trigger. For example, the priorities of a local municipality may mean that training is financed and managed with different goals in one context compared to another. Further, training being conducted in the same physical location as work experience takes place may influence the operation of the mechanism reinforcing skills learnt in applying them through work. The specific contexts of a WISE are examined by looking at how youth unemployment is higher in the WISE’s geographic area and whether this involves any specific characteristics including educational attainment. Local government initiatives that the WISE accesses as well as support from foundations, social enterprise networks or other social enterprises is also considered.

2.4. The comparative logics

To understand the WISE model across different contexts, four advanced economies are compared: Australia, the United Kingdom, the Netherlands and Denmark. These welfare states were chosen because the public policy contexts they provide can be considered to be similar enough to be examined together, whilst still differing sufficiently to understand the impact of specific policy settings. They each have histories of active labour market policy (ALMP), and have undergone a process of post-industrialisation and transition to a service-based economy. These countries also look to each other for policy inspiration (for example, DWP, 2004; DWP,

2011b) and have been compared in a number of other studies (for example, Larsen & Wright, 2014; OECD, 2009; Finn, 2008; Struyven & Steurs, 2005; Castles, 1994).

The UK and Australia are both considered liberal welfare states, although Australia could be differentiated further as a ‘wage-earners’ welfare state (Castles, 1985). Whilst the Netherlands has been considered a hybrid social democratic/conservative-corporatist welfare state (Esping-Andersen, 1990; Pontusson, 2005), it has seen a shift over recent years to a more liberal model whilst labour and unemployment policy appears to have maintained some of the social democratic approach. Denmark, one of the most ‘activating’ labour markets, is more clearly a social democratic welfare state (Pontusson, 2005). Whilst all four countries have taken measures to reduce youth unemployment, their labour market policies differ in what they offer and expect of their labour force participants and of young people in particular (Kluve, 2014; OECD, 2014b; OECD, 2011b). In each of these countries the maturity of the social enterprise sector is at different levels of development, recognition and awareness, including the level of public policy support (Defourny & Nyssens, 2010; Nyssens, 2006; Spear & Bidet, 2005).

How mechanisms vary based on their context in generating outcomes is presented and discussed. The comparative analysis and realist evaluation of the WISE model are drawn back together to address the question of the viability and sustainability of the WISE model, and to understand how public policy conditions influence the success of WISEs. This is used to propose how public policy could be used to leverage the potential of the WISE model to tackle youth unemployment.

3. Methodology

This chapter lays out the methodology applied in the research. The identification and selection of work integration social enterprises in each country is first described. This is followed by an explanation of the methodology used for examining the contexts within which WISEs operate, WISEs' interventions and the mechanisms they trigger, and the outcomes generated by WISEs. A discussion of the limitations of the research and its methodology conclude the chapter.

3.1. Identification and selection of WISEs

An issue identified in exploratory work prior to beginning the research was the significant diversity of WISEs within a country, not only in structure and size but also in terms of specialisation of business model. Recognising this, it was deemed most appropriate to focus on a small number of examples in depth rather than attempting to gain a representative sample. Such a collection of cases can however still yield theoretical gains (Rueschemeyer, 2003). This choice also suited the relatively short timeframe in which the research was to be completed (less than three months). Eight case studies thus provide a snapshot of what a youth-employability WISE can look like in an advanced economy and within the more local contexts of a large city within that country.

The primary criteria for a WISE to be considered for a case study was that it combined training, work experience and personal guidance within the real work environment of a social enterprise, with the explicit aim of facilitating transition into employment for low-skilled young unemployed people. In order to select two suitable WISEs in each country, a search was conducted of the websites and online directories of social enterprise networks and related organisations, including listings of social enterprise award winners. Experts in social enterprise and academics familiar with WISEs were also asked for recommendations of successful WISEs. Experts and possible social enterprises were identified online using web, LinkedIn, Twitter and Facebook searches as necessary.

A concerted effort was required in identifying, selecting and securing the participation of WISEs. Although there are a number of WISEs in each of these countries that provide employment-based opportunities for people with disabilities, there is a smaller number of WISEs targeting people with different socio-economic reasons for disadvantage and distance to the labour market, and fewer again targeting young people. It is also the case that there are a number of social enterprises working to tackle youth unemployment in each of the four countries but fewer doing so with a transitional WISE model.

As possible examples were identified, information about each WISE was collected by exploring their websites and any reports, case studies or profiles done by partners or other authors. If the WISE appeared to meet the primary criteria, contact was initiated via email and followed up by phone. Between four and six potential case studies were contacted in each country in order to secure two case studies.

Despite the diversity amongst WISEs and the relatively small number of potential examples available, some similarities between the two examples in each country are likely to be indicative of other WISEs with similar contexts. For example, the way in which training is funded and governed for unemployment benefit recipients applies to each pair of WISEs in a similar fashion.

3.2. Investigating the context

To understand the nature and size of the youth unemployment problem and build a picture of the national contexts within which WISEs operate, both public policy measures and macro data on the populations of the four countries are considered. A number of indicators are explored using statistics made available by the OECD, of which the four countries are part. This is supplemented with data from ILOSTAT (the statistics database of the International Labour Organisation). These were chosen because they provide comparability across the four countries. In one case European-level and Australian data are used. It must be noted that the data presented is intended to provide an indication of the situation in and differences between the four countries, rather than to establish conclusions about the effectiveness of public policy in preventing or reducing youth unemployment.

The examination begins by considering unemployment and employment as proportions of the working-age and youth-age populations to see the magnitude of the unemployment problem for youth. In order to gain a fuller understanding of the unemployed youth population, the unemployment ratio is used rather than the rate¹. The distribution of the unemployed youth population by unemployment duration is then compared to the working-age population and the change in long-term youth unemployment for young people over recent years considered.

The relationship between education and employment is then examined. As Bills notes, “the ways in which nations organise their educational systems make it more or less easy for their young people to establish themselves as productive workers” (Bills, 2004: p.170). This could mean that different forms of labour market disadvantage may be experienced by young people, for example, if access to vocational training is limited or it is not valued by employers (Leschke, 2011). What education young people attain can therefore be expected to impact on their likelihood of unemployment.

The education system’s role in facilitating the transition to work is then explored, first by examining the length of school-to-work transitions, using Eurostat data and related figures from the Longitudinal Survey of Australian Youth (LSAY) and secondly through the degree to

¹ This choice is made specifically because it generates figures for the proportion of the whole population that is registered as unemployed. The means that the youth unemployment ratio is not affected by changes in the size of the youth labour force. The alternative measure – the unemployment rate – gives figures only for the proportion of those who are active in the labour force and therefore does not take into consideration the proportion of the population that is economically inactive, including because they are engaged in education. For this reason, the ratio is considered by some as a more representative measure of unemployment (Kittel, 2006; Deloitte Access Economics, 2012).

which educational systems branch or differentiate into set pathways prior to the upper secondary level. Differentiation, both through branching and vocational education, is argued by Shavit and Müller (2000) to equate to a trade-off between the central ‘labour market allocation’ and ‘equality of educational opportunity’ functions of an education system, whereby higher degrees of branching and vocational pathways result in a more efficient allocation of young people in the labour market.

Furthermore, youth unemployment has been seen to tend to be lower in countries with education systems focusing on industry-specific skills (often including a strong vocational education sector) than in countries where more general skills are prioritised (Breen, 2005; Müller, 2005). Following this, the educational attainment of the unemployed population aged 25-64 is reviewed, providing an indicator for how one’s level of education can impact on unemployment (Eurostat, 2009). The share of students combining work and study – providing an indicator of work readiness – and the incidence of young people not in employment, education or training (NEET) are both considered.

Existing unemployment and ALMPs are explored in order to understand the attempts made by each countries’ governments to reduce youth unemployment. The proportion of the population in ALMPs is considered against that for passive measures such as income support. This provides an understanding of how activating each country’s labour market policy is compared to one another, as this can be expected to have an impact on the programs with which WISEs interact at these policies’ implementation end. An important perspective of this research is that even in advanced economies that are fairly activating in terms of their labour market policy, there remains a disproportionate degree of youth unemployment.

Finally, the maturity of the social enterprise sector in each country is compared using national survey and monitor reports, as well as key literature including mapping reports from EU research programs. With the modern concept of social enterprise still undergoing development and gaining attention in both economic and social policy domains, the sector’s maturity is expected to vary somewhat across the four advanced economies. It is important therefore to have some understanding of how pro-social enterprise policy is in each country and what sort of developmental and financial support is available to social enterprises. Data on WISEs is also included, where this is available, in order to gain a picture of the prevalence of this social enterprise type.

This consideration of the national contexts within which WISEs operate forms *Chapter Four*. To supplement it, the local-level characteristics of youth unemployment, government initiatives and the social enterprise sector are examined through questioning directly with the each WISE studied. Additionally, the local context and relationships with local actors could enable or hinder a WISE to source suitable participants or sell its services (Nyssens et al., 2012). As such, access to the target market of the business and relationships with local authorities are also explored.

3.3. Investigating mechanisms

To be able to produce a case study on each of the eight WISEs, a set of standard questions was developed covering: legal status and recognition as a social enterprise, the local context of youth unemployment and government initiatives, the five domains of the WISE model (sourcing and selecting of candidates, vocational development activities, personal development activities, facilitation of familiarity with employers, and transitioning into employment in promoting sustainable outcomes), as well as outcomes, and challenges and opportunities. The questions (provided in Appendix A) were designed to generate information on the interventions of WISEs in each of these domains and, in turn, the mechanisms they trigger for their participants.

As the eight selected WISEs were physically located in different corners of the globe, a complementary approach was employed based on the location and preferences of the interviewee, who was either the CEO or a senior staff member. Interviewing was conducted face-to-face with each WISE in the Netherlands and in the UK, by phone with one Australian and both Danish WISEs, and via email for the second Australian WISE. The interviews were also supplemented with email correspondence, in addition to the use of other available sources on the websites of the WISE and its partners.

The information gathered about each WISE was compiled into case studies (provided as Appendices B1-8). This was then combined, in *Chapter Five*, to understand commonalities and differences between the interventions the eight WISEs undertake in order to trigger certain mechanisms for their participants. It proved a challenge to delineate the mechanisms triggered, in large part because of the way in which WISEs combine a number of factors in the activities they carry out, specifically to overcome participants' multiple barriers to work.

In the course of the research, it also became apparent that the nature of funding for training and the income streams that WISEs are able to access mean that in many cases WISEs do not pay their participants a wage for work experience they undertake at the WISE. This required the consideration of the youth-employability WISE model to be adapted as work integrated into a social enterprise as part of increasing participants' employability rather than including paid work.

3.4. Understanding outcomes

Information on the outcomes the eight WISEs generate was collected as part of the interviewing and information-gathering process. WISEs hold records for different statistics, with some providing information for financial years rather than calendar years (as in the UK and Australia), others providing total figures since their program began, and only some able to provide figures on job retention after leaving the WISE. It must be noted therefore that the outcomes data is self-reported and not fully comparable.

The outcomes that the WISEs produce are presented to see the impact of their transformative model for low-skilled young people. These outcomes are then considered

against the mechanisms the WISEs trigger and the contexts in which these take place. In so doing, variations in context-mechanism-outcome configurations are explored and explained, and the key elements of similarity and differentiation across the eight successful WISEs are considered. This analysis of the outcomes forms *Chapter Six*. *Chapter Seven* discusses the viability and sustainability of the WISE model and the public policy levers that could better promote and support the WISE model.

3.5. Limitations

This research contributes to understanding the effectiveness of work integration social enterprises in improving the labour market outcomes of unemployed people, as well as the contextual conditions and policy levers that can influence their success. However, it is limited in a number of ways. The four countries studied are necessarily unable to be fully representative of the array of education systems, active labour market policies and social enterprise sectors that exist even in the OECD. The eight case studies were selected with a success bias and hence are not fully representative of the diversity of youth-employability WISEs within the four countries and beyond them.

It is also recognised that superior alternative information-gathering methods exist to those employed in this study, such as gathering information from individual participants before, during, at the end of, and after their participation in the WISE. However, the short timeframe and resources of a single researcher prevented more advanced research methods from being engaged.

Furthermore, whilst social enterprises are generally very happy to share their practices and models with like-minded people and to garner greater attention, WISEs are of course less able to share personal information on their participants. Any such potentially sensitive information shared during the interviewing process has not been included in the information presented here. It must also be noted that whilst views regarding the relationships between WISEs and employment agencies are included in this study, no judgment is passed on the effectiveness or appropriateness of the work of those agencies.

Finally, the understanding of context-mechanism-outcome pattern configurations presented in this research is but the researcher's interpretation and analysis of the information gathered. It is therefore subject to the inherent bias of an individual researcher.

4. National Contexts for Youth-Employability WISEs

This chapter examines the national contexts of the four countries of interest in this study in terms of the size of the youth unemployment problem, the school-to-work transition and the role of education in preparing young people for the labour market, active labour market policy, and the maturity of the social enterprise sector.

4.1. The size of the youth unemployment problem

Australia, Denmark, the Netherlands and the UK all have relatively low unemployment compared to other OECD nations. The number of unemployed people as a proportion of the working-age population² varied somewhat between 4.5% and 6.0% in 2013 (Figure 4.1, Panel a). The UK's population has both the highest proportion of unemployed people and the lowest proportion of employed people of the four countries, resulting in the highest proportionate population not participating the labour market³.

The proportions of the youth-age population that are unemployed in each country are much higher (Figure 4.1, Panel b), and even more so in the UK (where it is more than double to 12.9%) than the other three countries, which have proportions quite similar to each other (7.7%-8.2%)⁴.

Across the four countries, young people are therefore between 1.43 and 2.15 times as likely to be unemployed than the working-age population. It is worth noting that the youth population has decreased by about two-thirds of a per cent in the UK over the last few years but increased in the other countries (also by this amount in Australia and the Netherlands and by around 1.5% in Denmark (OECD, 2014b)). So, whilst the youth population is decreasing in the UK, it has a much larger proportionate youth unemployment problem. Australia has the next largest proportionate youth unemployment problem with youth unemployment being almost twice the proportion of that for the working-age.

² The data presented in Figures 4.1a and b is in terms of unemployment *ratios* (the proportion of the population that is registered as unemployed) and range from 4.5%-6.0% and 7.7%-12.9% respectively. These numbers are thus lower than those for unemployment *rates* (the proportion of *those active in the labour force* who are registered as unemployed), which are from 5.8%-7.8% for the working age and 11.0%-20.9% for youth age*, [**Source: OECD Employment Outlook 2014 Statistical Annex Table D. Unemployment rates by selected age groups*]

³ While these figures are from the OECD Labour Force Statistics 2014 released on 16 March 2015, figures from the OECD Employment Outlook 2014 release on 3 September 2014 give lower labour force participation rates by 1-3 percentage points. Using those figures, Australia instead has lower participation than the UK, and the Netherlands instead has lower participation than Denmark. Taking out armed forces does not account for this participation rate discrepancy. This highlights of the challenges of using national-level data to compare multiple countries (Kittel, 2006; Scruggs & Allan, 2006). This data therefore only serves as an indicator of where each country may sit at a given time but does not give an exact picture of the nature of the labour force in the these countries. Interestingly, the difference is not reflected in the youth participation rates discussed in later section.

⁴ This has changed slightly over the previous few years. Taking the average proportions of the last three years, the Netherlands again has the smallest proportion at 6.2%, Australia's is down 0.3 percentage points at 7.9% Denmark's is 0.8 higher at 8.9%, and the UK's also 0.3 down at 12.6%.

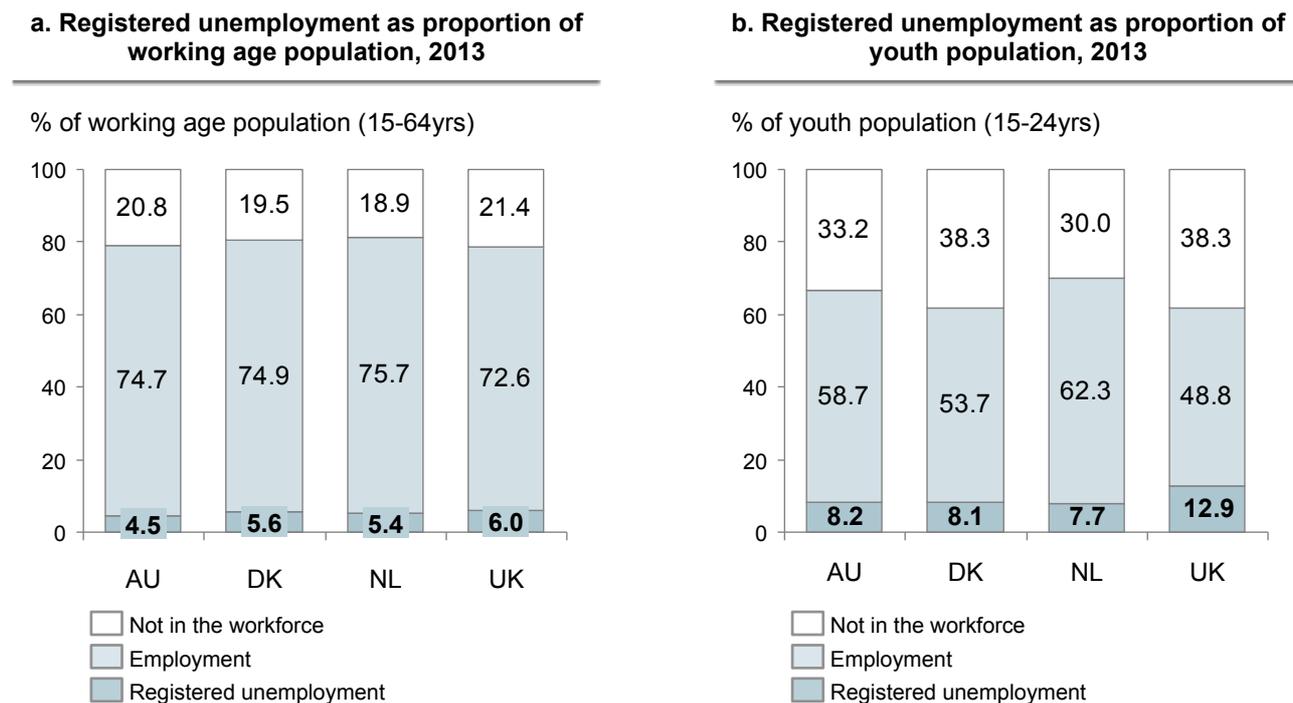
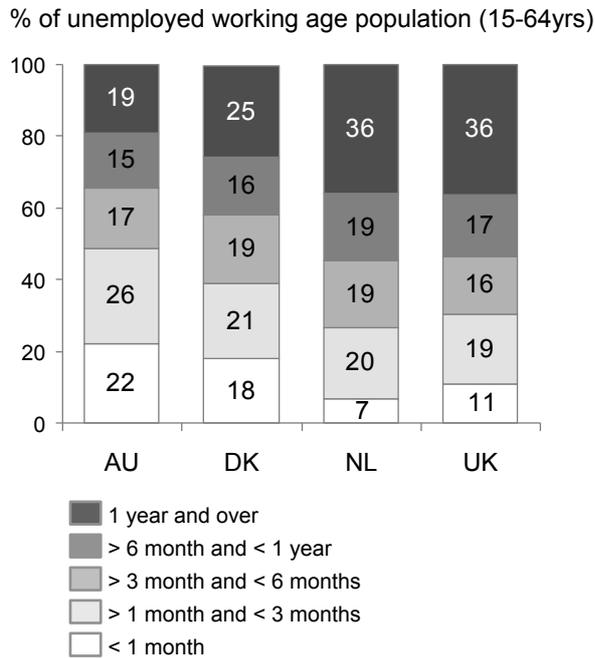


Figure 4.1: a) Registered unemployment and employment as proportions of the working-age population, 2013. b) Registered unemployment and employment as proportions of the youth-age population, 2013
 Source: own calculations based on OECD Labour Force Statistics 2014 Tables 7, 20 and 45 (released 16/03/2015)
 Note: Total working-age employment is including armed forces (assuming stable in DK and NL)

Figure 4.1 shows much higher proportions of young people not active in the labour market in Denmark and the UK. This may be explained by young people taking longer to progress through the education system in Denmark than elsewhere as it “probably has among the oldest students and graduates in the OECD” (OECD, 2010: p.16). However this does not help to explain the large inactive population in the UK, where young people are younger when leaving education. In the UK, the main reasons for inactivity are being long-term sick/disabled (26.7%), looking after family/home (29.7), and being a student (22.1%) (Leaker, 2009).

Long-term unemployment is an important characteristic of unemployment among both working-age and youth populations. The longer someone is unemployed, the harder it is for them to re-enter employment (Dean, 2013). Furthermore, it is likely that those who are long-term unemployed during their youth will form part of the long-term unemployed working-age population. Figure 4.2, Panel a below shows that between one fifth and one third of the unemployed working-age population has been unemployed for longer than a year. It also shows significant variation between the four countries, with the UK and the Netherlands showing almost twice the degree of long-term unemployment as Australia. Panel b of Figure 4.2 shows that long-term unemployed is less common amongst the unemployed youth population. Denmark’s young unemployed are unemployed for less time than their peers in the other three countries, with only one fifth being unemployed for longer than six months. In the UK, by contrast, almost half are unemployed for longer than six months and more than a quarter for longer than one year. The UK has the least favourable context for successful and sustainable employment of young people.

a. Distribution of the unemployed population by duration for working age, 2013



b. Distribution of the unemployed population by duration for youth, 2013

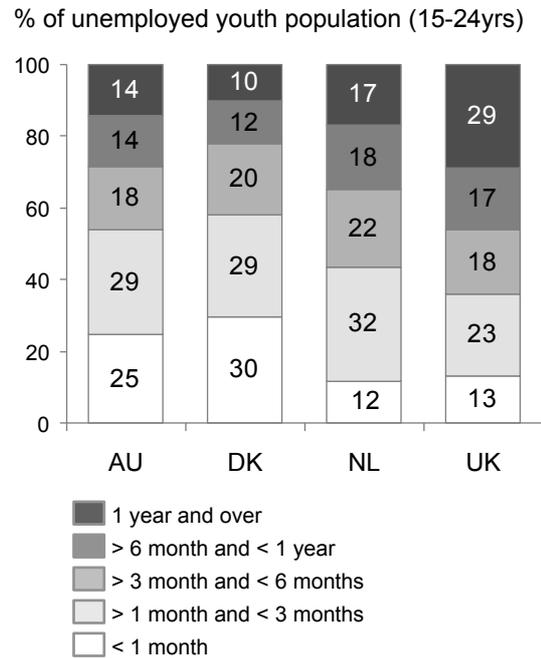


Figure 4.2: a) Distribution of the unemployed population by duration, 2013. b) Distribution of the youth unemployed population by duration, 2013

Source: own calculations using OECD Labour Force Statistics dataset on Unemployment by duration

Significantly, long-term unemployment has become more of a feature of youth unemployment since 2007. Once again, this has been much more the case in the UK than in the other countries, whilst Denmark has seen the most significant proportional increase.

Youth long-term unemployment, 2007-2013

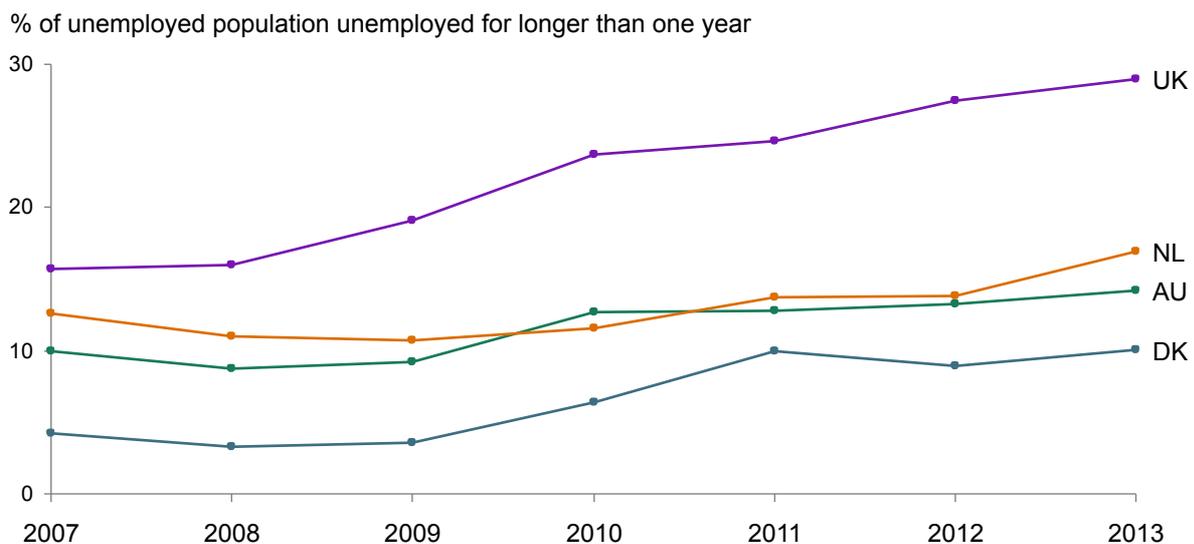


Figure 4.3: Youth long-term unemployment, 2007-2013

Source: own calculations using OECD Labour Force Statistics dataset on Unemployment by duration

4.2. The education system's role in facilitating the transition from school to work

The organisation of a country's education system and what education its young people attain impacts their likelihood of unemployment (Bills, 2004; Leschke, 2011). The nature of the school-to-work transition is considered to understand how hard young people find it to transition into employment.

4.2.1. The school-to-work transition

The school-to-work transition is becoming both longer and increasingly fluid, whilst in some countries it is structurally a more integrated process (Quintini et al., 2007). The length of time it takes young people to make this transition can be seen as an indicator of the difficulties young people have in securing employment after leaving formal education. Unfortunately, comparable data is only available at the European level (shown in Table 4.1).

	All levels of education	At most lower secondary	Vocational upper secondary
Denmark	4.6	8.5	3.2
Netherlands	3.5	6.4	3.1
United Kingdom	3.5	6.4	2.8

Table 4.1: Average duration between education and first significant work (in months), 2009
Source: Eurostat EU Labour Force Survey 2009, published 2012

Table 4.1 shows that, on average, young people in the Netherlands and the UK have very short durations between leaving education and beginning work⁵. Together they have the shortest average school-to-work transition in the group of 27 EU countries (Denmark is eighth). It also shows that this duration is almost twice as long for people who have completed at most lower secondary education, but shorter for people who have completed vocational upper secondary education. Behind this data is that while in the UK a larger proportion of *employed* people (aged 15-34) are judged to have 'good experience' than in the Netherlands (26.9% versus 14.5%), more than twice the proportion of young *unemployed* people are judged to have moderate or limited experience (24.6% versus 12.0%). Denmark rates between the UK and the Netherlands (Eurostat, 2012). This could indicate that in the UK a much larger proportion of young unemployed people are poorly prepared for work than in the Netherlands, and somewhat larger than in Denmark.

Whilst comparable information is not available for Australia, the OECD (using LSAY data) indicates that "for most Australian youth, the transition from school to work is rather quick" (OECD, 2009; p.66). Significantly, it is faster than in the UK, with greater than 90% of Australian youth in employment within seven months after leaving education compared to 48 months in the UK (OECD, 2009). However, as in the three European countries, in Australia the transition from secondary school to work is also less successful for young people not completing upper secondary education. Compared to those having completed upper secondary education, early school leavers are (four years after leaving school) only three-

⁵ The duration of the transition period from school to work is calculated as the difference between the date of leaving formal education for the last time and the date of starting the first job of at least 3 months.

quarters as likely to have made a ‘good transition’, twice as likely to have made a ‘mixed transition’, and more than four times as likely to have made a poor transition (11.1% versus 2.5%)⁶ (Deloitte Access Economics, 2012).

4.2.2. Education and training systems

The degree to which educational systems differentiate through branching into set pathways prior to the upper secondary level and through vocation education is now considered. Branching points are where students choose or are streamed into different tracks based on their ambition, goals or ability. As described in *Chapter Three*, a higher degree of branching and uptake of vocational education can provide a more efficient allocation of young people in the labour market at the expense of equality of opportunity (Shavit & Müller, 2000). While students in the Netherlands and Denmark have access to strong school-to-work pathways and vocational training and apprenticeships, the UK and Australia appear to be lacking in effective pathways into the workforce (CIEB, 2013).

	Compulsory schooling age	Average age when leaving education (2009)	Degree of branching	VET sector
Australia	17	17.8 ⁽²⁰⁰⁶⁾	Low	Small, from age 16 only
Denmark	16	23.1	Low	Large, strong, well-regarded
Netherlands	18	22.5	High	Mid-large; fairly strong
United Kingdom	18	20.1	Low	Small, from age 16 only

Table 4.2: Summary information on education and training systems

Sources: OECD, 2010; OECD, 2014c; Eurostat EU Labour Force Survey 2009

Australia and the UK do not have a high degree of branching in their educational systems and also have small vocational education and training (VET) sectors, generally stigmatised as being for those who are not able to continue in general upper secondary education.

Denmark has a comparatively high school drop-out rate thought to be in part due to the education system being unable to provide disadvantaged young people with core skills in literacy and numeracy (OECD, 2010). With the average age of students beginning VET around 21 years (OECD, 2010), the Danish VET system is characterised by a high dropout rate, in part due to the second ‘main course’ part requiring apprentices to have a contract with an employer. Those unable to find contracts for specific tracks are, however, often able to find a contract allowing them to join a general vocational track (OECD, 2010).

In the Netherlands, those aged 16-18 are obliged to participate in education until attaining a basic qualification – a measure introduced in 2007 in an attempt to reduce the number of early school leavers (OECD, 2014c). Compared to their peers who have completed a basic qualification, early school leavers in the Netherlands have twice the likelihood of being unemployed and are six times more often involved in criminal activities (OECD, 2014c).

⁶ A good transition involves being in full-time work or study of combinations of these. A poor transition involves being unemployed all years, not in the labour force all years, or a combination of poor transition outcomes.

4.2.3. Education and work for a successful school-to-work transition

It is widely accepted that education and employment are positively related and that “the likelihood of being in employment increases with higher levels of education” (OECD, 2012: p.50). The educational attainment of the unemployed population aged 25-64 shows that the less educated are more likely to be unemployed. Figure 4.4 below shows that those with ‘less than upper secondary education’ are much more likely to be unemployed than those with ‘upper secondary education’, who are in turn somewhat more likely to be unemployed than those with ‘tertiary education’. It must be noted that the data presented here uses unemployment rates rather than ratios as reported above, so it does not tell us about those who are not active in the labour force.

Whilst the profile of this data is similar in each country, the distribution by educational attainment is closest in the Netherlands and most broad in the UK. This would suggest that the disadvantage of not completing upper secondary education is lesser in the Netherlands than in the other three. When comparing the likelihood of unemployment for those having completed upper secondary education or not, the Netherlands has the smallest ratio (1:1.43). In fact, the Netherlands is the only one of the four in which the comparative disadvantage of not completing upper secondary education is less than the employment advantage of completing tertiary education (OECD, 2014b). Figure 4.4 again shows that the UK is the least favourable context of the four countries. It has the largest proportional unemployment for those not having completed upper secondary education as well as the largest proportional gap between those who have completed upper secondary education and those who have not – who are 1.88 times as likely to be unemployed (OECD, 2014b).

Unemployment by educational attainment, 2012

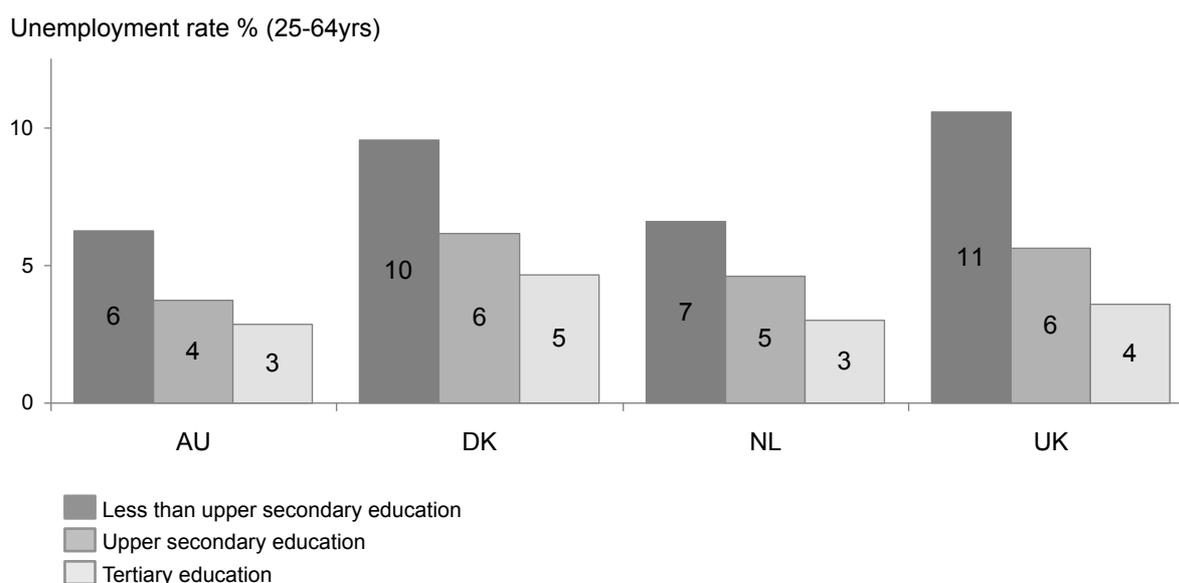


Figure 4.4: Unemployed persons aged 25-64 as a percentage of the labour force by educational attainment, 2012
Source: OECD Employment Outlook 2014, Statistical Annex Table G. Unemployment rates by educational attainment, 2012 (Version 1, Last updated 26 August 2014).

As an indicator of the degree to which work experience is gained prior to young people leaving education, the share of students aged 16-29 combining work and study is considered in Table 4.3. Young people, by nature of their age and a lack of time within which to gain experience, are disadvantaged compared to older labour market participants. However, in the four countries, between one third and half of all young people do not combine work with their study and therefore do not have work experience to show an employer when they come to move from education to work.

Country (rank out of 22 OECD countries)	Incidence (%)
Australia (2)	63.1
Denmark (5)	55.9
Netherlands (1)	63.8
United Kingdom* (9)	47.7
Average (OECD 22)	39.6

Table 4.3: Share of youth (16-29) combining work and study as a percentage of students, 2012

Source: OECD Employment Outlook 2014, Chapter 5, Figure A. Share of youth (16-29) combining work and study, OECD calculations based on the Survey of Adult Skills (PIAAC) 2012.

* England/N. Ireland only.

Note: All apprentices – by labour market status and/or by contract type – are counted as combining work and study, irrespective of what they report. Indeed, some apprentices classify themselves as students while others see themselves as simply working. Apprentices who report “only work” as their labour force status are added to the student total. This is done for consistency with their inclusion among youth who are working and studying.

The OECD Survey of Adults Skills 2012 signals that “the combination of work and study has been seen as a key strategy to ensure that youth develop the skills required on the labour market so that transitions from school to work are shorter and smoother” (OECD, 2014: p.239). Although it notes that combining work and study is common in the Anglophone world and countries with strong VET and apprenticeship systems, there is still some variation amongst the four countries. Within the student population aged 16-29 (for which work-study combination data is available), the Netherlands and Australia have similarly high proportions combining their study with some form of work. These countries also lead the group of 22 OECD countries for which this data is provided in the OECD Employment Outlook 2014. This is less the case for Denmark, whilst the UK once again presents as the worst environment in preparing young people for the transition to work.

A comparison of the incidence of NEET shows that the two Anglophone countries are far behind the two northern European ones. NEETs are those most likely to be candidates for WISEs targeting low-skilled young unemployed people. Even if some NEETs may be highly educated, the NEET proportion of the youth population serves as additional indicator of the youth unemployment problem in a country. Table 4.4 below shows the NEET proportion of the youth population from 2011 to 2013 and the average proportion across the three years given that there has been some degree of movement during this period.

Country	2011	2012	2013	3-year Average
Australia	10.3%	9.9%	10.9%	10.4%
Denmark	6.2%	6.6%	6.0%	6.3%
Netherlands	3.8%	4.3%	5.1%	4.4%
United Kingdom	14.3%	14.0%	13.2%	13.9%

Table 4.4: Percentage of the youth population not in education and not in employment, 2011-2013

Source: Own calculations based on ILOSTAT Annual indicators, using data from the ABS Survey of Education and Work and the EU Labour Force Survey, accessed on 17 April 2015.

Note: Youth not in education are those who were neither enrolled in school nor in a formal training program (e.g. vocational training) during a specified reference period (e.g. one week).

It is interesting to note that the four countries rank in the same order as they do for the youth unemployment ratio. However, whereas the first three in this list had fairly close youth unemployment ratios, the distribution here is somewhat greater. Secondly, while the UK has managed to decrease its NEET proportion across the period reported, it remains the worst performer of the four. The UK also has a higher NEET proportion than it does youth unemployment ratio, as does Australia. In contrast to this, the Netherlands, whilst still the best performer of the four, has seen a significant increase in the NEET proportion of its youth population. Along with Denmark, its NEET proportion is still lower than its youth unemployment ratio.

NEETs make up a much larger proportion of the youth age group in the two Anglophone countries than they do in the two Northern European ones. This would suggest that the two Anglophone countries are not as successful at either keeping young people in education or getting them into work. This said, the education systems in the four countries no doubt play a role in what activities young people are undertaking.

4.3. Active labour market policies

Regardless of qualification, first experiences on the labour market have a significant influence on future working life (OECD, 2010). This highlights the primacy of better understanding the nature of youth unemployment and how countries can effectively tackle it. Governments care about the employment of their jurisdiction's young people, not only because they want people to lead fulfilling lives but also because they want them to be financially independent and contribute to rather than burden government welfare budgets. This is seen through varying levels of government attempts to help – or push – young people to be looking for work and/or up-skilling, in other words, policy aiming to 'activate' young people to work.

As Eichhorst and Rinne argue, differences in “benefit regimes and activation strategies play a major role in facilitating, or hampering, a smooth transition of young people into the labour market” (Eichhorst & Rinne, 2014: p.33). More targeted ALMP for those most distanced from the labour market could be more effective than ALMP targeted at a broader youth population (Kluve, 2014; Kluve 2010), although a high intensity of ALMP may not necessarily increase employment (Maibom et al., 2014).

4.3.1. Variation in an active labour market approach

ALMPs are the set of tools that governments use to try to get people into work, used to differing extents in the four countries. Table 4.5 below shows that there is a large range in the activation of the unemployed from just 4.5% in the UK (noting that data is for 2009) to 96.0% in Denmark. Even with the UK Government’s “payment-for-results welfare-to-work” Work Programme getting underway in June 2011 (DWP, 2012: p.2), recent literature suggests that the UK’s level of activation has not dramatically increased (Berry, 2014).

This indicates that there are different expectations of those on unemployment benefits in each country, with the Danes expected to be active. Furthermore, Danish and Dutch ALMP are known to involve a broader range of measures to get people into work, although some policies introduced in the UK over the past five years have slightly broadened the UK’s ALMP.

	Year of latest data	Proportion of unemployed population in active measures	Proportion of unemployed population in passive measures	Proportion active to passive
AU	2011	1.8%	4.2%	43.0%
DK	2012	4.8%	5.0%	96.0%
NL	2012	3.3%	6.9%	48.0%
UK	2009	0.2%	3.9%	4.5%

Table 4.5: Proportions of the unemployed population involved in active and passive labour market programs
Source: own calculations based on OECD Dataset on Public expenditure and participant stocks on LMP

4.3.2. National labour market policies

	Youth unemployment benefit scheme	Eligibility	Level of benefit	Hiring incentives
AU	Yes, means tested. Payments reduced on a sliding scale as earned income increases	Must be actively looking for work or in approved activities e.g. education; Provide evidence for job-seeking, agree to attend training, attend all interviews and accept any suitable job offered; Must have valid reason for ceasing training or employment activity; Over 21s must engage in an Employment Pathway Plan (Davidson & Whiteford, 2012; OECD, 2009)	Basic, but rent and education expenses may be subsidised	None
DK	Yes	Must be in an approved education or work activity; 18-19 year-olds: interview one week after applying for unemployment benefits, and training in job searching; Educational or work activity begun within a month of unemployment; Over 18s sit literacy and numeracy tests at point of registering to access appropriate courses (OECD, 2010)	Generous	Employing youth unemployed for >12 months
NL	Yes	18-27 year-olds: must be actively looking for work or take up schooling, internship or job, or a combination thereof (Hoogenboom, 2011; OECD, 2008)	Mid to generous	None
UK	Partly	Must be actively looking for work and regularly ‘sign in’ at job centre; Sector-based work academies offer a combination of training, work experience and a guaranteed job interview (90,000 youth between July 2011 and November 2014); Work experience scheme giving young people the chance to go into businesses for up to eight weeks (250,000 youth people between January 2011 and November 2014) (DWP, 2011; DWP, 2014).	Basic	Employing 18-24-year-old on the Jobseekers’ Allowance for >six months (ran 04/2012 to 08/2014)

Table 4.6: Youth unemployment policies in Australia, Denmark, the Netherlands and the United Kingdom

The 2009 OECD *Jobs for Youth* report for Australia presents quite a positive view of employment prospects for young people in Australia, although it rightly highlights the significant challenges for disadvantaged youth, and particularly for young indigenous Australians and youth in remote areas. The report is enthusiastic about reforms by the 2007-2013 government aimed at shifting from ‘job-first to skill-first’ with a portfolio of new ALMPs to “deliver ‘work-ready’ jobseekers particularly in areas chronically experiencing labour or skill shortages” (OECD, 2009; p.135). The OECD does however suggest that the difficulty and cost of implementing an effective skill-first welfare policy is likely to be underestimated, given the small impact on labour market benefits for youth evaluated in some skill-enhancing programs by Martin and Grubb (2001). In a 2013 submission to the Australian Government, the Social Innovation, Entrepreneurship and Enterprise Alliance indicated that the current employment services system does not prevent “the ‘residualisation’ of those most vulnerable, consigning them to a round of ‘participation activities’ in the absence of ongoing unemployment” (SIEE Alliance, 2013: p.9).

Denmark has “a dynamic youth labour market outperforming most OECD countries” (OECD, 2010a: p.11). The scheme targeting the young unemployed appears to be the most generous – and one of the most activating – in the OECD. The ‘mutual obligations’ approach to activation in place for 20 years promotes young unemployed people’s prompt labour market (re)integration. Activation is stronger for young people who have not completed upper secondary education, who are required to enrol in an education program. With no difference in employment protection regulation for young people compared with other workers, the OECD considers that the negative effects on the Danish labour market of the recent economic crisis should be less harsh on youth in Denmark than in the rest of the OECD (OECD, 2010a).

The Netherlands is characterised as giving education and employment priority over benefit receipt through “mutual obligations”. While the OECD (2008) promotes a focus on policies centred on activation and these “mutual obligations” as the best approach, it conveys that “many of the programs targeted to youth, especially those most at risk, have produced disappointing outcomes” (OECD, 2008: p.139).

In the UK, a “comprehensive activation strategy for young unemployed people ... relying on a mutual obligations approach” has become increasingly evident (OECD, 2008: p.132). However, the OECD suggests that whereas the late 1990s’ “New Deal for Young People has been an example of a comprehensive activation program”, effectiveness has waned in recent years (OECD, 2008: p.153). The ‘Flexible New Deal’ introduced in 2009 “abolished differential treatments for the under- and over-25-year-olds in exchange for a more ‘personalised’ support” (Clasen, 2011; p.22). The OECD was optimistic that planned reforms would improve outcomes for participants by putting more of an emphasis on sustainable employment outcomes and increasing service-provider competition through a quasi-market similar to those seen in other forms in the Netherlands and Australia. However, ALMP remains less than in those countries (Berry, 2014).

4.4. Social entrepreneurship

In this section, the varying levels of maturity of the social enterprise sector in each country (Nyssens et al., 2012; Spear & Bidet, 2005) are compared in order to build an understanding of how pro-social enterprise national policy is in each country and what sort of developmental and financial support is available. It is important to acknowledge that social entrepreneurship in Denmark and, to some extent, the Netherlands is somewhat restricted to the continental Europe model of social economy whilst the Anglophone approach is more about social businesses both within and outside the social economy (Spear & Bidet, 2005).

In Australia there are a large number of social enterprise initiatives targeting youth unemployment, but only a small proportion that provide employment-based opportunities. (Barraket et al. 2010). Within the work-focused social enterprise space, only a small proportion offer temporary work “despite the public policy focus on Intermediate Labour Market (ILM) models (where temporary work is offered as a stepping stone to future employment elsewhere)” (Fowkes & Middleton, 2012: p.4) Social enterprise has enjoyed some attention in public policy, particularly in the former Australian Department of Education, Employment and Workplace Relations (DEEWR). In 2010, DEEWR launched a Social Enterprise Development and Investment Fund. Since then, social enterprise has been recognised as a “form of social innovation capable of generating jobs and employment pathways for those most disadvantaged in the labour market” (Barraket et al. 2010: p.8) in a number of policies such as the Community Jobs Fund (2009-2012), a 2012 Disability Employment Services Guidelines, and the 2013 Remote Jobs and Communities Program (SIEE Alliance, 2013). Participants in job services program are able to meet obligations around work experience within a social enterprise, whether the work is paid or not.

	# social enterprises; # inhabitants per enterprise	Focus on education, training and employment or on youth	WISEs or work-focused social enterprise	Government definition; Legal form for dual purpose	National peak body and awards	National certification schemes	Impact investors; Social impact bonds
AU	>20,000 (Barraket et al. 2010); 1,190	41% operate in education & training Main mission: 26% to create meaningful employment opportunities; 35% to provide training Targeted beneficiaries: 49% youth 30% unemployed people (Barraket et al. 2010)	Main goal: 23% provide transitional pathways; 24% provide paid work opportunities; 43% provide both. Activities: 82% provide accredited training; 54% assist with job searching; 56% provide individualised caseworker support (Fowkes & Middleton, 2012)	Neither.	Social Traders since 2008; Annual awards since 2013; Some local support networks	No. Social Traders hosts an online directory of 5,421 social enterprises (at 1 June 2015)	Yes, e.g. Social Ventures Australia, Donkey Wheel, Small Giants; Some state and local governments e.g. New South Wales, Parramatta, Victoria (Social Outcomes, 2015).
DK	~300 (European Commission, 2014a; Hulgård & Bisballe, 2004); 18,667	One fifth or ~60 (Hulgård & Bisballe, 2004); Two thirds of municipalities cooperate with social enterprises in employment-related activities for disadvantaged people, especially in regards to up-skilling, work experience and guidance (CABI, 2012)	Dominate approach is to offer participants 'occupational training', with other WISE work integration models mostly offering 'educational activities' (Hulgård & Bisballe, 2004)	Practical definition closer to UK's than to the EU definition; Up to 14 legal forms used (European Commission, 2014a)	Government-established National Centre for Social Enterprises; Annual awards since 2010; Multiple support networks	Specified if registered in online national business register; Database of social enterprises available in 2015	Some. Small non-government activity
NL	4,000-5,000 (McKinsey& Company, 2011) 4,200	One third work in improving labour market participation (Social Enterprise NL, 2013; Social Enterprise NL, 2014) Main mission: 10% target "limited access to labour markets for vulnerable groups" or "lack of social cohesion" (McKinsey&Company, 2011: p.6).	200 WISEs "based on indicative (and often subjective) assessment of the share of social enterprises among particular groups of entities and other assumptions" (European Commission, 2014b: p17).	Neither. Foundations have very few restrictions. but limit ability to emit shares and facilitate social goals (European Commission, 2014b; McKinsey& Company, 2011).	Social Enterprise NL since	No. Some schemes for companies employing a small proportion of disadvantaged people	Very few, includes lottery funds Very few; trialled in Rotterdam

	# social enterprises; # inhabitants per enterprise	Focus on education, training and employment or on youth	WISEs or work-focused social enterprise	Government definition; Legal form for dual purpose	National peak body and awards	National certification schemes	Impact investors; Social impact bonds
UK	~70,000 (Social Enterprise UK, 2013; European Commission, 2014c; Drencheva & Stephan, 2014) 916	Main mission: 27% creating employment opportunities” (Social Enterprise UK, 2013); 17% employment and training (SELUSI, 2010); Additionally, “the majority (52%) of social enterprises actively employ people who are disadvantaged in the labour market (for example: long-term unemployed, ex-offenders, disabled people)” (Social Enterprise UK, 2013: p.37) “the majority of social enterprises employ individuals who experience barriers to enter the labour market, especially in the most deprived areas of the country” (Drencheva & Stephan, 2014: p.2).	WISEs are a significant feature of the UK social enterprise landscape; Huge diversity of WISEs, differing considerably in their structures and sizes. Work integration can involve formal and informal training (Aiken & Spear, 2005). Changes in EU procurement law allowing the reservation of contracts to social enterprises with more than 30% disadvantaged employees were rapidly transposed and came into force in February 2015 (Crown Commercial Service, 2015).	“A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners” (BIS, 2014). Community Interest Company (CIC) since 2006 (>10,000); Incorporated Charity since 2014 (>3,000)	Social Enterprise UK (previously Social Enterprise Coalition) since 2002; Social Firms UK Annual awards since 1999	Social Enterprise Mark (267 holders); Social Enterprise UK member ‘badge’	Multiple, including lottery funds Social impact bonds having been a feature of public policy since 2012 as well as a number of government-led projects supporting or using new forms of social investment (European Commission, 2014c); Centre for Social Impact Bonds within the UK Cabinet Office

Table 4.7: Situation of the social enterprise sectors in Australia, Denmark, the Netherlands and the United Kingdom

In Denmark, the lack of “fiscal or other incentives for major mainstream enterprises to incorporate social enterprises in their supply chains” acts as a discouragement for social enterprise development (European Commission, 2014a: p.6). There is however one national program funded by the government aimed at work integration social enterprise development, *Det Sociale Vækstprogram* (The Social Growth Programme), which involves supporting growth and expansion in order to be able to employ a greater number of people. In the absence of a strong sector body like in Australia, the UK and the Netherlands, there are a number of institutions and networks supporting and promoting social enterprise. These include: the Danish Social Innovation Club; Social+, part of the Social Development Centre SUS; Den Sociale Kapitalfond, the first Danish social venture fund; and the Social Entrepreneurs in Denmark (SED) network.

In the Netherlands, the Dutch Social and Economic Council (SER) considered in early 2015 the development of social enterprise on request of the Minister of Social Affairs and Employment. It advocated for adopting the EU definition and a certification scheme. Additionally, the lower house of the Dutch Parliament has requested that the Ministry consider how stimulating social enterprise could help to increase employment opportunities for those with a distance to the labour market (During et al. 2014). Whilst some assisted access to investment is available through the national lottery funds and Rabobank, only the Start Foundation acts as a social impact investor in the field of employment.

In the UK, social entrepreneurship has enjoyed a place on the national policy agenda for the last decade and a half (European Commission, 2014c). Since the introduction of the CIC in 2006, the Big Society concept was launched in 2010, in 2011 a social investment market strategy was launched, and in 2012 Big Society Capital was established to support and develop social investment. In 2013 the Social Value Act came into force, requiring public bodies in England and Wales consider the economic, social and environmental “to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes” (Public Services (Social Value) Act 2012). In 2014, 30% Social Investment Tax Relief was introduced to encourage individuals to invest in social enterprises and help social enterprises access new sources of finance. Whilst the UK’s social enterprise sector may have some room for development and greater maturity, it is clear that when compared with the other three countries examined here, and aside from Australia slowly on a similar path, “the general policy landscape is overall favourable for social enterprises in the UK” (Drencheva & Stephan, 2014: p.8).

4.5. Summary of national contexts

The national contexts of the four countries within which WISEs operate in each of the four countries is important in sometimes subtle ways, summarised in Table 4.8. The size of the youth unemployment problem is larger in the Anglophone countries than in Denmark and the Netherlands. Influenced by the structure of the education system and access to vocational training programs, young people with a low level of educational attainment not only find it harder to transition to employment but they are also more likely to be unemployed later in life. Additionally, an important proportion of the youth population in each country is not in

employment, education or training. Existing ALMPs may not be as effective in helping low-skilled and socially disadvantaged young people – who experience greater distance to the labour market – to gain employment than their less disadvantaged peers. This is the nature of the youth population and labour policy within which WISEs are working in the four countries.

AREA OF CONTEXT	AU	DK	NL	UK
Size of the youth unemployment problem	Medium	Small	Small	Large
Likelihood of unemployment youth vs working-age	1.82	1.45	1.43	2.15
Long-term youth unemployment (>1 year)	14.2%	10.1%	17.0%	29.0%
Ease of the school-to-work transition	Low-mid	Mid-high	High	Low
Duration of school-to-work transition	low	mid	low-mid	low-mid
Degree of branching in secondary education	low	mid	high	low
Prominence of vocational education	low	high	high	low
Unemployment for those without upper secondary	6.2%	9.6%	6.4%	10.4%
Young people combining work and study	63.1%	55.9%	63.8%	47.7%
Youth not in employment, education or training	10.4%	6.3%	4.4%	13.9%
Active labour market policy	Mid	High	Mid	Low
Ratio of population in active vs passive measures	43.0%	96.0%	48.0%	4.5%
ALMP targeting youth	Mid	High	Mid	Mid-High
Responsibility for managing unemployment support	national	local	local	national
Maturity of the social enterprise sector	Mid-high	Low-mid	Low	High
Number of inhabitants for each social enterprise	1,190	18,667	4,200	916
Prominence of WISEs within social enterprise sector	mid	low	mid	high
Legal or financial form	no	yes	no	yes
Social enterprise recognition in other public policy	some	some	little	high
Support networks for social enterprises	high	mid	low	high

Table 4.8: Summary of policy contexts across the four countries

There are different public policies and levels of sector maturity in each country that provide a context that can make it easier or harder for WISEs to function. Some countries have policies aimed at promoting or facilitating social entrepreneurship, including for WISEs.

Based on this comparative analysis, it would seem that the countries that are less activating have larger low-skilled youth populations that WISEs might target and indeed also have more mature social enterprise sectors. Within this relationship, the social enterprise sector does not appear to be well leveraged to contribute to addressing social policy problems such as youth unemployment. It is important to recognise that governments have these policy levers available to them that could be used to promote the youth employability WISE.

5. WISE Interventions and Mechanisms they Trigger

This chapter aims to clarify the nature of the interventions and determine the mechanisms that are expected to be triggered by WISEs when aiming to reduce the distance to the labour market for low-skilled young unemployed people and to support them into mainstream employment. The WISEs are first introduced and their local contexts considered. Following this, the activities of WISEs and their interventions for their participants are presented in each of the five domains of the WISE model. Within each of these domains, the specific mechanisms that are triggered to change the participants' resources and reasoning – and therefore their employability – are laid out.

5.1. The eight WISEs examined

The key characteristics of the eight WISEs examined are provided in Table 5.1. Each of the WISEs targets young people who are unemployed and are experiencing considerable distance to the labour market, although some have slightly more specific target populations than others. The WISEs all aim to improve the job readiness of their participants, although training is also a goal in itself. Within the Danish context, the WISEs aim to provide a 'progression' to the most appropriate destination for each participant, whether to a rehabilitation program, activation program, formal qualification or regular employment, rather than to primarily transition participants into employment. This is also the largely the case for one of the Australian WISEs (STREAT).

The eight WISEs are, in Australia, *Charcoal Lane* (restaurant and event catering; focus on indigenous youth) and *STREAT* (five cafés, coffee roastery and catering; focus on homeless youth), in Denmark, *Kaffé Fair* (café, workplace canteen and conference centre) and *Grantoftegaard* ('social farm' selling fresh produce and hosting visitors), in the Netherlands, *The Colour Kitchen* (restaurant, ten workplace canteens and catering) and *DropOuts* (communications and advertising agency), and in the UK, *Bikeworks* (bike sales, repair and events) and *Circle* (sports and clothing shop). Complete case studies on each are provided as *Appendices B1-8*.

The WISEs can be similar in that they: operate in the *hospitality* industry, are *diversified* or *multi-site* businesses, target a *significantly disadvantaged population* (or otherwise have participants closer to the labour market that tend to have fewer and less complex barriers to work, or are across this spectrum), provide *structured formal vocational training* (otherwise *ad-hoc* or *on-the-job* training only), and aim to provide a 'transition occupation' or 'intermediate labour market' function, which is the most common of WISE 'integration modes' (Davister et al., 2004; Finn & Simmonds, 2003). While STREAT does all of these to some extent, Charcoal Lane differs in not operating at multiple sites, Bikeworks differs in not operating in hospitality; The Colour Kitchen differs in not explicitly targeting a highly disadvantaged population, and Kaffé Fair is only similar in being a diversified multi-site hospitality business. This basic typology of the eight WISEs should be kept in mind in the following consideration of WISE approaches and interventions.

WISE, country	Reintegration model	Business model	Non-market funding sources	Legal form (and local name)	Start year	Total trained	Graduates in WISE
Charcoal Lane, Melbourne, Australia [Appendix B1]	Transition to employment through structured formal vocational training, paid work experience, personal guidance and life skills including indigenous culture	Fifty-seat restaurant and catering specialising in native Australian flavours in area of city with vibrant nightlife and indigenous history	Parent charity fundraising (one third of WISE budget);	Program within large registered charity	2009	147	10
STREAT, Melbourne, Australia [Appendix B2]	Transition to employment or training through structured formal vocational training, unpaid work experience, guidance and life skills	Group of five city cafés , coffee roastery and catering company/ production kitchen	Five charitable foundations (1/3 of WISE budget); Jobs Fund grant	Registered charity and private company limited by guarantee (Pty Ltd)	2010	400+	0
Kaffe Fair, Aalborg, Denmark [Appendix B3]	Progression towards the mainstream labour market via access to formal education, employment or to rehabilitative treatment through on-the-job training, unpaid work experience and personal guidance	Hospitality group with a café , workplace canteen and conference centre	Den Sociale Kapitalfond; Obel Family Foundation; Jobcenter funds training	Registered social enterprise (socialøkonomisk virksomhed) owned by a 'Folk Day School'	2006	[36 in 2014]	4
Grantoftegaard, greater Copenhagen, Denmark [Appendix B4]	Progression towards the mainstream labour market via access to formal education or employment, or to rehabilitative treatment through on-the-job training, unpaid work experience and personal guidance	' Social farm ' agricultural complex incorporating cereal and seed crops, organic vegetable growing, sheep and cattle grazing, horse-riding and hospitality services	Established by municipality but now self-funding; Jobcenter funds training	Private trading foundation and registered social enterprise (socialøkonomisk virksomhed)	2001	[51 in 2014]	3
The Colour Kitchen, multiple sites, Netherlands [Appendix B5]	Transition to employment or further training through structured formal vocational training, unpaid work experience, personal guidance and life skills	Group of 10 workplace canteen venues and one restaurant operating across the Netherlands	Sligro, Peeze Koffie; Seven charitable foundations	Private limited company (BV) plus separate public benefit foundation (Stichting ANBI)	2010	250	7
DropOuts, Amsterdam, Netherlands [Appendix B6]	Transition to employment through paid work experience, supported by individualised training, personal guidance and coaching	Communications and advertising agency developing brand and corporate identities through online, print and television media campaigns	Special loan from Stichting DOEN foundation; city of Amsterdam grant awarded for training	Private limited company (BV)	2014	6	0
Bikeworks, London, UK [Appendix B7]	Transition to employment through structured formal vocational training, unpaid work experience, personal guidance and life skills	New and used cycle store with repair workshop, repair club, mobile bike repair, all-ability and community cycling events	Barclays, Halfords (auto/bike retailer); Job Centre Plus funds some training	'Community interest' company limited by guarantee (CIC)	2010	460	12
Circle, London, UK [Appendix B8]	Transition to employment through semi-structured vocational training, unpaid work experience, personal guidance and life skills	Sports and apparel store with merchandise from both mainstream brands and local London designers	Job Centre Plus funds training and pays for sustained job placements	'Community interest' company limited by guarantee (CIC)	2010	100+	0

Table 5.1: Key characteristics of the WISEs studied

5.1. Local dimension of the context

Most of the WISEs studied attempted to locate themselves in areas where they would be able to access their sometime specific target groups (Charcoal Lane, STREAT, DropOuts). In some cases this is a particular area of a city (Charcoal Lane, STREAT, Kaffé Fair, The Colour Kitchen, Bikeworks, Circle), in others it is the choice of city itself (STREAT in Melbourne, DropOuts in Amsterdam). However, depending on their business model and whether location impacts significantly on the operating model, the choice of location is also influenced by the potential for the business to attract its target market. For hospitality industry WISEs this was more important than for the other WISEs, however, the sports apparel store Circle uses an approach that is adapted to its location in a highly diverse and less affluent area of London.

5.1.1. Youth unemployment

All of the WISEs studied have as their primary target group low-skilled young unemployed people. Candidates may be recently unemployed but most have been unemployed for at least three months and many have been unemployed for much longer periods (STREAT, Bikeworks).

In each of the Australian WISEs, the target group is more specific again, with Charcoal Lane targeting indigenous youth and STREAT targeting homeless young people. The local context is particularly significant for Charcoal Lane, which is situated in an area of Melbourne that has an important indigenous history. Equally, STREAT is located in a large city with a significant level of youth homelessness (although this was not the sole driver for the location). Both Danish WISEs are located in or very close to main cities and therefore where there is a greater concentration of youth unemployment. However, the way in which candidates can be sourced in Denmark means that the target group is quite diverse.

In the Netherlands, DropOuts expects its candidates to have a certain level of creative ability and knowledge regarding using relevant software for the creative industry, but is somewhat impartial to the social disadvantage that candidates are experiencing or have experienced. As a result its location is based on the concentration of the creative industry in Amsterdam. The Colour Kitchen has different expectations of its participants but targets areas of Dutch cities where there is high youth unemployment or that are undergoing development.

Between the two London WISEs, Circle takes on mostly young people who have completed their GCSEs – the examinations at the end of compulsory schooling required to progress to the A-levels upper secondary qualification. Participants usually also have some degree of social disadvantage that contributes to their distance to the labour market. In contrast, Bikeworks tends to take on young people who have not completed compulsory education or who have greater social disadvantage linked to violence, addiction or criminal behaviour, whether their own or their that of family or friends. In this sense, the two WISEs have slightly different target groups within east London and are addressing slightly different elements of young people's distance to the labour market.

5.1.2. Government initiatives

The WISEs studied understand the potential for mutually beneficial relationships with local municipalities and employment authorities and work hard to develop and maintain these relationships. In Australia, WISEs' participants are able to meet unemployment benefit requirements through participating in the WISEs' programs. In Denmark and the UK, WISEs are able to access funding for providing training courses through local job centres. In the Netherlands, The Colour Kitchen is able to provide training and unpaid work experience with the knowledge that participants are still receiving government income support benefits, whereas DropOuts pays its participants through temporary employment contracts but won a local municipality grant to pay for participant coaching.

WISEs attempt to access any possible funding source and in some cases are able to access funding related more to their business model than their social goal (e.g. Bikeworks and cycle safety). The 'social return' agendas of local governments and public bodies do play a role, again, depending on the sector of the WISE. Although somewhat present in all four countries, this is most evident in the Netherlands where The Colour Kitchen provides workplace catering for the Youth Protection Service in Amsterdam and DropOuts does some work for the Amsterdam municipality. However, both WISEs indicated their desire for public contracts to play a bigger role. In Australia, Denmark and the UK, the WISEs are not explicitly aiming to fulfil any public procurement opportunities, although Charcoal Lane in Melbourne and Bikeworks in London do sometimes sell their services to local municipalities and other public bodies in these cities.

5.1.3. Local presence of social enterprises and support networks

The presence of other WISEs and support networks plays a facilitating role more in the establishment of the WISEs and in developing relationships than in providing clients for the business. Support received by the WISEs studied includes advisory and consultancy services (through Social Ventures Australia and the School for Social Entrepreneurs in Australia, through the North Jutland Social Enterprise Network for Kaffé Fair, through a range of foundations in the Netherlands, through UnLtd and the School for Social Entrepreneurs in the UK), loans or investment on more accessible terms such as no repayments for a year (in the Netherlands through organisations such as Stichting DOEN and Start Foundation), and access to a network of funders, experienced professionals and other social entrepreneurs. In Australia and the UK both WISEs studied have also worked with each other.

The WISEs studied also try to sell their products to more socially-minded organisations, if not to other social enterprises (Kaffé Fair provides workplace catering for a mental health organisation). This extends to private companies that are active in supporting social enterprise and community organisations such as Rabobank in the Netherlands, for whom The Colour Kitchen provides workplace catering in three locations. Table 5.2 provides a useful summary of the significant elements of the local contexts of each WISE.

Work Integration Social Enterprises:	Australia		Denmark		Netherlands		UK	
	CL	ST	KF	GG	TCK	DO	BW	CS
Concentration of target population	High	High	Mid	Mid	High	Mid	High	High
Support of government initiatives	Mid	Mid	High	High	Mid	Mid	Mid	High
Support of foundations/investors	Mid	High	Mid	Low	High	Low	High	High
Support of social enterprise networks	Low	Mid	Mid	Low	Mid	Low	Mid	High

Table 5.2: Degree to which local context impacts on each WISE

Notes: Abbreviations of WISEs are respectively Charcoal Lane, STREAT, Kaffé Fair, Grantoftegaard, The Colour Kitchen, DropOuts, Bikeworks, and Circle.

5.2. Sourcing and selecting candidates

WISEs work closely with the local agency for managing unemployment support as appropriate to source the most suitable candidates – low-skilled young people registered as unemployed. In Australia and the UK, unemployment support is managed by local branches of national bodies, whereas in Denmark and the Netherlands it is managed predominantly by local municipalities. Local community organisations can also be important in this regard. WISEs' sourcing of candidates is also somewhat dependent on whether the employment agency enables them to access funding for training or for participants to meet certain unemployment benefit requirements. Overall, WISEs are quite successful in sourcing candidates who are suitable for their specific programs.

The UK WISEs have agreements with a number of local Job Centre Plus (JCP) offices to provide training places, which are complemented by engagement with individual advisers and organising events for young unemployed people registered at these offices. In Denmark and the Netherlands, the WISEs have relationships with local municipalities, whose job centres are responsible for implementing unemployment support. In all cases the WISEs approach the government body to ask for suitable candidates, however, in some instances WISEs are asked if they can take on a particular individual. WISEs also receive some candidates through referrals from other local youth and community organisations (Charcoal Lane, STREAT, Bikeworks), word of mouth and via physical and online presence.

The WISEs' personal relationships with individual local authority staff members is important and there is an ongoing need for the staff in these authorities to be well acquainted with the WISE's model. Circle in the UK reported that after a good contact at one Job Centre Plus office was transferred, the round of candidates the replacement staff member proposed was not entirely suitable and the WISE had to arrange for a second round of recruitment to source appropriate candidates.

Whilst in Australia the two WISEs tend to rely more on local charities and community organisations to source their more specific candidate groups, in Denmark the activation scheme for unemployed people means that the WISEs are asked to take on a broad group of participants by local job centres. Although the WISEs still require that candidates want to participate in the program, their reintegration models are quite different to those of the other

WISEs as a result, consistent with work by Hulgård and Bisballe (2004). Furthermore, the experience of DropOuts in the Netherlands is that the municipal government is able to propose suitable candidates for its relatively narrow selection criteria because of its detailed database of young unemployed people enabling it to do a useful pre-selection of candidates.

WISEs aim to be able to get each participant into work but also recognise that they will not always be successful for every participant. In some instances, candidates are judged to have too low a level of literacy and numeracy skills (as has occurred at Circle) or have serious behavioural issues that are judged to need to be addressed first before they enter a training program (as has occurred at Bikeworks). In contrast, both Australian WISEs normally attempt to address such issues by helping participants to access the relevant services alongside their own programs.

WISEs are triggering a mechanism whereby candidates gain selection based on a starting position distanced from the labour market. More specifically, the WISE has an end point in mind for their participants and it selects its candidates based on whether they are appropriately distanced from that end point in order to be suitable for the WISEs' program that bridges that very same distance to the labour market. This means that for selected candidates, their expectations of what the program will provide and the expectations of them in participating are clear, as well as being well matched to the set of barriers to the labour market experienced by the candidate.

By actively promoting awareness and understanding of their models amongst local authorities and organisations, and having good relationships to ensure this, WISEs are able to source candidates who are pre-selected on their suitability for the WISE's program and have a willingness or desire to work in the WISE's industry. In turn, this means that candidates are able to access appropriate opportunities in WISEs.

Mechanism 1: Candidate is matched to an opportunity suited to their barriers to employment

Candidates are always interviewed by WISEs to assess their suitability. The WISEs are careful in their sourcing and eventual selection of candidates to make sure that the participants they take are in need of the type of support the WISE offers and want to take part in the program it runs.

In the more industry-targeted WISEs (Charcoal Lane, STREAT, Bikeworks, The Colour Kitchen, DropOuts), candidates also do a trial or a test exercise in order both for the WISE to judge their ability and willingness to work, and for the candidate to see if they like the work and are willing to commit to joining the WISE. The interviews and trials also give WISEs the opportunity to assess the needs of candidates in determining their suitability, but also in beginning to develop the personalised support the WISE will provide to each selected candidate. This semi-targeted sourcing of candidates by WISEs thus enables the mechanism by which candidates can gain a place based on testing or trialling to confirm their suitability.

However, the WISEs tend not to consider candidates' history in terms of whether they will make a successful employee. Instead, they consider whether this means that they will benefit from the WISE's model. In some cases, this would mean that someone with work experience may not be accepted if they are judged to not be in need of the sort of support the WISE provides, but are perhaps suggested to complement their experience with a formal qualification. Ideally, this sort of candidate is not put forward by the local authority in the first place, but word-of-mouth or walk-in candidates may be turned away for this reason.

Social enterprises put high importance on a social goal as well as an economic goal but also struggle to stay financially viable. The WISEs are well aware that without a sustainable and successful business they are not able to meet their social goals. As a result, WISEs consider the financial impact of taking on each candidate and are generally always looking for financial support to pay for training and guidance but they tend not to choose candidates based solely on the financial benefit or burden of taking them on. However, almost all candidates are on unemployment benefits when they join one of the WISEs and therefore the WISE is able to access either a training budget for them (in the UK) or to rely on participants receiving continued income support payments while they are undertaking training at the WISE (The Colour Kitchen).

In one instance, the Amsterdam municipality asked The Colour Kitchen to take on an individual who was not accessing any government benefits to support themselves. As The Colour Kitchen was unable to pay the individual in addition to providing them with training, the municipality provided financial support so that the individual could participate in the program. Equally, The Colour Kitchen does not take on candidates who are capable of paying for their own training course. The financial burden is much more of an issue in smaller Dutch WISE DropOuts as it only able to take on as many employees as it has work for them to do. It is however one WISE that does pay its participants. Additionally, this means that those young people who would not otherwise be able to access and complete training are given the opportunity.

This then acts as a mechanism whereby candidates can participate in a WISE's program because the candidate is able to support themselves either through a government scheme or by being paid a wage by the WISE.

Mechanism 2: Candidate has suitability confirmed through testing or trialling

In summary, the mechanisms of selection do not generally work through considering a candidate's education or work experience (two principal areas on which a mainstream employer would judge a candidate), but instead on their need for the different approach provided by the WISE, as well as on their willingness to work in the WISE, their ambition to complete the WISE's program and pursue a career in the WISE's industry.

Sourcing and selecting of candidates

1. Candidate is matched to an opportunity suited to their barriers to employment
 2. Candidate has suitability confirmed through testing or trialling
-

Table 5.3: Mechanisms triggered through WISEs' sourcing and selecting of candidates

5.3. Increasing vocational skills and knowledge (vocational development)

Providing training that is coupled to work experience is central to the youth-employability WISE model, both for participant learning and employers' expectations. All of the WISEs offer certified or recognised training, although this is not always obligatory (DropOuts, Kaffé Fair, Grantoftegaard). The recognised education provided at the two Danish WISEs is in literacy and numeracy rather than being industry-specific, although on-the-job vocational training can be formally recognised. Exactly what training participants do is generally decided between a coach or mentor in the WISE and the participant themselves.

Most of the WISEs studied do not cater their vocational training to individuals but select candidates partly based on interest and desire to enter their field of work (see 5.2 above). However, the WISEs do make an attempt to cater the delivery of the training to participants' life situations and abilities such that participants can be effective in their learning. For those WISEs offering multi-stage pathways, they determine what is in the best interests of each participant in proposing progression to a higher level qualification or transition into a job with another employer.

In contrast, the model of DropOuts allows its participants to access specific training in a particular element of the advertising business or in using software, as it expects participants to have a certain level of ability when they join. In the case of Circle, whilst most participants want to join the retail industry, a number of its participants wish to pursue careers in adjacent industries to that of the sports apparel store such as personal fitness or brand development. As a result, Circle aims to prepare those participants for these sectors as much as possible but prepares them in a more general sense than specifically for the needs of target employers.

At the two Danish broad-outcome WISEs, a diversity of business activities provides the broad participant group access to different types of work tasks and environments. This is however less effective for the less industry-focused Circle and its less distanced target group. Across different business and integration models, participants benefit to different degrees from being able to undertake training in an area in which they want to work and are motivated to participate and complete the WISE's program.

<i>Mechanism 3: Participant undertakes training in an area in which they want to work</i>

Structured formal training offered by WISEs is logically targeted at a particular sector or job type and can also include 'employability skills' as is the case in the UK. This training usually takes the form of a certified or recognised qualification, adapted for use within the WISE. Where WISEs are industry-specific, certified training is aligned to the requirements of that industry. This is the case for The Colour Kitchen, the Australian and the UK WISEs, and

can be fairly specific (e.g. cook/chef) or can be much broader (e.g. retail and facilities management, as at Circle).

The training that participants undertake is thus substantially governed by the industry and the (real) work of the WISE. It is therefore strongly informed by the needs of future employers (and in the case of Charcoal Lane and Bikeworks, the needs of specific employers). On the labour-demand side, it is widely accepted that employers want the assurance of a recognised qualification when hiring a candidate (Brown, 2001). These five WISEs also identified that they are fully aware of this and see that it is a key element in the success of their model.

By participants having qualifications, WISEs are able to help put them forward for jobs in regular employers who recognise the value of those qualifications. WISEs' provision of certified training therefore serves multiple purposes, and can be considered to trigger a mechanism that involves changes in both the reasoning and resources of participants. Through the nature of the WISE's intervention, participants gain skills that can be recognised and are valued by employers in the industry of focus.

DropOuts' work-first model instead uses primarily on-the-job training to provide tailored up-skilling to participants which is supplemented by external formal training as required. This work-first WISE type therefore triggers the industry-based training mechanism without using a structured formal qualification.

In the Danish WISEs, work-based training is instead done predominantly on-the-job and is still seen as a core element of increasing their participants' chances of finding a job. The Danish WISE type therefore does not trigger the same vocational skill resources and reasoning change for participants.

Mechanism 4: Participant undertakes recognised training linked to specific work (and industry demand)

It is important for participants to complete a qualification and know that they are capable of achieving this, as well as that they have the potential to be successful in further training. For some participants the training certificate they obtain is not only the first qualification they have ever received but the first time their efforts have been seriously recognised. WISEs reported that this has a significant impact on the confidence of participants. This suggests that this mechanism is able to bring about changes in both participants' reasoning and resources. Moreover, the WISEs that offer qualifications at different levels to enable participants to progress from one to another (Charcoal Lane, STREAT, The Colour Kitchen, Bikeworks) reported that up to half of those completing the first level qualification go on to the second-level qualification. By completing a certified training qualification, participants are rewarded for their efforts and are motivated to progress.

Mechanism 5: Participant efforts are rewarded with the completion of a formal training qualification

It is the case that all the WISEs studied combine training and work as part of a ‘wrap-around’ approach to development (which is indeed a key element of the youth employability WISE model to do so). During work experience in Circle’s shop, participants receive supervision and guidance as necessary. Expectations of behaviour and performance are kept high but realistic. The Colour Kitchen believes it can increase the chances of success through a hands-on approach and intensive guidance.

As with most of the WISEs, at Charcoal Lane and Grantoftegaard the staff are not only professionals in the domain of the business (fine dining and ecological agriculture respectively) but are also qualified as trainers and in working with disadvantaged youth. As the program manager at Charcoal Lane put it, “every moment is used as a learning moment”.

The first dimension of the mechanism at play here is that on the learning side, participants see the value and relevance of their training when they are regularly putting it into practice and are able to test it in the fully-fledged business environment, knowing they have a supervisor’s support when they need it. The second dimension is that participants gain confidence in being able to ‘do things’ with newly acquired skills (like fix a bike or make a dish) as they reinforce in the work environment what they have learnt in training. At The Colour Kitchen, some training is also delivered in the same physical areas of the business that are used to serve customers.

Mechanism 6: Participant builds confidence in ability to complete work tasks through training being reinforced with supervised practical experience

By providing access to certified training qualifications recognised by employers in the target industry, and supporting the reinforcement of learning and achievement in a real work environment, WISEs are able to trigger mechanisms amongst their participants that increase their resources in terms of recognised skills and their reasoning in terms of achievement and confidence in their ability.

Vocational development activities

3. Participant undertakes training in an area in which they want to work
 4. Participant undertakes recognised training linked to specific work (and industry demand)
 5. Participant efforts are rewarded with the completion of a formal training qualification
 6. Participant builds confidence in ability to complete work tasks through training being reinforced with supervised practical experience
-

Table 5.4: Mechanisms triggered through WISEs’ provision of vocational development interventions

5.4. Increasing social and ‘non-work’ skills (personal development)

All of the WISEs offer additional attention to participants’ personal development and non-vocational skills and take an individualised approach to helping participants to develop their ‘soft skills’, regardless of the way in which this is delivered. This can mean that some participants receive much greater support than others. Mostly this support takes place in an ad-hoc manner through coaching alongside the vocational training, however those that

provide workshops also complement these with mentoring. In the WISE with the participants the least distanced from the regular labour market (Circle), this support is delivered as a structured set of workshops as a major component of Circle’s short ten-week program.

To support participants to overcome all the possible personal barriers to that participant gaining employment, the WISEs pay serious attention to participants’ personal issues, be they financial or health-related, or more practical in nature such as transport. They could also be communication and confidence-related areas not covered in personal development training, such as the extra interview coaching Circle provided to one participant. This sort of support is offered not only by dedicated coaches but also by other staff in the day-to-day running of the business.

In the WISEs with a specifically disadvantaged target group in Australia, Charcoal Lane puts additional focus on developing the cultural identity of its indigenous participants at a personal level and through its focus on native ingredients, and STREAT works to ensure its homeless participants access sustainable housing. In the multiple-destination WISEs in Denmark, Grantoftegaard uses fortnightly meetings between the participant, the leader of their business section and their in-house social worker to achieve step-by-step progression against goals that are agreed between the three but ultimately decided by the participant. Outside of these meetings, the section leader often takes participants aside or holds impromptu discussions to understand what issues the participant is facing that are making their work or interaction with others difficult. Kaffé Fair, like Grantoftegaard, actually specifically uses the work setting as a vehicle for supporting their participants to overcome these challenging personal barriers to completing training and entering work.

The staff in WISEs have an important place for participants and often are a key role model for them. Some staff have previously faced very similar barriers to those that participants have or are facing and can provide appropriate empathy and mentorship. This is certainly the case at Bikeworks and The Colour Kitchen who employ a number of former participants and/or other staff with similar backgrounds. This is just one example of the type of relationships of trust and respect that participants develop. As explained by the leader of Bikeworks’ employment and training program, “for some of our guys, this is the first time anyone has taken them seriously”. In the case of Charcoal Lane, the staff and fellow participants become like family, especially given that many do not have close family in the local area. Combining these mechanisms in the supportive but real work environment of a WISE is a key element of WISEs’ success.

Within the mechanism of participants gaining control over personal barriers to work, there is a dimension of developing relationships of trust and respect that build self-confidence and learning from role models within the ‘community’ of the WISE.

Mechanism 7 & 8: Participant begins to manage personal barriers to work through:
- developing relationships of trust and respect that build self-confidence; and
- learning from role models within ‘community’ of the WISE

Beyond managing personal issues, WISEs also support the development of broader social and communication skills and job-seeking skills (through sessions on CV preparation, job-searching and interview technique as part of developing participant ‘employability skills’, the name often given to this sort of training). All of the WISEs commented on the importance of participants getting used to the expectations of an employer and general workplace behaviours with which many participants are unfamiliar, including punctuality, presentation and following instructions. The WISEs also referred to these ‘soft skills’ in direct association with participants being able to secure employment outside of the WISE and that developing these is as an important aspect of improving participants’ chances of sustainable employment.

A good example of activities designed to teach general workplace skills was explained by one of the trainers at The Colour Kitchen. During the practical training teaching staff run a number of activities aimed at helping participants to learn about and become familiar with the dynamics of working in a hospitality setting. These include laying places for a dinner setting whilst blindfolded but led by the instructions of another participant (helping to learn that how you communicate to people informs how they will treat you), races to clear tables (to develop dealing with time pressure and stress, and to demonstrate the importance of doing something right not the fastest), and ‘Socrates’ cafés whereby participants discuss life questions (to develop listening skills and to understand that it is not what you say but what you mean that is important). These activities help to develop participants’ familiarity with a work environment and working in a team, so that they can act confidently in a work setting.

Testing these skills in different parts of the WISEs’ businesses and in interacting with colleagues and customers helps participants to build confidence in interacting in different work settings. Furthermore, the integration of training, work and guidance enables WISEs to use every moment as a learning and development moment for their participants.

These WISE interventions thus trigger a mechanism that develop participants’ familiarity with the dynamics and expectations of a workplace and participants’ experience and confidence in dealing with these settings.

Mechanisms 9 & 10: Participant develops work behaviours matching employer expectations through:

- building confidence in ability to work with others or independently as required; and
- building confidence in ability to communicate effectively in different settings

Across the diversity of the eight WISEs, these personal development interventions trigger the four dimensions of the personal management and work behaviour mechanisms in each case. Doing so in the context of a functioning business reinforces these realities for participants whilst providing a supportive learning environment. This also constitutes a unique differentiation for the WISE model against traditional work preparation programs.

Personal development activities

Participant begins to manage personal barriers to work through:

7. - developing relationships of trust and respect that build self-confidence; and
8. - learning from role models within the 'community' of the WISE

Participant develops work behaviours matching employer expectations through:

9. - building confidence in ability to work with others or independently as required; and
 10. - building confidence in ability to communicate effectively in different settings
-

Table 5.5: Mechanisms triggered through WISEs' provision of personal development interventions

5.5. Improving familiarity with and matching to employers

WISEs recognise the importance of participants being able demonstrate that they can meet employers' expectations. This is obviously of central importance to an employer and therefore a key characteristic of work-readiness.

Participants in all of the WISEs studied gain familiarity with the work done in regular employers as the WISE in which they gain work experience runs as a real profit-making business. However, the degree to which participant work experience is incorporated into the WISE varies. Circle's short program means participants may gain as few as six hours work experience a week for ten weeks, whereas The Colour Kitchen's participants gain more hours per week throughout a year-long program. At DropOuts, participants work for the majority of the time in the WISE, whether for a six-month or two-year period. During this time, participants may gain additional familiarity with future employers in the course of their work, such as DropOuts' by attending business meetings with clients. Within the WISE, participants are able to build familiarity with a real work environment, depending on their distance to the labour market and the industry focus of the WISE.

Many of the WISEs studied appear as a normal business – it would be possible for a customer or client to use the WISE's services without knowing that it is a WISE and that employees are trainees. This was highlighted by the program manager at Charcoal Lane, where customers are not necessarily made aware that it serves as a training environment but participants are prepared to answer any questions about this should they be asked. This further contributes to the real-work environment in which participants learn and develop.

<i>Mechanism 11: Participant gains familiarity with a real work environment</i>

The diversified business models of many of the WISEs enable participants to see and gain experience in different areas of the business. This includes the 'front end' dealing with customers, the core activities of preparing goods and services, and the 'back end' of handling suppliers and the basic management of the business. This is most evident at STREAT, Grantoftegaard, The Colour Kitchen, and Bikeworks as the more diversified businesses (interestingly, this list includes one from each country and a diversity of integration models).

<i>Mechanism 12: Participant is exposed to different job types and opportunities</i>
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In order to compensate for differences with mainstream employers and to help participants to access them, most WISEs arrange for trials or placements in future employers or in other parts of the business (Bikeworks). At Charcoal Lane, Grantoftegaard, The Colour Kitchen and Circle, participants all do a placement or a trial period in a possible future employer prior to an anticipated transition to employment (again one from each country but a different combination than for mechanism 12, but across a diversity of integration models).

Circle also runs a ‘corporate day’ for participants to meet employers prior to their one-week placement. At Charcoal Lane, participants do a trial in a venue run by the large hospitality group it has as a partner and some will begin working at another employer whilst completing their training at the WISE. At The Colour Kitchen, participants undertake a temporary placement in another hospitality business specifically so that they can get a feel for a business that “expects you to perform first and learn second, rather than learn first” (Coen van der Vleuten, teacher for the Level 1 Catering Assistant course). At DropOuts, participants may be seconded or subcontracted to a client or partner for a brief period but this is not part of a specific program as in the other WISEs.

Mechanism 13: Participant demonstrates ability to meet employer expectations in practice

All the WISEs studied recognise the need for their participants to come into contact with and experience other employers as part of their preparation to enter the labour market and ultimately for the WISE to see each participant into a job. Beyond mechanism 11, the WISEs work to identify specific job opportunities for participants, usually through direct contact with employers or sometimes by working with a recruitment agency in the industry. By identifying and introducing specific opportunities to individual participants, WISEs are able to trigger a mechanism whereby participants become aware of jobs that they see, perhaps for the first time, as something they can attain.

Mechanism 14: Participant becomes aware of attainable specific suitable job opportunities

A common thread for all WISEs studied is that once the WISE demonstrates the work of its employees or has employers come to the WISE to see for themselves, they are convinced by the WISE’s quality of work rather than put off in some way by the workers who produce it. This means that employers who understand that the work done in a WISE is of a proper standard and that the participants have the appropriate training are willing to pay for that work and/or take on participants as their own employees. Also contributing to the image of professionalism in the work of the WISE are partnerships with well-known companies, such as Accor Hotels for Charcoal Lane, Rabobank for The Colour Kitchen, and Halfords and Evans Cycles for Bikeworks. Additionally, the professional experience of the individual(s) running the WISE also helps to convince other employers (and clients) of the professionalism of the WISE. WISE leaders also reported that this helps them in being able to promote their participants as candidates and in selling work for the WISE.

Mechanism 15: Participant is recognised by others for quality of work and value of skills and experience

WISEs facilitate participants' familiarity with employers through different combinations of mechanisms based on each WISE's particular business and integration models, whilst all are able to build familiarity with a real work environment within the WISE.

Facilitation of familiarity with employers

11. Participant gains familiarity with a real work environment
 12. Participant is exposed to different job types and opportunities
 13. Participant demonstrates ability to meet employer expectations in practice
 14. Participant becomes aware of attainable specific suitable job opportunities
 15. Participant is recognised by others for quality of work and value of skills and experience
-

Table 5.6: Mechanisms triggered through WISEs facilitation of familiarity with employers

5.6. Transitioning into employment

WISEs bring together their multiple interventions and leverage their networks of partners and employers to facilitate their participants' successful transition into employment. As one WISE leader put it, "no-one leaves here with nothing". Although the WISEs have different objectives in terms of the labour market outcomes of their participants (especially the Danish WISEs and STREAT) and target populations with different starting points, they all want their participants to leave in a much better place than when they arrived: a place that is considerably less distanced from the regular labour market.

Many of the WISEs reported that when one participant sees a fellow participant secure regular employment, they realise that this is something they can also achieve, and are only more motivated as a result. Whilst this applies for all of the WISEs, it is particularly the case for Charcoal Lane, STREAT and Bikeworks, whose participants have often been conditioned to believing that they cannot achieve and who may have experienced intergenerational unemployment and benefit dependency. Furthermore, participants are able to benefit from the networks and experiences of graduates in raising their own aspirations and opening new opportunities (such as Bikeworks' graduate running his own business that now employs three additional graduates). This complements the mechanism (12) whereby participants' exposure to different job tasks allows them to see their own possibilities for successful employment.

<i>Mechanism 16: Participant raises aspirations through peers' successes</i>
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Generally the decision for a participant to enter regular employment comes towards or at the end of the WISE's training program (i.e. aside from DropOuts which operates on a six-month work contract period). However, the decision for each participant is made individually based on whether, together with the participant themselves, the coach or employment officer believes the participant is ready. As the coach or equivalent staff member will have been guiding and mentoring each participant during the course of the participant's time at the WISE, the decision and factors behind are unlikely to come as a surprise. A number of WISE leaders emphasised that they will never set someone up for failure and, whether or not a participant stays with WISE, they will always try to support their transition to a subsequent activity.

As well as completing their training or education program, participants are also expected to have met their specific personal development goals. Whilst being encouraged to move into the regular labour market, participants are therefore helped to be comfortable that they are ready to make the move out of the supportive environment into a regular employer.

Mechanism 17: Participant attains confidence that they are ready to secure employment

Most of the WISEs studied do not broker jobs for their participants so much as help them to begin the process of securing employment. WISEs usually identify specific jobs for individual participants and some have ongoing relationships with large and/or local employers (Charcoal Lane, Bikeworks). The WISE will then provide the participant with some form of introduction to the employer or even help to set up a placement with them.

From this point however, it is usually up to the participant to apply for the job themselves. On some occasions interviews are set up on behalf of applicants but most of the WISEs studied see that it is important for participants to be helped to find the opportunities then to secure the employment of their own accord, with the backing of their training and experience at the WISE. In a few cases, WISEs may also decide to hire a graduate as a full employee, sometimes as they consider the participant suitable to be a supervisor and mentor to future participants.

In all cases, the WISEs studied mobilise a network of partner organisations as well as personal contacts in order to find employment opportunities for their participants. Some of the WISEs also reported that their partner employers tell them that they are doing them a big favour by providing them with trained and experienced workers when they are usually hard pressed to source suitable candidates themselves.

Mechanism 18: Participant accesses specific employment opportunities

In most of the WISEs studied, participants who do not move directly into employment continue at the WISE as a volunteer (for WISEs providing unpaid work experience) or move into a casual employment pool (where work experience is paid). At DropOuts, where participation is tied to an employment contract rather than to training, participants do not stay on but are supported to find job opportunities or to enter further training.

Generally the WISEs recognise that a participant may complete a certain level of training but be judged not to be ready for the labour market. It will therefore work with the participant to address the remaining barriers to work that the participant is experiencing before helping them to transition into employment. The WISEs recognise that ongoing work experience is part of reducing the barriers participants may be experiencing, and that if the participant does not continue working then their chances of finding work after this point will be more difficult. The WISEs all want their participants to be active in work or training in some way and will do their best to make sure each participant is active in one of these areas if they are not continuing in a program within the WISE.

Additionally, some WISEs indicated that if a participant who has dropped out returns seeking to re-join the WISE's program, they are allowed back in as the WISEs recognise that the target population with which they are working often requires not just an alternative approach but also a second chance. It is also recognised that if a participant does return, they are likely to be highly motivated and have been courageous in even attempting to return.

The mechanisms at play here are that by maintaining contact and work experience within the WISE, the participant is able to continue to increase their employability while addressing any remaining barriers to securing regular employment.

Mechanism 19: Participant maintains work rhythm and experience when unable to gain employment

Mechanism 20: Participant is able to overcome last barriers to employment

WISEs often try to maintain contact with their participants in order to ensure the sustainability of their employment. Some WISEs also explicitly offer post-placement support (Bikeworks, STREAT) to ensure that participants can make the transition as smoothly as possible. WISEs will also help graduates' employers to work most effectively with them where necessary. The Director of Grantoftegaard expressed that whilst it occasionally gives ad-hoc personal advice to graduates, it cannot act as a "drop-in consultation service".

As well as to support their graduates, WISEs seek to understand the impact of their programs. However, in most cases, the WISEs do not track where their participants are (or go) after they leave the WISE. At Circle, government payments for placement are not completed until participants are in a job for a certain period, but tracking beyond these periods is not maintained. Information about graduates can filter through to the WISE as relationships with key employers are often maintained. In the case of Charcoal Lane, the WISE knows where each of its graduates is because they tend to stay in touch informally due to the family-like nature of relationships there. A similar atmosphere is evident in the other WISEs to a lesser extent. Participants are therefore supported to make as a smooth a transition as possible.

Mechanism 19: Graduate is supported during early stages of transition to promote sustained outcome

Together with helping to transport each participant almost to the door of a regular job, WISEs extend their supportive environment to facilitate their participants' transition and thereby promote sustainable labour market outcomes for their participants.

Transitioning into employment in promoting sustainable outcomes

- 16. Participant raises aspirations through peers' successes
- 17. Participant attains confidence that they are ready to secure employment
- 18. Participant accesses specific employment opportunities
- 19. Participant maintains work rhythm and experience when unable to gain employment
- 20. Participant is able to overcome last barriers to employment
- 21. Graduate is supported during early stages of transition to promote sustainable outcome

Table 5.7: Mechanisms triggered through WISEs facilitation of the transitioning into employment

5.7. Summary of mechanisms

Across somewhat differing local contexts and employing different business models, the eight WISEs examined each trigger a range of mechanisms that change their participants' resources and reasoning – and therefore their employability. However, the WISEs often trigger the same mechanisms in each of the five domains of the WISE model: sourcing and selecting of candidates, vocational development activities, personal development activities, facilitation of familiarity with employers, and transitioning into employment in promoting sustainable outcomes. These mechanisms are listed in full in Table 5.8 below.

MECHANISMS	CL	ST	KF	GG	TCK	DO	BW	CS
Sourcing and selecting of candidates								
1. Candidate is matched to an opportunity suited to their barriers to employment	✓	✓	~	~	✓	✓	✓	✓
2. Candidate has suitability confirmed through testing or trialling	✓	✓			✓	✓	✓	~
Vocational development activities								
3. Participant undertakes training in an area in which they want to work	✓	✓	~	~	✓	✓	✓	✓
4. Participant undertakes recognised training linked to specific work (and industry demand)	✓	✓			✓	✓	✓	✓
5. Participant efforts are rewarded with the completion of a formal training qualification	✓	✓			✓		✓	✓
6. Participant builds confidence in ability to complete work tasks through training being reinforced with supervised practical experience	✓	✓	✓	✓	✓	✓	✓	✓
Personal development activities								
7. Participant begins to manage personal barriers to work through: - developing relationships of trust and respect that build self-confidence	✓	✓	✓	✓	✓	✓	✓	✓
8. Participant begins to manage personal barriers to work through: - learning from role models within 'community' of the WISE	✓	✓	✓	✓	✓	✓	✓	✓
9. Participant develops work behaviours matching employer expectations through: - building confidence in ability to work with others or independently as required	✓	✓	✓	✓	✓	✓	✓	✓
10. Participant develops work behaviours matching those of employer expectations through: - building confidence in ability to communicate effectively in different settings	✓	✓	✓	✓	✓	✓	✓	✓
Facilitation of familiarity with employers								
11. Participant gains familiarity with a real work environment	✓	✓	✓	✓	✓	✓	✓	✓
12. Participant is exposed to different job types and opportunities	✓	✓	✓	✓	✓		✓	✓
13. Participant demonstrates ability to meet employer expectations in practice	✓			✓	✓	✓		✓
14. Participant becomes aware of attainable specific suitable job opportunities	✓		✓		✓	✓	✓	✓
15. Participant is recognised by others for quality of work and value of skills and experience	✓	✓			✓	✓		
Transitioning into employment in promoting sustainable outcomes								
16. Participant raises aspirations through peers' successes	✓	✓	✓		✓		✓	
17. Participant feels ready to secure employment	✓	✓	~	~	✓	✓	✓	✓
18. Participant accesses specific employment opportunities	✓	✓	✓	✓	✓		✓	✓
19. Participant maintains work rhythm and experience when unable to gain employment	✓		✓	✓	✓		✓	✓
20. Participant is able to overcome last barriers to employment	✓	✓	~	~	✓	✓	✓	✓
	CL	ST	KF	GG	TCK	DO	BW	CS

Table 5.8: The specific mechanisms triggered in the WISE model of combining training, work experience and guidance in a supportive but real work environment

Ticks indicate that the mechanism is triggered for the WISE's participant, ~ indicates it is only partially triggered

6. Outcomes Produced by WISEs and Context-Mechanism-Outcome Configurations

6.1. WISE outcomes produced

The basic *outcome* is the successful transition of young unemployed people (aged 15-24 years) into the mainstream labour market. Specifically, this means the individual is paid a real wage under an employment contract with an employer whose main objective is something other than employing people disadvantaged in the labour market. Whether the participant is still in the job after six months is also considered. Given the significance of training amongst the eight WISEs studied, and the goals of the Danish WISEs in particular, entry into further training is also presented.

Table 6.1 provides information on the outcomes realised across the eight WISEs. It is important to note that the data presented here is not fully comparable as the WISEs have different training programs and that run for very different lengths (10 weeks at Circle to 18 months at Charcoal Lane), and for target populations with different starting points and barriers to employment.

WISE, country	Start year	Trained per year	Program graduates		Directly entered employment		Job Retention (%)	Entered training (%)	Graduates employed in WISE
			#	(%) ^a	#	(%) ^b			
Charcoal Lane - AU	2013 ^c	34 ^d	32	94	26	77	>90	23	10
STREAT - AU	2010	84	-	73		18^e	70	59	4
Kaffé Fair - DK	2006	45	38	84	-	6^f	unknown	30^f	4
Grantofte- gaard - DK	2001	20	-	-	-	~20^g	unknown	~30^g	3
The Colour Kitchen - NL	2010	69	52	75 ^h	31	60	unknown	10	7
DropOuts - NL	2014	4	3 ⁱ	75	2	67	100	0	3
Bikeworks - UK	2010	~50	46	~90	30	65	unknown	unknown	12
Circle - UK	2010	20	80	80	67	84	90 (one year on)	15	1

Table 6.1: Outcomes for the eight WISEs studied.

Figures are for 2014 for Charcoal Lane, Kaffé Fair, Grantoftegaard and The Colour Kitchen, and for the duration of since the program began for STREAT, DropOuts, Bikeworks and Circle.

Notes:

a. Percentages represent the proportion of the original intake of participants who graduated.

b. Percentages represent the proportion of graduates who entered non-WISE employment.

c. Charcoal Lane relaunched its training scheme beginning in 2013.

d. A further ten participants are still completing training with Charcoal Lane.

e. 18% have gone into direct employment in restaurants and cafes, or another customer intensive service industry; 41% have transitioned into further training in hospitality, then into employment; 18% entered higher education then further training in another discipline, then went into employment.

f. A further 31% went onto another activation program or entered a treatment program (such as a drug rehabilitation centre).

g. A further ~20% went into treatment and the remainder went onto another activation program.

h. This completion rate is higher than the national completion rate for vocational training at ROCs which is 65%.

i. Two employees have found external employment, a further three participants are currently training and working at DropOuts, and another did not have their contract renewed after six months and sought employment elsewhere.

6.2. Outcome patterns

The impacts of various mechanisms being triggered in different contexts form *outcome patterns*. This combination of WISE interventions and contextual conditions triggers certain mechanisms that promote the integration of young unemployed people in the labour market. Realist evaluation aims to decipher the reasons for their variegation whereby an effect is seen at one point and not another, or for one participant but not another. Through examining the interventions of the WISE model to identify the mechanisms triggered for WISE participants, it becomes evident here that there are some outcome patterns of similarities across WISEs and across countries.

For the five WISEs focusing on direct transitions into work, the success rates for participants entering work are impressively high, from 60% to 84%. Anecdotal evidence from the WISEs indicates that these rates are well above those normally seen for unemployed young people in ALMPs, let alone for those with multiple disadvantages. One clear pattern is that those WISEs focusing on direct transition into employment achieve these outcomes much more successfully than those with the goal of longer-term transition into employment. For the four WISEs who keep information on job retention, the range of outcomes from 70% to 100% is also an impressive achievement. There is however no obvious pattern here.

For the three WISEs working towards longer-term rather than immediate transitions, high rates for entry into training are seen (from 30% to 59%) compared to the other WISEs (0%-23%). Where training as the exit destination is a goal, higher transition to training results. The completion rates for WISEs' programs also see high levels of success ranging from 73% to 94%, putting WISEs well ahead of the attainment rates normally seen for their target groups. There is however no obvious pattern here across the various business and integration models.

Looking across these outcome measures, it appears that the Dutch WISEs achieve poorer direct work entry, further training rates and no higher a program completion rate than the other countries. The two WISEs producing the best outcomes are Circle, which has the participant population closest to the labour market (for whom it is perhaps therefore easier to achieve a transition), and Charcoal Lane, which has a participant population with considerable distance to the labour market for which it could be expected to be harder to generate successful outcomes. Overall, the Australian and British WISEs achieve better rates than the Danish or Dutch.

6.3. Context-Mechanism-Outcome pattern Configurations

The final component in realist evaluation is 'context-mechanism-outcome pattern configurations', which involves bringing together mechanism-variation and context-variation to explain "how programmes activate mechanisms amongst whom and in what conditions, to bring about alterations in behavioural or event or state regularities" (Pawson & Tilley, 2004: p.9). Connecting the contexts and mechanisms with outcomes is presented in Table 6.2 below.

Table 6.2 shows that the diverse interactions between the WISE model's mechanisms and WISEs' contexts result in a range of outcomes. Whilst it appears that the UK is the context in which the effectiveness of youth-employability WISEs would be most obvious, the outcomes achieved are not substantially different from the other WISEs. However, the Dutch cases do appear to show the less successful outcomes that their contexts would indicate. Further, if the Anglophone countries together are compared to the continental European ones, it does appear that WISEs are more effective as a model for improving (immediate) labour market outcomes for low-skilled young people in Australia and the UK.

Although Charcoal Lane and The Colour Kitchen trigger the most mechanisms (all of those identified in this research), the two achieve different levels of success at each point. Whilst both WISEs involve restaurants and catering businesses, Charcoal Lane has a much more limited target population and tailors its interpretation of the WISE model to that specific population (indigenous youth). The Colour Kitchen has a broader target population and does not tailor its program to its larger number of participants other than for the level of formal qualification and in personal guidance as described in Chapter Five. The Colour Kitchen is a multi-site business with ten workplace canteens and a large catering business that are not a feature of Charcoal Lane. Charcoal Lane's specific context can be seen to influence essentially the same mechanisms to produce different outcomes than in the different context of The Colour Kitchen.

In parallel, the similarities between The Colour Kitchen and STREAT in terms of business models and other elements of the two contexts do not translate into the same reintegration models nor the same set of mechanisms, and therefore do not produce similar levels of successful outcomes.

Interestingly, where there is a higher degree of support from charitable foundations or impact investors, a higher number of mechanisms is triggered and better job retention is seen for those who successfully transition directly into work. This could perhaps be because of the foundations' and investors' desire to see the effectiveness of the model and to push for sustainable outcomes.

Significantly for the WISE model, high program completion rates do not translate into high rates of entry to work for those individuals. This supports the notion that the WISE model's unique approach of combining training, work and guidance in a supportive but real business environment is a transformative one, and is not simply an aggregation of those three elements.

		Countries		Denmark		Netherlands		UK	
		WISEs		CL	ST	KF	GG	TCK	DO
National Context	Size of youth unemployment	Medium		Small		Small		Large	
	Ease of school-to-work transition	Low-mid		Mid-high		High		Low	
	Activation of labour market policy	Mid		High		Mid		Low	
	Maturity of social enterprise sector	Mid-high		Low-mid		Low		High	
Local Context	Concentration of target population	High	High	Mid	Mid	High	Mid	High	High
	Support of government initiatives	Mid	Mid	High	High	Mid	Mid	Mid	High
	Support of foundations/investors	Mid	High	Mid	Low	High	Low	High	High
	Support of social enterprise networks	Low	Mid	Mid	Low	Mid	Low	Mid	High
Mechanisms	Accessing a suitable opportunity (2)	2	2	1	1	2	2	2	1
	Developing a vocation (4)	4	4	1	1	4	3	4	4
	Developing personally (4)	4	4	4	4	4	4	4	4
	Familiarising with employers (5)	5	3	3	3	5	4	3	4
	Transitioning into employment (5)	5	4	3	2	5	2	5	4
Outcomes	Training completion rate (%)	94	73	84	?	75	n/a	~90	80
	(Graduate) employment entry rate (%)	77	18 ^a	6 ^b	20 ^c	60	67	65	84
	Job retention rate >6 months (%)	>90	70	?	?	?	100	?	90
	Further training entry rate (%)	23	59	30	~30	10	0	?	15

Table 6.2: Summary of contexts and mechanisms and the outcomes generated for the eight WISEs studied.

- Darker shading indicates conditions or results that are judged to be favourable for the effectiveness of the WISE model to be seen.

- Abbreviations of WISEs are respectively Charcoal Lane, STREAT, Kaffé Fair, Grantoftegaard, The Colour Kitchen, DropOuts, Bikeworks, and Circle.

- Figures are for 2014 for Charcoal Lane, Kaffé Fair, Grantoftegaard and The Colour Kitchen, and are for the period since the program began for STREAT, DropOuts, Bikeworks and Circle.

Notes:

a. 18% have gone into direct employment in restaurants and cafes, or another customer intensive service industry; 41% have transitioned into further training in hospitality, then into employment; 18% entered higher education then further training in another discipline, then went into employment.

b. A further 31% went onto another activation program or entered a treatment program (such as a drug rehabilitation centre).

c. A further ~20% went into treatment and the remainder went onto another activation program.

Looking in more detail at the effects of different contexts on the mechanisms, Table 6.3 summarises the mechanisms that are triggered in all eight WISEs.

Participants:	
(i)	build confidence in their ability to complete work tasks through training being reinforced with supervised practical experience (mechanism 6)
(ii)	*begin to manage personal barriers to work through developing relationships of trust and respect that build self-confidence (mechanism 7)
(iii)	*begin to manage personal barriers to work through learning from role models within ‘community’ of the WISE (mechanism 8)
(iv)	*develop work behaviours matching employer expectations through building confidence in ability to work with others or independently as required (mechanism 9)
(v)	*develop work behaviours matching employer expectations through building confidence in ability to communicate effectively in different settings (mechanism 10)
(vi)	gain familiarity with a real work environment (mechanism 11)

Table 6.3 The mechanisms triggered by all eight WISEs (with asterisks for those that are particular to WISEs compared to apprenticeships or other employment preparation programs).

WISEs, then, combine the integration of work and training seen in traineeships and apprenticeships with meeting a range of other needs on the part of the participant. Together these contribute to reducing each participants’ distance to the labour market.

However, there is important variation in the mechanisms WISEs use and the contextual environments in which they take place. These no doubt influence both the labour market outcomes the WISEs’ participants are able to achieve – and sustainability of these outcomes – but also the success of the WISE in terms of its sustainability as a business. Significantly, the WISEs’ sustainability is of course a prerequisite for the WISEs to be able to achieve the outcomes that they do. The public policy and local contexts within which they operate therefore play a large role in their ability to improve the labour market outcomes of their participants. The types of variation seen across WISEs are shown in Table 6.4 .

Variation in participants’	
(i)	having their needs being matched by semi-targeting sourcing of candidates based on the WISE’s target population and policy for unemployment benefit recipients
(ii)	gaining skills through vocational training (such as in length, type, delivery method) based on the WISE’s target industry and the needs and demands of that industry
(iii)	gaining skills through vocational training based on the way it is normally financed by the national government
(iv)	gaining work experience that is paid based on the finance available as part of the WISE’s program funding model and the contributions of different income streams
(v)	developing personally in regards to work attitudes, workplace skills and communication skills through workshops and guidance based on the WISE’s target population and local services to which participants can be referred
(vi)	confirming their ability and gaining familiarity with employers in trials or placements with employers based on whether target-industry employers want participants to prove themselves first or are able to rely on WISEs’ quality
(vii)	maintaining a path to employment through continuing work experience or employment in the WISE once training is completed based on industry or funding

Table 6.4 Variation in mechanisms operating in different contexts.

In order to try to understand the configurations in which WISEs achieve labour market outcomes for low-skilled young unemployed people through these different mechanisms and in different contexts, let us now consider each of the types of variation in turn.

6.3.1. Target population and needs matching

All of the WISEs studied target a particular population of young people based on their existing situation and desire to enter the particular industry of the WISE. However, depending on the nature of the target population and national policy on unemployment benefits and activation, WISEs do source their target population in different ways.

The principal method of sourcing suitable candidates is through the local offices of the public employment agency. Obviously, these offices have the advantage of knowing who in the local area is unemployed and wanting to connect those people to work or training opportunities. In addition, there is sometimes something tied to a person's unemployment status that is of interest to the WISE. This can be access to finance for training (as used by the WISEs studied in the UK), or income support in order to undertake training (as in Australia and the Netherlands), or a range of activities under labour market activation rules (as in Denmark). The location of the WISE within a city is usually important therefore, in order for the WISE to source suitable candidates easily. It makes sense for the WISE be located in an area where amongst young people there is a comparatively high rate of unemployment and poor educational attainment, and where these young people are registered as jobseekers.

A secondary method of sourcing suitable candidates is through word-of-mouth and referral from other organisations. This is also very much dependent on the local context as referrals from organisations are likely to come from community and youth services that are only likely to exist in particular areas. Other word-of-mouth candidates for the sorts of opportunities WISEs offer are also most likely to come from communication within local networks rather than broader geographical ones or online media, as is the case for walk-ins. Out of the WISEs studied, these secondary methods were of high importance for Charcoal Lane and to some extent for Bikeworks. Their target populations are less likely to rely on finding these WISEs' opportunities through the public employment agency but are instead likely to rely on community networks (very much so in the case of Charcoal Lane), and on referral or word-of-mouth (in both cases).

The variation in the target populations of the different WISEs can be seen to impact on the location chosen for the WISE as well as the method for sourcing suitable candidates for it.

6.3.2. Vocational training and industry demand

A common industry for WISEs is the hospitality sector, and restaurants and cafés in particular. The WISEs studied that operate in these industries in Australia and the Netherlands provide structured and certified vocational training that is the industry standard in the their country (unlike Kaffe Fair in Denmark, which has arguably different goals to the other WISEs). However, within this group, there is still variation in the length of training

based on the arrangements in each country, and, although the involvement of an external training institute is similar to both countries, the location of delivery differs between the two.

Outside of this group, training varies across a number of dimensions based on both the target industry of the WISE and the profile of its target population. There are therefore different mechanisms that stand out when comparing DropOuts, Circle and Bikeworks. DropOuts sees a much greater importance on developing a portfolio of work than on a formal training program and therefore only offers small training programs to complement participants' existing skills, which evidently is successful in generating positive outcomes for its participants in the context of the advertising industry in Amsterdam. Circle has a broader target industry across retail and consumer brands and as a result offers more general training in meeting the demands of those industries. Bikeworks targets a more specific industry that values certified training and it therefore offers its participants a range of technical training in line with industry demands.

6.3.3. Vocational training and public financing

In the four countries, access to training and to finance to support young people to undertake training varies. In the UK, WISEs are able to access incentive payments for placing unemployed people into a job and some funding to provide training for their participants. In Australia, there are low or no-interest loans available for training as well as income support for young people in education who meet a range of other criteria. However, for young people who have no-one to support them or who are themselves providers for others this may not be enough to enable them to pay for a training qualification. In the Netherlands, participants at The Colour Kitchen are able to continue to access income support payments which enable them to support themselves whilst undertaking training. These difference across countries mean that some young people may be unable to access training through conventional routes without the opportunity presented by a WISE.

6.3.4. Paid work experience

Based on the funding make-up of the WISE, participants may or not be paid for the work experience they gain. For the Danish and UK WISEs and for STREAT and The Colour Kitchen, their income streams do not allow for them to also pay the wages of their participants, substantially because of the difference in the cost of providing training (and guidance) compared to the income the WISEs are able to generate. This is the case even for Bikeworks and The Colour Kitchen which have quite diversified businesses, and considering that The Colour Kitchen has ten workplace canteens or café venues and a restaurant is still not quite able to be dependent of philanthropic support in order to maintain financial sustainability. In Australia, Charcoal Lane does pay its trainees and apprenticeships in line with the 'award' rates that they are obliged to pay them under these schemes, however, participant wages are effectively covered by the fundraising efforts of its parent charity Mission Australia in contributing around one-third of the WISE's program budget.

6.3.5. Personal development and services for the target population

Each of the WISEs studied offers different types of formal workshops or training as well as personal guidance or mentoring for its participants. However, the delivery of these activities depends substantially on the their target population. For Circle, there is a stronger emphasis on personal development than vocational development as this is seen to be a considerable barrier for its participants, who tend to have higher educational attainment than the participants of the other WISEs, and certainly than those of Bikeworks. Given Bikeworks' participants are further distanced from the labour market, it is not surprising that it offers less in the way of formal personal development but instead prefers one-on-one support. In the Netherlands however, DropOuts offers personal guidance as well as coaching to its participants, although its small size is perhaps less conducive to a more collective offering. The Colour Kitchen, like Charcoal Lane in Australia, runs both more formal workshops on personal skills, as well as providing one-on-one guidance.

It is also the case that the target populations of Bikeworks and of Charcoal Lane correspond more to the likelihood of referring participants to other local services, although this is no doubt also the case to some degree for The Colour Kitchen. With different expectations of participants educational attainment and ability to perform, DropOuts and Circle presented as less likely to refer candidates to other local services.

6.3.6. Confirming ability and gaining familiarity in the target industry

Again depending on the target industry, WISEs vary in the way in which they try to familiarise their participants with possible future employers. For Circle, all participants attend a corporate day where they meet employers and find out about different work options, and then complete a week-long placement with an employer with the intention of gaining employment at this employer (although it is not always set up with this possibility). With the entire program lasting just 10 weeks, Circle puts substantial weight on these interactions with employers as participants are only able to gain a short period of work experience within the WISE. This is however based on the target industries' demands and of course is linked to the expectations the WISE has of its participants.

It is also the case at The Colour Kitchen that all participants do a placement in a regular employer towards the end of the WISE's program. This is partly based on the target employers' wanting to know that the WISE's participants can handle the pressure of regular hospitality business, even if they trust the quality of work done at the WISE. DropOuts relies more on participants' work speaking for itself although some do trials or short secondments to clients of the WISE in order to increase their familiarity with other employers in the industry.

In contrast, Charcoal Lane tries to offer its participants placements in employers but this is not a central part of the WISEs' program and it is instead able to rely more on the reputation that it has gained as well as the ability for employers to come and experience the restaurant and the work of its participants first hand. Whilst a few participants do trials

Bikeworks instead offers participants experience in the different elements of its diverse business in order to broaden their job prospects.

6.3.7. Maintaining a path to employment

For the hospitality industry WISEs Charcoal Lane and The Colour Kitchen, participants usually remain working at the WISE until they are able to find a job in a regular employer. Though at Charcoal Lane participants can move into the casual employee pool and earn a higher rate than during their training, at The Colour Kitchen participants are not paid. This enables the WISE to continue to support the participant through further personal development and additional work experience, and therefore to reduce any remaining barriers to employment.

In contrast, graduates at Circle and Bikeworks do not tend to continue working at the WISE, although they may spend some time doing voluntary work at the WISE in order to stay in contact with staff of the WISE and access further support to gain paid employment. At DropOuts, where participants are on fixed-term contracts that can be extended, if a participant does not remain employed at the WISE then they can continue to access some mentoring and introductions through the head of the WISE but do not otherwise access any of the other opportunities normally offered to participants.

6.4. Summary of configurations

Across the configurations of context, mechanism and outcome pattern seen in the examination of the eight WISEs, it can be seen that WISEs' activities and interventions vary across their different contexts and target populations. However, a large number of the mechanisms triggered are shared across the eight WISEs. Rather than simply the contexts impacting on the triggering of mechanisms, the WISEs are specifically aiming to trigger the same mechanisms amongst their participants in order for participants' barriers to employment to be reduced. As such, it could be said that a WISE may cater its interventions (through its business and integration model) in order to trigger particular mechanisms, which could see the same mechanism within the WISE model work for different people even in quite different contexts.

7. Discussion and Conclusions

This final chapter brings together the findings and analysis of the research, first by considering the configurations across the contexts studied to highlight the core of the WISE model. It then looks at the viability and sustainability of the WISE model. Having described how WISEs are a transformative model for improving labour market outcomes, the public policy implications for tackling unemployment of those youth significantly distanced from the labour market are considered.

Governments want young people to get into work, not only for their own wellbeing and financial independence, but also so that they are contributing to their country's economy rather than drawing on government income support (Social Ventures Australia, 2012). Governments also know that the policies they have in place can influence how difficult it is for young people to find work, but they do not always know the effects of different policies across the spheres of government activity (Cabinet Office, 2007). Governments can, however, create policy settings to make it easier for young people to become active participants in the labour force. Policy implications are considered through a set of policy levers in targeting youth unemployment and targeting social entrepreneurship, and lead to recommendations that may serve to promote or stimulate the success of youth-employability WISEs.

7.1. Configurations of the WISE model across contexts

WISEs have a clear picture of what they are trying to achieve. They know that they want to give young people opportunities that will bring them as close as possible to securing employment. However, they also know their limitations and what they are not trying to do. For this reason, WISEs are careful to only take on candidates that they see as suitable for their programs and make sure that their participants' expectations of the WISE are clear, just as much as the WISE's expectations of its participants. WISEs also readily call on the assistance of external expertise in areas in which they are not equipped to assist a participant.

Although all of the WISEs ultimately want to see improved labour market outcomes for the young people they take on, some of the WISEs hinge more on training completion and are content to up-skill and increase the job-readiness of their participants even if they are not immediately able to get into work. Given the target populations of the WISEs studied, a participant's training completion is still a significant success that increases the chances of them securing employment in the long term.

Vocational training in the WISEs is based on the work of the specific industry of the WISE. Significantly, WISEs couple this training with work experience that includes guidance to help participants overcome difficulties in learning vocational skills and putting them into practice, which promotes growth in participants' confidence. The integration of these two elements, either within the WISE itself or run in close collaboration with a training provider that may come onsite (as at The Colour Kitchen), sets WISEs apart from traditional traineeships and apprenticeships where the employer still expects a fairly high level of autonomous performance but may not have a good understanding of participants' abilities or

any underlying issues. That these two core integrated elements are complemented with ongoing personal development allows WISEs to gradually reduce participants' barriers to employment. This combination is something young people are unable to access elsewhere and sets WISEs apart as a transformative model.

WISEs help participants to improve such abilities as speaking about oneself, dealing with a time-pressured environment, working within a team, or managing personal finances. In so doing, WISEs are not only able to reduce practical barriers to the labour market but are also able to help participants realise that they are capable of gaining a qualification and securing work. This again sets WISEs apart from other training programs and other employers.

The WISEs studied, although they provide a learning-focused environment, try to get their participants as close to regular work as possible. They do this through providing a real business environment that sells to customers, whilst superposing a learning environment to make it accessible to their participants – who are nonetheless expected to act just as they would need to in a normal business environment. WISEs also do this through providing trials and placements in regular employers to help familiarise participants with employers in the same industry or to facilitate the transition to a job with that employer. WISEs may also bring their participants as close to regular work as possible by providing introductions to particular opportunities or to a key contact who may assist in accessing a job opportunity. This sets WISEs apart from any other type of employer in that they actively seek to dispatch employees right at the point at which they are most qualified for the work. The participants are, however, no longer suitable for their position at the transitional WISE.

Where participants have succeeded in bringing down certain barriers to work (such as when training is completed) but not others, they may continue to gain work experience and develop other personal skills until they are able to bridge the distance to the labour market. This is again something that WISEs provide that other training programs or work experience placements do not.

It must be noted that the way in which training is funded and governed for unemployment benefit recipients most obviously effects WISE business models in Denmark, where labour market activation programs have the broadest coverage and are the most demanding. Across the two WISEs studied and other examples identified, the primary objective is for participants to be able to access a mainstream qualification as much, if not more so, than for them to access regular employment.

As young unemployed people must take part in some form of activation program in order to receive income support, the WISEs are confronted with participants who may need psychiatric or rehabilitative treatment before they could be expected to complete a qualification or get a job. As a result, the integration of work, training and guidance is used more as a vehicle for developing self-confidence and positive behaviours than to provide a transition into employment in a particular sector. This is much less the case in the other three

countries studied, where regular employment in the industry of the WISE's business is by far the primary goal (though STREAT has this as a longer term goal achieved via further training).

In summary, WISEs gradually build both participants' skills and their confidence in their abilities through the integration of work, training, and personal development and individual guidance. Each of these dimensions contributes to reducing unemployed peoples' distance to the labour market. However, for low-skilled young people who have multiple barriers distancing them from gaining regular work, the combination of all three dimensions provides a transformative model for improving their labour market outcomes.

7.2. Viability and sustainability of the WISE model

This research has shown that the WISE is a transformative model for improving the labour market outcomes of low-skilled young unemployed people in different advanced economies. However, this relatively new approach to getting young people substantially distanced from the labour market into work has not yet resulted in widespread uptake of the model (Buckingham & Teasdale, 2012; Fowkes & Middleton, 2012; O'Connor & Meinhard, 2014; Cabinet Office, 2007). This view was shared by the WISE leaders interviewed. The viability and sustainability of the WISE model thus deserve particular attention.

WISEs can come into existence through a charity (Charcoal Lane) or a municipality (Grantoftegaard), but most often they are created by entrepreneurs who want to pursue a social goal (STREAT, Kaffé Fair, The Colour Kitchen, DropOuts, Bikeworks, Circle). All of the WISE leaders interviewed reported that their entrepreneurial spirit helps to drive the business to succeed, and that without a strong business, the WISE could of course not offer any training or employment opportunities. Even with the two WISEs founded by larger bodies, the leaders of the social enterprise are entrepreneurs first or have split leadership of the business and program elements. This passion for running a successful business is an important factor in the viability of the WISE model.

This entrepreneurial drive to run a successful business does not only guide these social entrepreneurs to ensure a viable and sustainable business, the attitude and professionalism of the individual(s) running the WISE also helps to convince other employers (and clients) of the professionalism of the WISE. WISE leaders also reported that this helps them in being able to promote their participants as candidates and in selling work for the WISE.

Another way in which WISEs work to increase their viability is in meeting a specific recruiting and resourcing need for certain employers (especially Charcoal Lane for Accor Hotels, and Bikeworks for Halfords and for Evans Cycles). By working in close collaboration with large employers in their target industries, WISEs are able to ensure that participants are doing training informed by industry demands, can meet the employers' expectations, and can access specific employment opportunities. These partnerships act to give the WISE additional credibility and can also develop into investor relationships.

The sustainability of the WISE model is something that concerns all of the WISE leaders interviewed. The WISEs studied have different business models as well as varied market and non-market ways of accessing funding for their programs (see Table 5.1). The mix of funding and its ability to meet the program budget of the WISE ultimately determines the financial sustainability of the WISE. For those WISEs who are able to access some form of government funding to provide training for their participants (Kaffé Fair, Grantoftegaard, DropOuts, Circle, and Bikeworks to some degree) financial sustainability is less of a concern.

All of the WISEs employ a diversified business model (especially STREAT, Grantoftegaard, The Colour Kitchen and Bikeworks) to work towards their sustainability. In addition to diverse income streams, the scale of the WISE is also considered important for its financial sustainability. STREAT and The Colour Kitchen in particular are well advanced in achieving growth plans that would see them become totally independent of government or foundation grants within the next few years. Kaffé Fair, Bikeworks and Circle have similar goals in terms of scaling their programs but have yet to successfully embark on this pursuit.

7.3. Policy levers targeting youth unemployment and workforce skill demand

As discussed in Chapter Three, each of the four countries of interest in this research have ALMPs that aim to encourage – to varying degrees – unemployed people into work, but that appear unsuccessful at reducing the multiple barriers to employment for low-skilled young people. This supports the findings of Kluge (2010) and Maibom et al. (2014) that ALMPs for youth have not been able to achieve the desired impact for the youth population.

This begs the question of whether rethought ALMPs or related policies could stimulate successful youth-employability WISEs. If a government did want to actively promote the WISE model in tackling youth unemployment, it would of course need to articulate the sort of model it is advocating in introducing any policy measures, as well as consider the institutional complementarity of such measures with other areas of social and labour policy.

A policy incentivising students to undertake training in an area of recognised skill demand is already in place in Australia and elsewhere. However, a training provider could be incentivised to see a target population (corresponding to those of the WISEs studied) access and complete combined training and work experience in a business and secure employment in that sector. This could stimulate the WISE model by training providers wanting to work with WISEs in order to achieve incentive payments, or by WISEs being able to access these incentives themselves. Unfortunately, anecdotal information from one WISE suggests that the existing Work Programme in the UK has not had this effect.

Along similar lines, a policy incentivising a certain sustained period of employment achieved by a job service agency exists in the UK and in Australia, within the quasi-markets of employment services that exist in those countries. However, these incentives favour approaches that mean that they are less suitable for young people who are particularly distanced from the labour market. For example, Circle in the UK is able to gain a payment when a candidate joins, a participant graduates, and a graduate stays in a job for three

months. However, at Charcoal Lane in Australia, participants are not able to achieve the expected sustained employment within the WISE as when they enter employment there they are still experiencing significant barriers to work which mean they cannot immediately meet the expectations of the policy. Better accounting for the dynamics for those severely distanced from the labour market could be effective in promoting the WISE model and rewarding improvement in the job-readiness of WISE participants.

Further, ALMPs aimed at low-skilled young unemployed people that incentivise the combination of training and work experience whilst maintaining income support could stimulate the WISE model as well as improve the successes of existing WISEs. The WISEs studied all had difficulty balancing funding for training, guidance and wages with various market-based, government-sourced and philanthropic income streams. However, an incentive for work experience to provide opportunities for low-skilled young unemployed people to combine training and work experience – without the traditional barriers to entry of certain qualifications – could support WISEs in providing training for their participants. This could allow WISEs to better focus their money and energy on expanding business opportunities and partnerships with other employers.

Alternatively, a government could provide an incentive (such as payroll tax exemption) for businesses to achieve both training and employment goals for the target population. This could lead mainstream employers to seek to engage WISEs to prepare participants from the target population with the specific intention of recruiting them directly into the mainstream employer (extending the Accor and Halfords examples), although it may also encourage these employers to explore ways to incorporate the WISE model within their businesses. However, care must be taken in allowing flexibility for participants to take work elsewhere or for the employer to expect that they do not (Mission Australia, 2008).

It is worth noting that these suggested policy approaches still entail WISEs being somewhat dependent on government policies that may be withdrawn without much notice or redress. The WISEs studied would prefer to be as independent of government policy changes as possible but it appears that in the current state of play WISEs are not able to fully support themselves. However, the larger hospitality WISEs The Colour Kitchen and STREAT are approaching the point at which they will be able to rely on their market-based income to run their programs. In contrast, Bikeworks has made two of three locations for training only.

An additional factor to consider is that the way in which the Danish WISEs studied here are set up would appear to be significantly influenced by the ALMP of that country, and relatively strict rules around ‘activation’. As a result, the WISEs studied (and others looked at during the research) are either focussed more on further education than employment for their participants, are larger social organisations that include day care for disabled people and a range of other activities, or a program within a foundation or charity.

7.4. Policy levers targeting social enterprise

Another area of public policy in which governments could promote the WISE model is in policy targeting social enterprise. As outlined in Chapter Three, the social enterprise sectors in the four countries have varying levels of maturity, attention in public policy and developed support networks.

One relatively basic but significant way in which social enterprises can be supported is in being officially recognised as an alternative model to existing forms of organisation and incorporation. Since the UK introduced the Community Interest Company (CIC), over 10,000 businesses have registered using this form as a more appropriate legal form than a charity, foundation, or limited liability company. Both of the WISEs studied here are CICs. However, this is not something that exists in Australia or the Netherlands, and an equivalent in Denmark has only been introduced very recently. This means that WISEs are forced to split the responsibilities of their social enterprises into the social and the commercial, and use combinations such as a limited liability company and a foundation (The Colour Kitchen), or separate budgeting for their training and employment program and their commercial activities (Charcoal Lane). This acts as a barrier to the success of these WISEs and takes energy, time and money away from the areas of managing a WISE that would improve its combined social and economic goals through enhancing customer and employer relationships.

Another way to promote the success of WISEs would be for government to encourage employers to source from social enterprises or WISEs in particular. This is something that the Social Value Act introduced in the UK in 2013 aimed to do for public contracts, and that 2014 EU legislation around public procurement made possible with EU Member States being able to restrict contracts for public procurement to companies employing at least 30% disabled or disadvantaged employees.

This change has already been implemented in the UK but is yet to occur in the Netherlands, or Denmark. However, these two countries have ‘social return’ agendas at local levels of government that prioritise social enterprises in public service commissioning and contracting. There remains scope for governments to prioritise social enterprises (and WISEs in particular) not only in their own procurement but in incentivising this prioritisation in other sectors of the economy as well.

A final area in which WISEs could be promoted is one affecting the broader social enterprise sector – access to finance. Whilst organisations like Social Ventures Australia and the Start Foundation in the Netherlands are able to provide a more accessible way of financing social ventures, catalysing a greater pool of social impact investment for WISEs to access represents another policy lever available to government. The UK is the most advanced of the four countries in this regards, as seen in the introduction of Social Investment Tax Relief providing a reduced tax rate to individual investors in social ventures.

In a more WISE-targeted approach, a program through which employers have a financial incentive to invest in a WISE could stimulate demand for WISEs to provide skilled, experienced, confident young candidates for the employer to hire. This necessarily needs to be a 'financial incentive to invest' because WISEs need access to finance to pay for the training and guidance of participants, and to expand their income streams in order to pay for these things themselves. Some employers would clearly benefit from having a steady stream of candidates that are skilled and experienced according to their needs, and accessing these candidates could make their life easier in terms of recruitment and workforce stability. This is something that WISEs can and already do to an extent (like Charcoal Lane and the Accor hotel group) but it is likely that other employers that are not already exposed to or targeted by WISEs could be attracted by a financial incentive to partner with WISEs.

7.5. Policy transfer

One of the reasons for choosing the four countries in this research was because they look to each other for policy inspiration and learning. Whilst WISE models show close similarities across countries and immense diversity within countries, the policy environments in each country govern certain important elements of how a WISE functions. It is fair to say that the UK's more advanced social enterprise sector benefits from more advanced public policy that looks to recognise and leverage them. However, the labour market policies of Denmark, and to some degree the Netherlands, suggest that the WISE model would not be as widely impactful as it would in the more liberal economies of Australia and the UK.

It is also the case that one country's policies cannot simply be borrowed and transplanted to another institutional context without due consideration to the adjacent policy areas and complementarity with them. However, each of the countries can learn from the experiences of the others in both the youth unemployment and social enterprise policy domains in working towards promoting the WISE as a transformative model for improving the labour market outcomes of low-skilled young unemployed people.

What can be said across the WISEs studied, however, is that it is difficult, though not unfeasible, to be financially sustainable without particular public policy provisions in place that make it easier for WISEs to operate. Furthermore, moving beyond the starting phase of a social enterprise and scaling the model to multiple locations and income streams appears to often be important for WISEs to work towards becoming financially independent in turning a profit *and* generating positive labour market outcomes.

7.6. Conclusion

This research set out to show how work integration social enterprises are able to transform the low-skilled young unemployed people they take on as participants into qualified, experienced and job-ready candidates, and therefore improve their labour market outcomes. It also set out to understand the national-level and local contexts in which a small selection of WISEs achieve these outcomes in four advanced economies with differing social and economic policies. Whilst a comparative policy analytical approach was taken to

understanding the national contexts, the local contexts and the activities of WISEs were necessarily examined in a qualitative manner. This approach was used in order to capture a snapshot of the ways in which WISEs can be successful in triggering sometimes similar and sometimes differing mechanisms for their participants within their particular contexts.

It has been successfully shown how WISEs are able to use certain core and other variable mechanisms in order to achieve labour market outcomes for their participants. However, the highly qualitative nature of the research and the limited depth into which the case studies were able to delve means that it is not possible to robustly delineate how each of the mechanisms directly influences each of the contexts in generating the outcomes. What can be said however is that the combination of multiple mechanisms in the contexts of the eight WISEs studied results in the transformation of the labour market positions of a considerable number of low-skilled young unemployed people. It could also be possible to think of the WISEs' activities and interventions being influenced by their contexts. Rather than simply the contexts impacting on the triggering of mechanisms, the WISEs are specifically aiming to trigger the same mechanisms amongst their participants in order for participants' barriers to employment to be reduced.

In addition, whilst the research does not enable a statement about the effectiveness of a country's active labour market policy, it does allow us to see how social and labour policy, as well as microeconomic policy regarding social enterprises, influences the way in which a WISE is able to combine the trifecta of vocational training, real work experience and personal guidance. As a result, this research also provides insight into how these areas of public policy might be modified in order to promote the WISE as a transformative model for improving the labour market incomes of low-skilled young unemployed people in activating advanced economies. Further research on how policy impacts WISEs could bring great benefit to both low-skilled young people who want to gain personal and financial independence, and governments who want them to participate socially and economically.

In conclusion, there are two important stories to highlight. The first is that WISEs adapt their business and labour market integration models to suit their context. Although this is the case for all of the WISEs examined, it is especially evident in the context of the Danish system of active labour market policy. As a result, Danish WISEs have different aims in terms of the destinations of their participants, but as these meet the demands of the local municipalities and the activation rules applied by the job centres, these WISEs are currently sustainable. The second is that whilst WISEs' activities and interventions vary across their different contexts and target populations, very similar sets of mechanisms are triggered in highly effectively generating improving the labour market outcomes of low-skilled young unemployed people.

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Questionnaire used for WISE case studies

About the WISE

Basic reintegration model:

Does it combine paid work, training and guidance in a supportive but real work environment?

Business model and diversification:

Does the WISE make money through the sale of goods or a service? Does the WISE engages multiple income streams?

Legal form, labels and certifications, awards etc:

Is the WISE is a charity/company limited by guarantee/shares/other? Does the WISE have certifications, awards etc?

Local dimension of the context

Local structure of employment and unemployment:

Does the region in which the WISE operates have higher YUE/NEET? Does the WISE benefit from any LGA programs for YUE/social return?

Profile of young unemployed people:

Does the region in which the WISE operates involve a particular profile of young unemployed people?

Local presence of WISEs:

Does the WISE benefit from the presence of other WISEs or networks?

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates? Does the employment agency make sourcing candidates easy or difficult? Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates? Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do? Do participants use the training they receive in the work they are doing within the WISE? How is it decided what training participants should undertake?

Increasing social and 'non-work' skills (personal development)

What training do participants undertake that is not directly related to job tasks? What personal assistance do participants receive that would not normally be offered by a mainstream employer?

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves? Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market? How is the participant's employment facilitated by the WISE? Does the participant continue working in the WISE until a job is found? What relationship is maintained with the participant after they begin regular employment outside of the WISE?

WISE outcomes produced

Does the WISE produce the *outcome* of the integration of young (15-24) unemployed people in the labour market, namely, that the individual is paid a real wage under an employment contract with an employer whose main objective is something other than employing people disadvantaged in the labour market, and that this is still the case after six months in the job?

Australia: Charcoal Lane

The information in this case study is sourced primarily from an interview held on Wednesday 3 June 2015 with Troy Crellin, Program Manager, Social Enterprise for Mission Australia, the charity that established social enterprises Charcoal Lane in 2009 and Synergy Auto Repairs in 2014. This information is complemented by Charcoal Lane’s December 2014 Report, the websites of Charcoal Lane (<http://www.charcoallane.com.au/about-us>), Mission Australia (<http://sd.missionaustralia.com.au/22-charcoal-lane>) and the Australian Communities Foundation (<http://www.communityfoundation.org.au/charcoal-lane/>), and a pamphlet (retrieved from [http://www.3knd.org.au/uploads/cknw/files/Charcoal%20Lane%20-%203%20fold%20pamphlet_v3\(cropmks\).pdf](http://www.3knd.org.au/uploads/cknw/files/Charcoal%20Lane%20-%203%20fold%20pamphlet_v3(cropmks).pdf), the website of Melbourne’s indigenous radio station) on Charcoal Lane’s training program.

About the WISE

Mission Australia created the Charcoal Lane restaurant in Melbourne in 2009. It provides Aboriginal Trainees and Apprentices an opportunity to gain valuable work experience in bistro dining, a café-style lunch menu, and events catering. Charcoal Lane’s menu offers the influence of Indigenous flavours introducing students to the opportunity of developing their knowledge of native produce and cooking. The primary focus of the Charcoal Lane Program is to equip trainees with formal training and work experience in order to give them every chance to gain and maintain work. The program also provides young people with support and mentoring alongside vocational training in the hospitality industry. In doing so, the integrated program also provides trainees with the confidence and self-esteem to move towards a brighter future.

Mission Australia has developed the Charcoal Lane Program over the last five years and we now recognise that we need to focus on four key strategies; building the capabilities of the young people to live independently, strengthening their cultural identity and self-confidence, providing quality training and work experience, and delivering these strategies in partnership with industry, community and government. (Dec 2014 Report: p.6)

Basic reintegration model

Does it combine paid work, training and guidance in a supportive but real work environment?

YES: “The integrated program assists participants with personal and professional development. This hands-on work experience, training and dedicated post-placement support provides an opportunity to break the cycle of disadvantage.”

<http://www.communityfoundation.org.au/charcoal-lane/>

The Charcoal Lane training program provides opportunities for Aboriginal and disadvantaged young people to access waged employment in a supported, real-work environment. Participants at Charcoal Lane are part of an integrated program that includes personal skills development and accredited education in hospitality, with the aim of enabling a successful transition to sustainable mainstream employment (Charcoal Lane Pamphlet).

Business model and diversification

Does the WISE make money through the sale of goods or a service?

YES: Charcoal Lane is a restaurant with a contemporary menu that is seasonally driven and draws on the best of native Australian food. Many guests walk in off the street and do not know that the restaurant serves as a training kitchen and is staffed by trainees.

Does the WISE engages multiple income streams?

YES: As well as a 50-seat restaurant, Charcoal has an events and catering arm that is used to raise awareness of native cuisine and the objectives of Charcoal Lane program both within the Aboriginal community and the broader Melbourne community.

Legal form, labels and certifications, awards etc

Charcoal Lane is part of 155-year old registered charity Mission Australia whose goal is to reduce homelessness and strengthen communities across Australia, which it does through over 500 different programs (<https://missionaustralia.com.au/about-us>).

Charcoal Lane is an ‘outcome based-program’ of the charity but a business in its own right. It has a program budget and a commercial budget. Its program budget, which pays for participants’ training and wages as well as the training and employment officer’s and for half of the program manager’s wages, is in the order of AUD1.2 million (around €840,000). Just over half of this is paid for by the income from the restaurant and events, whilst a remaining \$400,000-500,000 is fundraised through Mission Australia.

Significantly, the shortfall in the program budget that is made up by Mission Australia is only marginally greater than the wages the WISE pays to its participants. This suggests that without the backing of the charity the WISE would not be able to pay these wages if it were to remain close to financial sustainability, and conversely, the backing of the charity and its fundraising efforts enables the WISE to be able to pay participants a wage (as is required for trainee and apprenticeship places in Australia).

Charcoal Lane was awarded one ‘chef’s hat’ in the 2015 Gault&Millau restaurant guide. It won online booking system Dimmi’s Diner’s Choice Award for top rated Modern Australian restaurant in February 2014.

Local dimension of the context

Youth unemployment

Does the region in which the WISE operates involve a particular profile of young unemployed people? [e.g. levels / types of education and training] Does the region in which the WISE operates have higher YUE/NEET?

Charcoal Lane is located in Fitzroy, one of the most socio-economically diverse suburbs of Melbourne. It is also an important area for the indigenous community, of which almost all of Charcoal Lane’s participants are part. Charcoal Lane is located in a building that was formerly home to the Victorian Aboriginal Health Service during the two decades to 1993. This was a pioneering service that was genuinely set up to work with and for indigenous people and signified the beginning of indigenous rights in Victoria (the state of which Melbourne is the capital city). It is also close to Collingwood which has a higher indigenous population. The decision to be located in this area and the building specifically was tied to its importance for

the indigenous community and the proximity of a wide range of community services more than for the youth population specifically. It is also a seven minute trip from the city centre.

Charcoal Lane targets disadvantaged young indigenous people aged 16-25, for whom finding employment remains a major challenge. In its December 2014 report, Charcoal Lane says it acknowledges “that traditional systems of skills accreditation do not necessarily meet the needs and aspirations of [its] students. This is particularly true of those who have faced barriers to achieving success in their education and we have sought to respond to the needs of our learners, strengthening participation and educational outcomes along the way.”

In 2011, the unemployment rate for Indigenous people was 3 times the rate for non-indigenous people. For young indigenous people this disadvantage is further compounded by unemployment figures among 15 to 19-year-olds reaching 20 per cent in early 2015 (project description on Australian Communities Federation website). Charcoal Lane’s Program Manager indicated during interview that the local rate is at least as high.

In 2014 Mission Australia conducted an annual survey of young people aged 15-19 years which attracted 747 respondents who identified as Aboriginal and Torres Strait Islander (ATSI, or indigenous). Of these ATSI respondents, 75.7% were studying full-time (compared to 94.9% of non-ATSI respondents). Of those who were still at school, 87.2% of ATSI respondents stated that they intended to complete Year 12 (compared to 96.5% of non-ATSI respondents).

Respondents who were still at school were also asked what they were planning to do after leaving school. While the most common plan among both groups of respondents was to go to university, ATSI respondents were only half as likely to indicate intentions to do so as non-ATSI respondents (33.3% compared to 67.0% respectively). Conversely, however, ATSI respondents were more likely than their non-ATSI counterparts to indicate plans to get a job (32.7% compared to 28.3%), to get an apprenticeship (17.5% compared to 8.4%) or to attend Vocation Education and Training or college (15.1% compared to 11.4%). A small minority of ATSI respondents (2.1%) indicated that they felt no choices were available to them after they left school (compared to 0.7% of non-ATSI respondents).

However, with some of its participants not having completed the compulsory level of education required to earn an apprenticeship (Year 10), Charcoal Lane is providing an alternative path in responding to its participants’ needs.

Government initiatives

Does the WISE benefit from any LGA programs for YUE/social return?

Charcoal Lane works closely with the City of Yarra local council (one of the Melbourne municipal councils), as well as with the Wurundjeri Tribal Council, the traditional owners of the land. Charcoal Lane benefits from the City of Yarra being a small but wealthy council, also in the sense of there being a wealth of services in a small area – local housing and health services are within walking distance, as are the Victorian Aboriginal Health Service, a Victorian Department of Human Services office and another large charity, the Brotherhood of St Lawrence.

The relationships with the City of Yarra (as part of its Aboriginal Action Plan), Yarra Youth Services, Yarra Aboriginal Support Network and the local indigenous community have led to

some high-profile events with prominent members of the Melbourne community that Charcoal Lane sees as priceless. It also means that young indigenous people have a lot of people “pushing them in the same direction”.

Although Charcoal Lane is eligible for federal government Job Service Provider payments of up to AUD3,000 per participant, its program is not currently set up in such a way as to have its participants meet the requirements of sustaining 15-20 hours for 26 consecutive weeks. Charcoal Lane knows that it has a successful program that operates under a different mentality whereby the needs of its participants come first. As family is a highly important part of indigenous life, Charcoal Lane accommodates participants’ frequent family commitments and demands even when these interfere with their work commitments – at least, at the start of participants’ time there. This means that it is unrealistic for Charcoal Lane to expect to meet the payment targets in their current form.

Additionally, the Victorian State Government provided \$3 million to set up the building when it first opened. The building was derelict and had not been used for a number of years and required a transformation into a restaurant.

Local presence of WISEs

Does the WISE benefit from the presence of other WISEs or networks?

Charcoal Lane does not see that it benefits much from other social enterprises or networks but instead relies on a number of other community support services, which allow Charcoal Lane to concentrate on helping more people itself (having increased from 10 to over 40 participants per year). Charcoal Lane works closely with these support services and uses the trust it builds with participants to introduce them to colleagues in these services.

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates?

All of Charcoal Lane’s current participants are from the Aboriginal community, although this has not always been the case. However, the program targets indigenous young people and indigenous culture is a very central element of the program, as part of empowering young people from a community where culture has been taken away.

Almost all participants hear about Charcoal Lane via word of mouth, though some are referred by Aboriginal community groups. Charcoal Lane’s Program Manager gave the example during his interview of a BBQ organised by a local organisation for the most marginalised people in the area that he attended, during which a young indigenous person approached him. When he said he worked for Mission Australia, the young person said he’d heard of someone there who gave young indigenous people jobs.

Charcoal Lane considers that it is usually able to source the right candidates. Its Program Manager described the indigenous community as a shy community, so for someone to have the courage to express their desire to join is a significant step and means that candidates are substantially self-selecting.

Since September 2014 Charcoal Lane offers a three-month Certificate I in Tourism Program with training partner William Angliss which provides a pool of candidates who might wish to embark on Certificate II and III Apprenticeships and Traineeships that run for between 12 and 18 months. In addition to providing a greater number of participants the program also offers

a more accessible short-term option of training and employment for some participants that meets their particular needs.

Earlier in 2014, Charcoal Lane commenced a Work Experience Program for indigenous and marginalised youth in Yarra. With this program, Charcoal Lane worked in partnership with local high schools which cater to the needs of marginalised students. These schools provide a particular tailored education program for young people who are at real risk of completely disengaging totally from the education system. Of the 16 students who engaged in work experience five (35%) were Aboriginal and 13 (81%) were local to Yarra housing estates. All 100% of those who identified as ATSI engaged in other programs and events through Charcoal Lane beyond the two-week work experience the program requires.

Does the employment agency make sourcing candidates easy or difficult?

In the rare instances when candidates do not come to Charcoal Lane through word of mouth, it is the Job Service Providers who tend to approach Charcoal Lane. All candidates are receiving some sort of income support payments through Centrelink, the Australian Government agency managing welfare and unemployment benefits. About 5% of candidates are linked to a Job Service Provider but even then tend to connect with their JSP after they come to Charcoal Lane, and are sometimes referred to another Job Service Provider in order to ensure they are getting the right support.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Many participants in the Charcoal Lane Program have experienced family conflict, mental health and drug and alcohol issues, low levels of education and homelessness. These experiences are often barriers to gaining employment. Some also come from households that suffer from inter-generational unemployment, and so have traditionally found it extremely difficult to get work experience placements. To join Charcoal Lane candidates must have stable housing, no active drug and alcohol issues and a willingness to learn and make positive changes in their lives.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Charcoal Lane would like to be able access reward payments for taking on unemployed people and keeping them in sustained employment for the required 13 or 26-week periods. With participants usually being very marginalised members of society and many also being a primary carer in their family, to date no participants have been able to sustain the required 15-20 hours per week to trigger reward payments. The participant's life situation and commitments outside of work are therefore put above any financial benefit of taking on a candidate by Charcoal Lane. It is however looking to reduce its program budget deficit by accessing outcome payments in the future.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

Charcoal Lane and the William Angliss Institute are now in the sixth year of delivering workplace training together. The partnership has yielded the development of a flexible

training program that provides opportunities in Certificate I, II and III training and employment programs.

Certificate I in Tourism: The program seeks to provide Aboriginal youth with an insight into the traditions and history of Wurundjeri – the land on which Charcoal Lane resides. Through learning of local culture one of the objectives is to get students thinking of their own language group and own culture

Certificate II in Hospitality: There are a number of Certificate II training programs offered each year which are based around developing work-ready skills that allow trainees to obtain a Certificate II in Hospitality, along with work placements specifically designed to aid personal and professional development of participants in their transition into employment. Throughout the training program, participants are supported by an individual client-based approach where goals are set by the young person and they are encouraged to achieve them. After successful completion of the training program, participants are provided with three months of post placement support

Certificate III in Hospitality (Commercial Cookery or Operations): Charcoal Lane offers up to 12 apprenticeships and traineeships annually that allow participants to acquire a Certificate III in Hospitality (Commercial Cookery or Operations). The apprenticeship and traineeship program are open to young people with prior employment experience or qualifications in hospitality. The program is delivered over a 12-18 month period during which students complete nationally-recognised competency-based learning modules while working within the Charcoal Lane Restaurant. Students are required to attend one day of school-based training and assessment a week at Charcoal Lane's onsite training facilities.

Do participants use the training they receive in the work they are doing within the WISE?

Charcoal Lane's Program Manager explained that participants work and learn about all facets of the restaurant during their time there. Every Monday participants have an 8-hour day with the William Angliss Institute learning skills for both front of house and the kitchen, made up of four hours of theory and four hours practical sessions. Participants then apply that learning to every shift in the restaurant. At end of every shift participants fill out a logbook with what they have achieved and what they have ticked off for their qualification.

Both the head chef and restaurant manager are highly committed to training and both have trainer qualifications. This means that they are able to utilise everything they do as a learning moment. Charcoal Lane works to improve employability but also to strengthen young people to be the best at everything they do. Participants know restaurant standards and expectations and this means that the best restaurant in the world would want them.

Additionally, with the head chef also being a horticulturist, he is able to give back knowledge about sourcing, using and mixing native ingredients to the indigenous participants, who are generally previously unfamiliar with them.

Participants are paid apprentices and trainees at the nationally-set rates. These wages amount to around AUD\$10,000 per participant or between one quarter and one third of the program budget.

How is it decided what training participants should undertake?

In 2013-14 Charcoal Lane introduced a program with multiple entry and exit points. Charcoal Lane sees that each person requires different stages of support, so when students enter Charcoal Lane training and employment programs, the training options and transitional options reflect this. Now, participants generally begin with the Certificate I in Tourism that includes a module on understanding aspects of local culture, in this case Wurundjeri culture, as well as some basic front of house and kitchen duties.

This enables participants to see whether they want to do further training in front of house or cooking (some switch from their initial intention). In one instance however, it enabled one participant to realise that, although everyone else loved it there, he did not want to work in hospitality, and was able to go into an engineering course. It also enables Charcoal Lane to see who's ready to enter the labour market and who needs further help. It is ultimately the participants choice which training they want to do, which is in fact quite a commitment given that a full chef's apprenticeship is three years. Furthermore, the federal government will only support young people to do two qualifications, regardless of whether they are completed. It is therefore important for participants to be sure about what they want to do and they are unlikely to be able to pay the \$3,000-5,000 to take another course

Increasing social and 'non-work' skills (personal development)*What training do participants undertake that is not directly related to job tasks?*

Charcoal Lane takes a holistic approach to its work with students. It seeks to reduce barriers to employment by exploring the many factors that impact our students' ability to work consistently. It does this through a mix of workshops and mentoring, and participants' weekly meetings with its Employment and Training officer, who spends a lot of time with each person to develop who is ready and who needs help longer, as well as who doesn't want to be there.

Charcoal Lane's December 2014 report outlines how training is complemented by: Mission Australia's tried and tested individual client based approach with experienced youth workers; support from the local Koori (indigenous) community; peer group support; mentoring program including Aboriginal and other leaders in the community; employment of youth support workers to support trainees with various needs and issues; and specialist needs, such as counselling are sourced by support staff and provided by experienced external agencies. Charcoal Lane program staff also work closely with partners to access supported and sustainable employment pathways.

Participants receive individual support to help them overcome barriers to employment such as poor life and relationship skills, low educational attainment and poor mental health. Charcoal Lane aims to identify what each participant's barriers are and help them to manage whatever they have to juggle in order to deal with these. This could be as simple as pushing a participant to call someone a second time after not having their first call returned. In some cases this sort of support is offered when partners come in to the restaurant for a chat that is not work-focussed, or through Charcoal Lane's celebrating with partners in its restaurant. With personal health and family health a leading issue in the Aboriginal community Charcoal Lane introduced a Healthy Life Style Session in the second half of 2014.

In the Certificate I program there are also cultural competencies which involve conversations about where participants are as a group and as individuals. Charcoal Lane's Program Manager

sees that its program relies heavily on the peer group and everyone pushing towards strength, and to be pushed by the top two not held back by the bottom two.

Participants also do cultural awareness training and Charcoal Lane has a cultural committee made up of its young people as well as indigenous business and community leaders who dictate the program. There is also a camp held every year in a community outside of the city.

Additionally, before every shift in the restaurant there is a meeting for ‘responsibilities of service’ that includes what each participant will be doing and discussions about respecting customers and related matters. Customers in the restaurant aren’t necessarily aware or need to know that the restaurant is a training facility but just want a nice meal. However, if they do want to know more then students are also well prepped for answering questions.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

Aside from the holistic approach described above, participants enjoy ‘staffies’ (free meals) before their shift which occurs in a very social way and serves to meet people’s craving for structure, as well as provide a family for participants outside of the family they have at home.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

Charcoal Lane works closely with the large hotel group Accor Hotels. Its restaurant manager is in fact seconded from the Accor group. As Charcoal Lane’s Program Manager put it, “Mission Australia knows how to run a charity but not a restaurant”. If a participant wants to do work experience at another employer then Charcoal Lane looks to place them at the local Ibis Hotel. It will continue to assess the participant’s performance while on the placement. For example, if a participant needs to improve their employability skills then they will target the placement around a certain need such as the participant needing to be present at 6am and this being assessed by Charcoal Lane.

Charcoal Lane has also just entered a relationship with the Compass Group, which employs hospitality staff in the zoo and in a number of schools and therefore has many positions that fit the needs of young people in the program. Charcoal Lane is also working with the Sandhill Group which runs a number of pubs and hotels in the area.

Charcoal Lane’s Program Manager indicated that most people don’t know how to work in indigenous employment. He also mentioned that the federal government’s recent push to fund big business to push indigenous employment is worrying. He cited one representative from a large corporation who had retorted that they treat all their employees the same, but later phoned to apologise for their misunderstanding of the issues at play.

Charcoal Lane has people from other local governments come to see the program and say that they’ve done cultural awareness training but their visit is the first time they see it in action.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

If other employers doubt the quality of the work done at Charcoal Lane, they quickly change their mind once they come and experience it for themselves. In addition, participants gain

rare skills and knowledge around native food, know how to source it, how to use it, and how to mix it with modern flavours.

Transitioning into employment (leveraging a network of employers/customers)

How is the decision made that the participant is ready for transition to the regular labour market?

Charcoal Lane works with its participants to set goals to achieve in certain timeframes, but will never place anyone who is not ready for work and is not going to set anyone up for failure. Charcoal Lane's staff do not see themselves as enablers, but that they stand alongside their participants to help and guide them into independence. They see it important not stand in front of people but, if anything, to stand behind them, and that at some point one had to let them have their own successes. The longest a participant has been with Charcoal Lane is three years, but in end she was nominated for both a state and national training award. She has gone out to work with others in the community and also helped the younger participants. Charcoal Lane was hoping to convince her to become a supervisor but believes she will take up a position in a private high school, which fits better with her family commitments.

As explained in the December 2014 Report, not all students require the ongoing supports that are offered as part of Charcoal Lane's Traineeship and Apprenticeship programs and may be ready for mainstream employment at one, three or six months. Through innovative new programs Charcoal Lane was able to strengthen the concept of a multiple entry and exit point amongst the student peer group. Students have commented that seeing the success of fellow students into mainstream employment provided the catalyst and the readiness for them to go into mainstream employment themselves.

Eighteen-year-old participant Kane explained that "Seeing [a fellow student] continue his training with Charcoal Lane but work at the Terminus made me realise my time at Charcoal Lane didn't end when I stopped working there." In 2014, whilst working at Charcoal Lane, Kane interviewed and was successful with a position as a Kitchen Hand at Accor's The Como. In 2015 he continues his apprenticeship contact hours with The Como after having completing all his training components in his time at Charcoal Lane.

How is the participant's employment facilitated by the WISE?

Charcoal Lane always supports its participants to secure employment. It may identify opportunities and introduce participants to a hiring manager but participants must secure the job themselves. The only occasions when Charcoal Lane would not facilitate a participant's employment is if they were involved in bullying or violence or were drug-affected or on a similar path, which it considers is a very different task that it is not equipped to handle itself.

The only participants who have left in the last 18 months left because they were pregnant but the relationship with them has been maintained. In contrast with other adults in her life who are telling her that her life is over, and who have grown up with this mentality, Charcoal Lane is instead encouraging her to continue to gain a career, whether with Charcoal Lane or by starting a childcare qualification that is designed for young mothers. Charcoal Lane's Program Manager explained that in his experience former participants will always come back.

Does the participant continue working in the WISE until a job is found?

Participants do stay working at Charcoal Lane until they are able to secure employment. After their traineeship they may go into the casual staff pool two days a week, in which they earn

\$20/hour, a higher rate than the trainee or apprentice rate. They then gain the desire to earn more and will often seek another placement where they can earn a similar or higher wage.

In September 2015, Charcoal Lane will 'lose' more than half of the participants who started during 2015 into mainstream employment. These participants may have only had the capacity to work 15-20 hours a week in January but are no longer in that position. They are now a provider for their family and both they and their families are used to them working at least those hours, and they have learnt through their experience.

For many participants Charcoal Lane becomes family. One participant has moved 16 times in 16 years and has his family in the Northern Territory. He has now decided to settle where he is and Charcoal Lane is of course very supportive of his decision.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Participants are provided with 3-6 months post placement support while transitioning to mainstream employment. This plays a big role in ensuring they can stay in their new job.

WISE success and outcomes produced

Charcoal Lane's Program Manager joked that with Aboriginal communities you always know where everyone is anyway, so it had not needed a tracking system until recently. Of the first 13 to complete the program (two of which were non-indigenous), he knows where all 11 indigenous graduates are now, including one whose daughter is about to join the program.

In its first five years, 147 young people have participated in the Charcoal Lane program with 83 gaining full-time employment on completion. In the first year of full implementation of the Certificate II and III programs, Charcoal Lane has enjoyed outcomes in the high 90% range. The Certificate I engaged 15 young people who identified as ATSI. Of these 12 completed training with 10 going into ongoing employment with Charcoal Lane or Accor Hotels. Charcoal Lane's December 2014 Report indicates the below statistics.

	2013/14	2014/15	+ / -
Total amount of students	26	44	+57%
Participation rate (the level of sustained engagement in the program)	74%	75%	+1%
Still with Charcoal Lane	10	10	
Assisted into part-time employment	3	11	
Assisted into full-time employment	8	15	
Continued or into further training	0	6	
Did not complete – positive outcome	2	2	
Did not complete – disengaged	2	0	

The Report presented figures on participants' sense of wellbeing, which in 2012/13 was 80% and in 2013/14 was 90%. The wellbeing measure represents a reported improvement in personal circumstances (financial security, identification of further support options, and clarification of future goals) as a result of engaging through the various offerings.

Charcoal Lane's Program Manager emphasised that success comes from listening to what young people want and what the community wants, like any good business would do. For a small business staff retention of staff is one of the biggest concerns, as you want people to

stay, people who know the business and who you can trust. Charcoal Lane helps its participants to fill these roles.

It has recently introduced post placement support to track retention and as of July 2015 this is something that is being formalised with the hospitality partners with three-weekly visits that are documented. In the past the monitoring of retention has been via students returning to Charcoal Lane when issues arise at work. A regular/formalised meeting with each student and employer has helped, and will help Charcoal Lane to better track data and assist with long term retention. Since January, of those it has assisted into employment 100% are still in their job (since January it has employed 18 students (and is about to engage a further 25 students in training)).

Challenges and opportunities

Charcoal Lane's Program Manager considers that its biggest challenge is to reduce the budget deficit as it is currently operating as what he characterised as a "less than non-for-profit". Every year Mission Australia has to make up the shortfall of around AUD400,000, which is roughly equivalent to four senior managers that Mission Australia is not employing. He considers it difficult for 50-seat restaurant with an events arm to sustain a AUD1.2m program. Charcoal Lane wants to become sustainable and does not want to rely on government either. In late May 2015 it received officials from the Victorian Department of State Development, Business and Innovation who acknowledged that Charcoal Lane is contributing to business and "creating a workforce that doesn't exist". Charcoal Lane believes it is not only making a significant contribution to the community and building a better understanding of cultural history, but also providing considerable cost savings to local, state and federal governments.

Charcoal Lane considers that it would be very difficult for it to access a social impact investment loan. However, it would be keen to try to tap into these resources in trying to work towards sustainability. Furthermore, expansion is something it is are keen to do, but not something it would look at doing until it becomes sustainable at the existing Charcoal Lane.

Australia: STREAT

The information presented here is taken primarily from STREAT's 'first five years' report and responses to questions provided over email by Jarryd Williams, STREAT's General Manager, Youth Programs. Additional information was sourced from STREAT's website (<https://www.streat.com.au>), the website of its funding partner Social Ventures Australia (<http://socialventures.com.au/work/streat>) and other websites as footnoted.

About the WISE

STREAT is about helping young people change their lives through supporting them to achieve a stable self, a stable job, and a stable home. STREAT recognises that creating job opportunities is only part of the solution to youth homelessness and disadvantage. It has designed a tailored program with a unique fusion of business disciplines, work experience and complex social support to provide a pathway for young people aged 16-25 years into the hospitality industry. STREAT started in March 2010 with a single coffee cart in Melbourne's Federation Square. It obtained its first proper cafe in September 2010 at Melbourne Central shopping centre.

According to Jarryd Williams, Managing Director for Youth Programs, what sets STREAT apart from many of its contemporaries is the combination of strong business planning, a dedicated youth and social support program, regular strategic reviews, and an in-house work experience model that provides constant support to young people placed in its businesses.

STREAT's Youth Team develops everything it does with young people as a team, and it constantly amends these in regard to need, based on evidence and always with an eye to innovation and pushing the boundaries in respectful and appropriate ways. The context of a young person's life is one of constant change, so it has to change and be creative to be able to respond and create successful and meaningful interventions.

Basic reintegration model:

Does it combine paid work, training and guidance in a supportive but real work environment?

YES: STREAT provides work experience and certified training as well as life skills programs, creative and social activities, and individual support sessions. All programs are integrated, flexible and 'wrap' around a trainee. Although STREAT does not have a singular focus on education or unemployment, it does run a very successful training and employment program. For STREAT's 'Theory of Change' see the end of this appendix.

Business model and diversification:

The WISE make money through the sale of goods or a service?

YES: In its first two years STREAT received a majority of income from public and private grants. Since 2012 it began receiving a majority of income from trade and in 2014 it received two-thirds of its income from trade. It reinvests 100% of profit in its training programs.

The WISE engages multiple income streams?

YES: STREAT operates a portfolio of seven hospitality businesses: five cafés, a coffee roastery and a catering company and production kitchen.

Legal form, labels and certifications, awards etc:

STREAT is a registered charity and is a 'Company Limited by Guarantee', meaning it maintains a Board of (volunteer) Directors made up of various industry professionals including lawyers, accountants, a psychologist, business people and community development experts.

STREAT has been awarded the following:

Finalist in the **2012 Cool Company Awards**;

Winner of **Melbourne's 2013 Business 3000 Award in Social Enterprise**;

Winner of the **2013 Australian Social Enterprise Award for Innovation**;

Finalist in the **2014 Ethical Enterprise Award**;

Winner of the **2015 Australian Social Enterprise Award for Impact Investment**.

STREAT is certified by Social Traders (<http://socialtraders.force.com/ased/profile/STREAT>) and has been profiled in the book *Australian Stories of Social Enterprise* by Cheryl Kernot and Joanne McNeill. STREAT is also certified to award training qualifications.

Local dimension of the context

Managing Director for Youth Programs Jarryd Williams considers that the state of Victoria has a number of things going for it that makes the model work better than it might in other parts of Australia. Melbourne is, among other things, the 'coffee capital' of Australia. He considers that it is also the one capital city with a number of investors and businesses interested in 'social capital' and ethical business development. Because STREAT's model is built around scaling hospitality businesses, and because its founders always knew it would need to rely on business and philanthropic support for the first few years of its operations, Melbourne was the only choice that made sense.

Youth Unemployment

STREAT was established to work with marginalised and disadvantaged young people who have an issue that could lead to homelessness. STREAT does not target particular geographic areas but receives referrals from all over the state.

Managing Director for Youth Programs Jarryd Williams described that when a young person enters 'the system', usually because of complex life issues (drugs, mental health etc), between 47% and 70% remain there for a long time.

The state of Victoria has approximately 49,000 young job seekers between the ages of 15 and 24, with many of them being considered disadvantaged. Most of those young people are 'clumped' in a few specific areas: the Melbourne central business district (CBD), Port Phillip, Westgate, Brimbank and the city of Greater Dandenong. Because STREAT was created to work toward stopping the cycles of disadvantage that lead to homelessness (or the risk of homelessness) in a young person's life, the city of Melbourne was a logical place to set up its operations.

Government Initiatives

STREAT is primarily self-funded and is working toward being entirely self sustaining within the next two years. It does receive minor government funding, which equates to 1% of its entire income in any given year. That money comes from state and local governments.

STREAT does not currently receive funding from the federal government. However, in 2009,

It received funding to support the expansion of its small street cafes to five locations across Melbourne's CBD. This was by successfully bidding for \$1.2 million from the Get Communities Working stream of the federal government's Jobs Fund which had a focus on effective 'Intermediate Labour Market' models, including social enterprises. The Jobs Fund was an Australian Government initiative designed to maximise job and training opportunities in local communities. The Jobs Fund formed part of the Australian Government's Jobs and Training Compact and was established to support families and communities most affected by the global economic recession.

Local presence of WISEs and support networks:

STREAT was one of the first equity-raising social enterprises in Australia. Of its subsidiary company, STREAT Enterprises Pty Ltd, STREAT is a 50% shareholder, and other investors, such as Donkey Wheel Foundation, Fair Business Australia, Small Giants, and the J&S McKinnon Foundations, collectively represent the other 50% of shareholders. STREAT anticipates that its shareholders will accrue investment returns of between 7-12% per year.⁷

Managing Director for Youth Programs Jarryd Williams explained that STREAT believes in collaboration. It actively builds relationships with other services, and works from the philosophy of 'together we can do more'. While it does work with other social enterprises, it is often in a mentoring role as they build their businesses. On its website STREAT lists a further 45 'supporter' individuals and their organisations (including fellow case study Charcoal Lane). It also lists that it has received support from the following organisations.

The TK Foundation - is a philanthropic grant-making organisation striving to be a positive force of change by providing disadvantaged youth with access to career paths through education, vocational training and employment.

The R.E. Ross Trust - supports Victorian projects that address disadvantage and inequity, encourage and promote community and individual health and wellbeing, and protect and preserve Australian flora and fauna.

The AXA Foundation - aims to assist families and children who are experiencing difficulties due to illness or are disadvantaged due to circumstances beyond their control, through sustainable solutions.

The Westpac Foundation - is a charitable trust which invests in creating and sustaining social enterprise in disadvantaged communities across Australia.

The Newsboys Foundation - provides grants to community organisations working with disadvantaged young people aged 11-18 years in the state of Victoria.

Social Ventures Australia (SVA) - invests in social change by helping increase the impact and build the sustainability of social sector participants.

A number of additional supporters are part of STREAT's new Cromwell Manor project outlined at 4.9 below, for which it recently won the 2015 Australian Social Enterprise Award for Impact Investment.

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates?

STREAT has an established social media presence. Through posting information on its official website, its facebook page, and on its Twitter and Instagram sites, it is able to keep the general public up to date on opportunities to engage with the organisation.

⁷ <http://impactinvestingaustralia.com/case-studies>, accessed 21/05/2015

Because the organisation has been in existence for six years, it receives a steady flow of referrals from the various services it has worked with. Young people often self-refer into STREAT. Families will also call and ask STREAT to work with their children.

Does the employment agency make sourcing candidates easy or difficult?

The Job Services Australia agencies (also known as job networks) do not have a significant impact on STREAT.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Managing Director for Youth Programs Jarryd Williams indicated that individual histories have no affect on the selection of candidates.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

A potential participant is selected based on a criteria of disadvantage and marginalisation. Ability to pay is not a factor. If a young person does not have any support network or supportive person who can pay the course fees, STREAT finds alternative methods of covering those costs such as business sponsorships or philanthropic assistance.

Young people are never turned away because of their financial situation, nor is the participation of financially challenged individuals considered a burden.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

In helping young people to work towards the 'stable job' goal, STREAT provides a range of hospitality programs including accredited certificate courses, work experience programs and short course. It also provides workplace training and mentoring for each young person across STREAT's inner Melbourne cafés and production kitchen. These programs are offered as a full pathway as young people gain more skills and confidence, or can be done individually.

STREAT runs a short half to one-day 'Taster' program in barista skills or food preparation which serves as an introduction to STREAT and an eight-week hospitality focused work experience 'Entrée' program which allows people to try the STREAT model before committing to a longer program. As of December 2014, 92 people have completed Taster programs in the preceding 18 months and there have been 73 Entrée graduates in the preceding 30 months.

STREAT's major programs are Main Course 1 which is a 10-week program whereby participants gain Certificate I in Vocational Preparation (82 completions since July 2011), and Main Course 2 which is a 20-week program whereby participants gain a Certificate II in Kitchen Operations (82 completions since March 2010). Main Course 2 is also offered without the formal qualification.

The Main Courses include on-the-job training and mentoring, a Life Skills program, creative and social engagement and individual case support (including linkages to specialist service providers). Work experience is an integral part of the Main Course program, and a requirement of participation in the course.

Later in 2015 STREAT will begin to offer Certificate III two-year apprenticeships.

Regarding paying participants, STREAT used to do this, however it became financially unsustainable. It hopes to do so again at some point in the future, but needed to make a hard business decision - it could either aim for full financial sustainability and never have to rely on anyone for anything, or could continue to be a mix of business funded and government funded, which meant it would have to compete with other organisations which wasn't something it wanted to do. It is felt that there's not enough money to go around as there is, and the last thing it wanted to do was put itself in direct competition with other services helping young people. It decided that to be true to its values, and to do right by its young people, it needed to work hard at becoming financially self-sustaining.

Do participants use the training they receive in the work they are doing within the WISE?

Training is done partially on-the-job alongside mentoring and the skills and knowledge participants learn are practiced in work experience. This provides an opportunity for young people to practice the skills they have been taught in a real world environment, and gain the one thing most employers are looking for: experience.

How is it decided what training participants should undertake?

Every young person who comes into STREAT undergoes an interview process where they are assessed and a joint determination (between the young person and STREAT) is made regarding the program they will be a part of. When it comes to progressing from one program to another, that process is driven by the young person. Youth Programs staff may suggest a participant join another program, but ultimately transition remains the choice of the individual. In extreme cases, staff may recommend a participant maintain regular contact with STREAT so that other specific issues can be addressed. If that happens, it will usually involve intensive case management.

Increasing social and 'non-work' skills (personal development)

What training do participants undertake that is not directly related to job tasks?

Participants take part in a group-based life skills program that has key modules on emotional management, problem solving, healthy relationships, communication, and conflict management. Working with STREAT's Youth Programs team, trainees also develop their personal goals at the start of each program, and then a self-management plan which we use throughout their transition to open employment.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

In supporting participants to work towards the 'stable self' goal, STREAT provides wrap-around support including individual case management, linkages to other specialist service providers as needed (drug and alcohol, mental health, housing services), and creative and social activities.

To help its young people to attain the 'stable home' goal, STREAT works towards youth having a safe and long-term place to live through partnerships with a wide range of Melbourne housing services.

STREAT employs two youth workers, a social worker and a clinical and forensic psychologist who are all available to any young person participating in a STREAT course or activity. These professionals work together to provide as much assistance as STREAT can to a young person once they make the decision to embrace positive change.

When a young person becomes a part of STREAT, and in particular the Main Course program, they are evaluated for any issues they may have. If it is determined that they require the support of the youth team (or they request it) they enter into a case management relationship and are assigned a staff member to work with them. Case management is quite an intense process.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

During training, STREAT brings in multiple guest speakers to provide young people with a realistic understanding of the hospitality industry. In some instances they meet the owners of hospitality businesses, or interact with people who have owned or managed hospitality businesses.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

A number of employers are familiar with the work STREAT does, and value and recognise it.

Proof of this rests with STREAT's new pilot program, STREATs Ahead, which commenced in May 2015. STREATs Ahead is the culmination of a number of years' work designing a transition program that takes graduates and immediately employs them in a supportive environment that encourages constant collaboration and communication between STREAT and the employer in question.

Transitioning into employment (leveraging a network of employers/customers)

How is the decision made that the participant is ready for transition to the regular labour market?

Every two weeks the youth team have a case review session where they discuss each participant, their development and their issues. It is through this process, and regular case management meetings, that STREAT determine whether or not a young person is ready for the labour market.

How is the participant's employment facilitated by the WISE?

STREAT facilitates introductions to employers, and through the STREATs Ahead program (the pilot program that moves young people straight into employment), establishes processes where a young person can go straight into paid employment upon graduating from the Main Course.

Does the participant continue working in the WISE until a job is found?

Participant may opt for additional work experience shifts if they feel they need it. In general, young people remain connected with STREAT post completion. STREAT also runs an Alumni program, which helps to facilitate this process.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

As indicated, STREAT maintains an active Alumni Program. Past participants can volunteer with STREAT, be guest speakers during workshops, attend various celebrations and participate in media through the Media Ambassadors program.

If a young person requires ongoing support post completion, STREAT continues to case manage them where that is appropriate.

WISE outcomes produced

STREAT currently employs over 42 staff in a mix of full time, part time and casual positions. In its first five years (2010-2014), STREAT achieved the following:

321 participants in its programs

Stable self – 90% improved youth wellbeing

Stable job – 80% success in youth obtaining a job or further training

Stable home – over 95% success in improving the housing stability of young people

The following information was current on 1 July 2015.

- The total trained is 401;
- Total participant number is currently 419;
- Program retention is:
 - * Entree: 80%
 - * Main Course Part 1: 79%
 - * Main Course Part 2: 61%
 - * The average is currently 73% retention;
- Regarding graduate pathways, I probably didn't answer that with enough information. Here's our most current statistics:
 - * 41% transition into further training in hospitality, then into employment;
 - * 18% higher education into further training in another discipline, then into employment;
 - * 18% into direct employment in restaurants and cafes, or another customer intensive service industry;
 - * 9% chose to start a family;
 - * 5% remained long term unemployed;
 - * 9% are unknown. Colloquial evidence suggests they found employment but as unable to be confirmed this continues to be counted as an unknown;
- Job retention, to the best of knowledge, is 70% but that's a stat that is changing as it tracks down more and more past graduates. STREAT is still learning and creating more effective ways to track that data;
- Entered training: in total 59% went into immediate training and another 20% engaged in training and employment after leaving to further enhance their skills as they sought opportunities to advance.

STREAT has only recently begun this sort of data collection as it tries to determine just how much of an impact it have on graduates. The number of graduates employed at STREAT after completing one of the courses is 4. Many end up building new lives for themselves, which was the aim for them all along, and suddenly they no longer need STREAT - that is the best outcome imaginable. Regarding former trainees being STREAT employees, STREAT has a policy that stipulates it does not immediately employ STREAT graduates. They must wait for a minimum of nine months. There are very sound and appropriate reasons for this.

At STREAT, everyone engages with the participants, but the members of the team with the most interaction are the Youth Program workers and STREAT's baristas. The baristas work to provide constant on-the-job-training and act as mentors to participants. STREAT's youth workers and baristas are frequently exposed to personal disclosures that are quite confronting, and are also often exposed to behaviours that can be extreme. In an effort to care for the emotional and psychological well being of graduates, STREAT does not employ them as they will face similar issues as they step into a mentoring role.

Ethically, STREAT cannot place any young person into a situation that could be unnecessarily challenging for them, or could actually result in psychological or physical harm to them. Instead, it works to find its young people employment outside of STREAT through its STREATs Ahead program.

In June 2013 STREAT had 16 full-time and 14 part-time staff and was assisted by six volunteers. The programs' retention rates were at 70%. The six classes of trainees that had graduated from STREAT's programs gave an average rating of 92%. In May 2015 the twelfth class graduated from the program.

Challenges and opportunities

Managing Director for Youth Programs Jarryd Williams expressed that STREAT faces the same challenges as any business faces, with the added complexities of also facing the same challenges any community organisation faces:

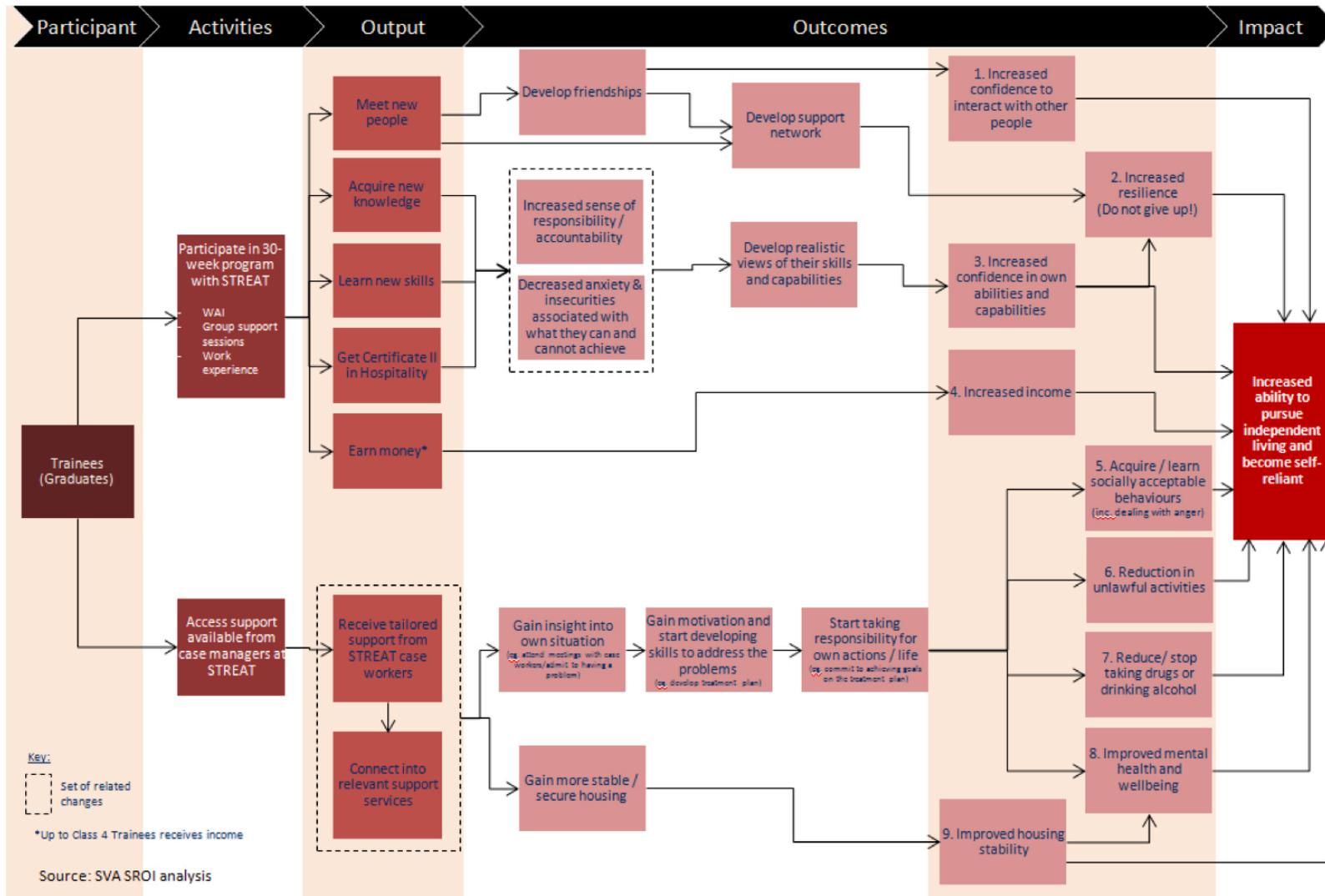
- Remaining competitive in a consumer driven economy;
- Remaining culturally and contextually relevant to main client cohorts;
- Competing for donations and philanthropic grants to sustain operations until STREAT no longer need those levels of support;
- Ensuring the product is consistently excellent;
- Responding in creative and sustainable ways to the issues facing young people, and ensuring that STREAT applies best practice methodologies to the work it does.

To this end, STREAT undertakes annual strategic reviews, plans every decision it make with the utmost care, engages in very rigorous evaluation processes, conducts regular financial and process audits, engages in regular needs analyses, maintains strong and positive relationships with its stakeholders and maintains a state-of-the-art data collection mechanism that enables it to provide the most up-to-date information on a young person's experience as is possible.

In 2016, STREAT will embark on the flagship redevelopment of the Cromwell Manor site in Collingwood, which will enable STREAT to scale its operations to be fully self-sustaining and be able to assist 250 young people per year into work. The project has been structured to leverage many sources of capital for STREAT, including \$2.5m for property purchase (the site was purchased for STREAT and its use gifted to the organisation for 50 years), \$1.6m in local and international donation grant capital, and \$2.5m in loan capital from the National Australia Bank (one of the four big retail banks) and Social Ventures Australia. The project also ultimately represents the opportunity for the debt to be bought out by impact investors once the construction is completed.⁸

⁸ <https://www.streat.com.au/blog/2015-social-enterprise-awards>, accessed 11/06/2015

Our Theory of Change



Source: STREAT (2015). *Creating a Fork in the Road for Young People (The First Five Years)*. Retrieved on 19/05/2015 from <https://www.streat.com.au/about/first-5-years>

Denmark: Kaffé Fair

The information presented here was taken primarily from email correspondence and a follow-up phone interview held with CEO Bjørn Salling on Tuesday 9 June 2015, as well as from Kaffé Fair's website (<http://www.kaffefair.dk>). Kaffé Fair was suggested to me by Kasper Munk Rasmussen of Den Sociale Kapitalfond (<http://www.socialkapitalfond.dk>).

About the WISE

Kaffé Fair was established in 2006 with support from the European Social Fund. It is owned by FOCUS Daghøjskolen (which translates as Day High School), a social enterprise group whose purpose is to offer opportunities for people to get into work or education through five projects of which Kaffé Fair is one⁹. FOCUS is foundation running adult education in the non formal sector, and also runs a social enterprise community college called FOCUS Aftenskolen. Since 2008 the company has been sustainable and independent of grant funds.

It operates a café, conference centre and canteen business at three different addresses. Kaffé Fair runs training programs targeting young people from 16 to 25 years with disabilities or special needs. Kaffé Fair has about 30 paid employees and 40 to 50 young people in training courses who receive "educational benefit" through the Jobcenter. The courses last an average of one year and include practical training in kitchen skills and qualifying education in Danish and mathematics. Currently about 30% of those who complete a training course continue in an ordinary education. In 2014, Kaffé Fair was awarded 2.9 million Danish krone (around €390,000) by The Obel Family Foundation to expand its target groups and to assist in establishing a canteen to employ people with mental disabilities.

Basic reintegration model:

Does it combine work, training and guidance in a supportive but real work environment?

Kaffé Fair combines work, training and guidance but uses work more as a vehicle for developing structure, behaviour and confidence. The primary goal is mostly to get people into education or training that will set them up for a sustainable career, rather than preparing them directly for a job. The long-term objective for Kaffé Fair is however that "The young will have proven skills that bring them into the mainstream labour market".

Business model and diversification:

The WISE make money through the sale of goods or a service?

YES: Kaffé Fair is a hospitality business serving food and beverages.

The WISE engages multiple income streams?

YES: It operates a café, conference centre and canteen business at three different addresses.

Legal form, labels and certifications, awards etc:

Kaffé Fair is an officially registered as social enterprise in Denmark. This registration is very new and only took effect during April 2015. Kaffé Fair believes it may affect its possibilities for employing people in certain conditions. It is normally not possible to employ someone and receive the wage reduction without an individual permit, which Kaffé Fair has experienced to be a very bureaucratic process. It has been promised that as registered social enterprise, it

⁹ <http://fokus-folkeoplysning.dk/mere-info/daghoejskolen>, accessed 28/05/2015.

will no longer need to apply every time it seeks to employ someone. Furthermore, the terms of application to the European Social Fund in Denmark have since been changed (in late May 2015) to require applicants to be a registered social enterprise. Registered social enterprises must be 'self-owned' under a 'business foundation' form whereby a board are majority stakeholders in the business and no owners can take out money.

Kaffé Fair is also a member of *Selveje Danmark* (the association for self-governing non-profit organisations in Denmark) and the Danish Chamber of Commerce, of *Daghøjskoleforeningen* (the association for independent 'day high schools' and corresponding local training places for adults), FORA (a community of Danish educational associations), the Danish Centre for Social Economy, and the *Nordjysk netværk for socialøkonomi*, (the North Jutland network for social enterprises).

Local dimension of the context

Youth unemployment:

Kaffé Fair targets young people on welfare support with significant social issues, including drug abuse and psychiatric diagnoses, and 90% of whom have not completed secondary education. Kaffé Fair has three locations. The first, in the centre of Aalborg and close to main library is in a busy street in the city, primarily because of the business opportunity there. The location was also chosen because young people consider that there is some status in working in a café in the city centre. The second location is in the east of Aalborg and is in a health care facility where a lot of courses and conferences are run. Here Kaffé Fair provides catering and a lunch service. The third location, which opened on 1 March 2015 is a workplace canteen with a location based on the business in that area, although this far from where people live and it is harder to attract them there. For this third location, Kaffé Fair was contacted by an organisation to ask if it would be interested in running it. The organisation is affiliated with the municipality and already works with mentally handicapped people. With the canteen it hoped to open up opportunities for these people to work.

Government initiatives:

As part of Kaffé Fair's relationship with the Aalborg Jobcenter, young people who are registered for unemployment benefits are given an 'activation offer' of a course at Kaffé Fair. As part of this, the Aalborg Jobcenter 'buys' training from Kaffé Fair for unemployed people to participate in there, at a price of DKK 1,150 per week (around €154).

In addition, half of the low DKK 42/hour wages paid (around €5.63) to mentally handicapped employees is reimbursed by the municipality. However, it also needs staff to take care of these employees and has negotiated an agreement with the municipality for it to provide paid a yearly sum of DKK 1m (around €134,000) - which pays for two employees - for the first two years after opening the branch, after which the grant will need to renegotiate or the business run without it.

CEO Bjørn Salling indicated during interview that views towards social enterprise vary significantly across Denmark's 98 municipalities, with some being very interested and able to see the advantages for social welfare issues, but others see as social enterprise more as competition for municipal projects, as has been the case in Aalborg. However, there has been recent talk at a political level to try to set up business support for social enterprise to develop further. Kaffé Fair is in the favourable position where its parent organisation has worked with the municipality for 20 years and has a reputation for doing solid work with unemployed

people. Although it has been seen more as an institution than a business, it is now being recognised as a business and indeed that this is the reason for positive effects achieved at Kaffé Fair.

Local presence of WISEs and their networks:

Kaffé Fair has also received support from Den Sociale Kapitalfond¹⁰. Aside from the well-functioning North Jutland network for social enterprises, Kaffé Fair does not consider that it benefits from other local social enterprises or WISEs, primarily because there are very few other social enterprises in Aalborg. CEO Bjørn Salling explained during interview that social enterprise is quite a new thing in Denmark and only within the last 4-5 years has it become an issue that politicians have noticed and tried to talk up and support.

Prior to this there were a few social enterprises in Denmark but not many. During the last 2-3 years, some very small businesses starting up try to run as social enterprises but find it hard as it is very difficult to get any kind of support from local municipalities, meaning that from the beginning they have to rely 100% on the trade to run business. He also described that there are two new social enterprises in Aalborg but that one is planning to close on 1 July having failed to reach no agreement with the municipality, whilst another small furniture manufacturer has expressed to him a similar position.

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates?

Kaffé Fair sources 80% of its candidates through the local Aalborg Jobcenter (currently it has 36 participants but this varies between 30-45). The remaining 20% (10-12 participants) are people with mental handicaps (such as Down syndrome or brain damage) that it employs in “care-jobs” with low hours and a low hourly wage as a supplement to their pension.

When a young person goes to the municipality to request for social benefits, they must take part training course or job training and are therefore practically never ‘inactive’. They can choose which programs they take, and some choose Kaffé Fair. It is also the case that the advisor at the Jobcenter chooses Kaffé Fair for them. A few candidate have been unemployed for a longer period but most come directly from the Jobcenter. Kaffé Fair’s candidates are therefore young people aged 18-25 (although they can be up to 30) who are unemployed and receive benefits. They also have problems other than unemployment, such as drug or alcohol abuse, psycho-social issues, some sort of psychological diagnosis, ADHD (the case for up to 50% of participants), some smoke marijuana or drink as part of self medication. CEO Bjørn Salling characterised Kaffé Fair’s participants as a group far away from normal young people, formal education, and the job market.

Does the employment agency make sourcing candidates easy or difficult?

CEO Bjørn Salling described the current sourcing of candidates through the Jobcenter as easy. However, he recognised that changes in law and program budgets can challenge this. He explained that it was understandably difficult in the beginning when Kaffé Fair was trying to do something different and it takes time for people to recognise that the approach works and can solve problems.

¹⁰ <http://www.densocialekapitalfond.dk/de-udvalgte-virksomheder/>, accessed 27/05/2015

Kaffé Fair began with five or six participants from the Jobcenter, and after a few years during which it was able to validate and document success, it eventually gained greater interest from the Jobcenter. It now makes a short impact report every three months, about which the jobcentre is very positive. However, most other projects do not do this. Also helping Kaffé Fair's position is that it is able to support about 30% of its participants into education, which is a high success rate compared to other projects aimed at similar target groups.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

For unemployed people sourced through the Jobcenter, 95% have no previous work experience. As described in 7.3.1 above, candidates are practically never inactive as they have had to be engaged in some form of work or training in order to receive unemployment benefits. Regarding the employment of mentally handicapped in "care-jobs", their previous experience is taken into consideration, as well as their education.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Both. Kaffé Fair's purpose is to help and guide people with major difficulties regarding their opportunities within education and the job market, but it is also a business and it has to take financing into consideration. The young unemployed people in training receive unemployment benefits but no payment from Kaffé Fair, aside from free meals.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

The unemployed people who come to Kaffé Fair do not come because they want to work in the hospitality sector. The main goal for participants is to enter formal education, initially through the adult education centre where they can take grades to start a qualification. People who are under 25 are always encouraged to undertake formal education rather than to take a job as these would only be short-term opportunities that do not offer much sustainability.

Some of the older participants (aged up to 30) just want to get a job. Kaffé Fair would not discourage them but would try to encourage them to undertake a qualification first. In the early stages of Kaffé Fair, the general politics around their participants was that they should get a job, but Kaffé Fair countered that they need an education to get a job that will last longer than six months. This is something for which it has now been recognised as adding value.

Given the contextual factors and participant characteristics, Kaffé Fair works to clarify participants' options for, reduce personal barriers to, and train in the skills required for formal education. As a part of its training program, Kaffé Fair offers classes in Danish and mathematics, both of which are recognised courses and serve to support further education.

Some participants want to work towards entering the vocation they were previously aiming for, whilst others change direction during their time at Kaffé Fair, with one participant who had dropped out of vocational education for carpentry eventually wanting to become an accountant.

In terms of practical training within the kitchen and cafeteria, whilst this is performed on the job, it is also a non-formal program for which competencies learnt can be validated through the Open College Network, although this is not used very much.

The first goal is that participants have the skills that enable them to carry out the main functions of the kitchen on their own. Participants are given basic training in kitchen operation, take cooking lessons and learn about coffee making, hygiene regulations, food production and baking.

The second goal is that participants are able to handle sales and provide customer service, including being able to operate a cash register in a sales situation and master basic cashier services. Participants are expected to be able to maintain an overview of the sales situation and have an understanding of the importance of good service.

The third goal is to be able to perform basic housekeeping functions and have knowledge of cleaning equipment and products. Participants must be able to provide ongoing clearing of tables and serve an industrial dishwasher, in addition to sorting and arranging laundry, empty bottles and different wastes.

Do participants use the training they receive in the work they are doing within the WISE?

As hospitality-related training is done on the job, this training is very tightly coupled with the work done in the WISE. However, the basic training in Danish and mathematics is only indirectly linked to the work participants do in the WISE, and is not specifically catered to the work of the WISE. This may not be such a significant point considering that the main goal is access to formal education rather than to employment in a particular industry.

How is it decided what training participants should undertake?

Participants are set up with a work program that is individually suited because some are not able to work with cooking or baking. Some participants might therefore try other areas of the business first, then take the opportunity to try things and find out what they are suited to.

However, this work-based training serves primarily as a vehicle for participants to gain confidence and be able to work with other people, get up in the morning, and be able to take responsibility for the task assigned to you. In terms of development of both educational and work skills, the kitchen is an interesting area where there are a lot of different tasks, and participants can be 'automatically' trained within the café environment.

In regards to Danish and maths courses, participants are tested on their ability in these and the result of these tests determines at which level they will partake in classes.

Increasing social and 'non-work' skills (personal development)

What training do participants undertake that is not directly related to job tasks?

Kaffé Fair focuses more strongly on the development of personal skills and educational guidance than on vocation-specific development. It believes that its participants need a clarifying and supportive process, with content tailored to the individual's resources and requirements, particularly where psychological or social circumstances create barriers to concentrating on training. Individually and in groups, Kaffé Fair teaches basic skills for functioning in everyday life, including personal finance and budgeting, physical training,

laundry, cleaning, recreation planning, and shopping. This is in addition to its 'education preparatory course for young people under 30' which includes the following.

Occupational Training: general requirements and expectations for success in the workplace through individual training. Relevant issues are raised and discussed in the various working groups. Can be about compulsory attendance, responsibility, hygiene, breaks, appropriate communication, etc.

Cognition and psychological themes: discussion group and training designed to give participants the opportunity to gain an overview of their own situation. Then, to work towards an acceptance of the participant's life situation, in order to integrate new behaviour and thought patterns.

Danish Step 1: particularly aimed at adults who are experiencing a big gap in their **skills** through written and oral communication, whereby in spite of reasonable spoken language skills they have difficulties with very basic written language. Participants in Step 1 clearly have inadequate skills in reading, spelling and writing.

Danish Step 2: the purpose of teaching reading, spelling and writing in Step 2 is so that the participant is able to automate already learned skills through reading and writing coherent texts, developing an active attitude towards reading and gaining insight into the relationship between written language requirements in everyday life and their own written language skills. Participants in Step 2 can be characterised as untrained reader and spellers.

Danish Step 3: the teaching of reading, spelling and writing in Step 3 is intended such that the participant improves or develops their knowledge of "endings" and various text types and characteristics and becomes aware of how this knowledge can support reading, writing and spelling different texts. Participants in Step 3 can be characterised as passive and inflexible readers and spellers.

Danish Step 4: participants in Step 4 are lacking in training or study experience. Participants have acceptable reading and spelling, but are uncertain about the requirements for reading, spelling and writing in a teaching or training course environment.

Mathematics Step 1: the goal is for participants to strengthen their numeracy skills and learn basic concepts such as weight, measurement, fractions, percentages, length, height and so on, as well as to be able to convert currencies and create simple charts and tables. They also work on personal finances and budgeting. Participants learn to use IT tools included Excel and other relevant applications.

Mathematics Step 2: teaching with numbers and mathematics in many ways using different materials, such as figures from newspapers, from tax statement and from the participants' daily lives. They learn to work with area, cubic shapes and understand statistics and compile data using statistical methods. Finally, they learn to compute averages, and produce bar and pie charts. Work is also done on private finances and themes such as borrowing costs, budgeting, tax calculation, pay slips, etc., and includes IT tools in teaching.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

Each participant receives guidance from the staff of Kaffé Fair, which aims to provide the following: a quiet and predictable working environment and the opportunity for routine tasks; a solid but spacious environment where requirements are based on the individual young person's situation; a learning perspective aimed uniquely at education and job opportunities; inclusive and differentiated teaching; and validation of the competences learnt. Each participant has a contact person to speak to about individual problems and to get

guidance on education pathways. Kaffé Fair has three employees working as guidance contacts.

Furthermore, Kaffé Fair only engages full employees who have experience in the restaurant business but who are also willing work with disadvantaged young people and some have skills within that sector. It is most important that they be competent in the kitchen but have an interest in training and working - and can be patient - with participants. Kaffé Fair does not employ people with social worker backgrounds, however, staff are supported and helped to work with young unemployed people on a professional level, including training on psychological issues and communicating.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

Participants do not do any trials or placements in other businesses during their time at Kaffé Fair and do not explicitly gain knowledge or familiarity with specific regular employers (but only workplace skills as outline above).

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Some local employers are familiar with the work of Kaffé Fair, however given that most participants do not move from the WISE into an employer, this is perhaps of reduced importance.

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market?

Kaffé Fair's professional education guide decides in close cooperation with the participant and makes a recommendation to the Jobcenter. Although the final decision is taken by the social worker in the Jobcenter according to specific rules and regulation, in 99% of cases the Jobcenter respects the recommendation as it does not know the individuals well but knows that Kaffé Fairs does.

How is the participant's employment facilitated by the WISE?

When a participant is seeking to enter employment, Kaffé Fair will help to find jobs for them, however this is not a general issue for everyone. Additionally, there are some who want to start education which would begin in August, but when they're ready to start on a new path in January, they might be able to get an interim job – it has been the case that 6 or 7 participants have got that kind of job, though in all sorts of sectors.

With its focus on access to further education, Kaffé Fair support participants in selecting and applying for formal education opportunities with a sustainable employment end-goal. By also supporting positive behaviours and building confidence amongst participants, it helps to prepare participants for their eventual employment.

Does the participant continue working in the WISE until a job is found?

In most cases participants stay on until education (or a job) is secured. Furthermore, some stay working with Kaffé Fair in its city centre branch which is open till 7pm and on weekends, which means it employees students on an hourly basis for afternoon and evening shifts. Some of these employees have been in a training within Kaffé Fair and are currently in education, or are working during term breaks. Others have come back to Kaffé Fair for a part-time job there.

CEO Bjørn Salling thinks this occurs because these former participants feel a safeness about applying, Kaffé Fair knows them and they know Kaffé Fair. Even if someone has graduated from Kaffé Fair, they may very well still be vulnerable, and need an environment where people know how to treat them. Indeed, coming back as a casual employee is something Kaffé Fair promotes to its participants.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Many use Kaffé Fair as a network and base. Some even get student jobs on regular terms with a salary of DKK 130 an hour (about €17.43).

WISE outcomes produced

During 2014 it took on 45 young unemployed people as part of the Jobcenter's activation program. Of these, about 30% went into formal training or education and 6% into a job. A further 31% went onto another activation program or entered a treatment program (such as a drug rehabilitation centre).

With participants coming from the Jobcenter without an in-depth assessment of their personal situation, it is difficult to know how large a problem is. In this sense being at Kaffé Fair is also to find out if a problem is one that needs specific attention outside of Kaffé Fair. It can be the case that something that is not a serious problem for some is a serious problem for others (for example, marijuana use being limited to recreational use on weekends).

Of 2014's 45 participants, 38 completed training in Danish and mathematics, 97% of whom passed their exams. In June 2015 Kaffé Fair had 36 participants, with 12 participants having left Kaffé Fair during the first quarter of 2015:

Three went into regular education
One went into unsupported employment
Three moved into alternative activation offerings
Two entered treatment programs
Two disengaged
One left Aalborg

At the end of 2014 Kaffé Fair employed:

Five ordinary full-time employees
Eight hourly workers (some of which were graduates whilst others are ordinary students)
Two part-time employees paid by Aalborg Municipality (who are under 18s from Somalia)
Two business practice trainees (job training with no salary for chefs over 30 years who are educated and have worked as chefs, but had become long-term unemployed and are required to get to 12 weeks' work experience to transition back into the labour market.
Thirteen mentally handicapped people in sheltered jobs (salaried)
 Thirty staff in total.

Challenges and Opportunities

CEO Bjørn Salling sees the biggest challenge for Kaffé Fair being to maintain quality and values at the same time, as the business grows from three different businesses to an expected doubling in size within 3 years. Keeping its sustainability and independence will be key to ongoing success. He sees that its initial success came from a real focus on being a successful business and making itself sustainable.

In the last 2-3 years (during which the second and third locations have opened), there has been a further increased focus on the business side with help from a business growth centre where Kaffé Fair was one six social enterprises to successfully apply. This has helped with business development input from private sector and to get a healthy business running. Once it was clear that Kaffé Fair had succeeded in establishing a healthy business with a surplus, it applied to a pilot foundation to develop the business further and to expand branches in other municipalities and areas in Denmark. Since then the The Obel Family Foundation has granted it 2.9 million Danish krone (around €390,000) to support development.

Denmark: Grantoftegaard

The information presented here is primarily taken from an interview held on 17 June 2015 with Marianne Stenkjær, Director and President of Grantoftegaard. Some additional information is from Grantoftegaard's website (<http://grantoftegaard.dk/for-kommuner>) and a one-page English-language *Introduction to Grantoftegaard* provided by the Director.

About the WISE

Grantoftegaard is an 800ha organic 'social farm' located in Ballerup, 30 minutes outside of Copenhagen. The farm started operating in 1991 and since then was used by the Municipality of Ballerup to carry out tasks related to employment, education and environmentally-balanced agricultural management. In 2001, the Municipality of Ballerup privatised the initiative in creating the Grantoftegaard Foundation as a social enterprise to run independently of the municipality. However, the municipality maintains contracts with Grantoftegaard for the operation of activities it carries out for the Municipality.

The farm is managed by an executive board which consists of a director, production director, social adviser, administrative adviser and eight project managers employed to manage daily operation. The farm provides job testing, training and 'activation' employment for unemployed people. This includes practical training in agricultural management, special educational programs for primary and lower secondary schools as well as practical training for business college students. The sale and distribution of the farm's products is through the farm shop, workplace canteens, and a café.

Basic reintegration model:

Grantoftegaard takes on unemployed people of different ages and provides them with the opportunity to improve their basic skills in Danish, mathematics and English. It also provides predominantly on-the-job vocational training through work experience in different parts of the farm's business. Alongside this is significant personal support provided by social workers.

In June 2015 Grantoftegaard had three participants under 18 years old, 13 or 14 between 18 and 25, about the same number between 25 and 30, and the same again between 30 and 40. All of Grantoftegaard's participants have issues other than their unemployment, which act as barriers to the labour market. Some are low-skilled, others have no skills. Some have psychiatric diagnoses and others have addiction problems. Director Marianne Stenkjær emphasised that for farmers it is quite unusual to have large scale farm that also has social goals, but it has employed social workers and teachers to make the model function.

Grantoftegaard sees that it has as an objective of social responsibility to create sustainable jobs paid under special conditions and to serve as a enterprise where people can gain real work experience. At the same time, it offers ongoing activities that are sought after by local authorities in the activation and training of unemployed people, as part of its social activities. Its "social farming" model can be considered to combine the potential of fair agricultural and nature management as a beneficial environment for the activation of vulnerable groups who are outside of the labour market. In addition to these participants in the social enterprise part of Grantoftegaard, it receives a number of visitors as well as others who come for education programs. It also has highly educated people come to learn about land management, soils and the people, which Director Marianne Stenkjær sees as contributing to the overall soul of the social enterprise.

Business model and diversification:

Does the WISE make money through the sale of goods or a service?

YES: Grantoftegaard uses 300 of its 800ha for the production of cereals, field peas and oilseeds, 400ha is used for hay harvesting, and 100ha is grassland for grazing 700 sheep and lambs and 100 head of cattle. Its agricultural production includes conservation management, livestock farming on grassland, crop tending and market gardening.

Does the WISE engages multiple income streams?

YES: Grantoftegaard offers guided tours of the farm complex, horse-drawn carriage rides, a combined organic farm shop and café selling the farm's own vegetables, honey, flour, lamb and beef as well as from other local producers with a 'social-economic' profile, and rents out a meeting space which can include catering and a lecture on its organic farming business.

One third of the income earned is through the social enterprise activities in providing education and training, whilst the other two-thirds from farming, selling produce and welcoming visitors is used to cover the costs of staff, including the social workers, and wages for participants.

Furthermore, social goals are split into social purposes in farming and dedicated social purposes, which in turn are divided into corporate social responsibility and social enterprise. The work integration social enterprise element includes the following.

Activation of unemployed people for determining options and further training related to work or education. Various courses aligned with the legislation and the needs of the unemployed. Primarily for people with problems besides unemployment.

'Internship' as a substitute for ordinary schooling but where participants must meet requirements regarding education plans. For students who have difficulty maintaining engagement in the ordinary school system.

Education (general and vocational) in special and ordinary terms at Grantoftegaard School. For people who have not been able to complete lower secondary school and can not attend adult education classes on ordinary terms.

Legal form, labels and certifications, awards etc:

Grantoftegaard is registered as a private trading foundation. It pay taxes but under its social purpose reinvests any profit it earns into the foundation. It does not receive any grants from the national or municipal governments but does carry out specific activities for them. This arrangement is the result of Grantoftegaard having transitioned to a social enterprise from a municipal initiative. There is the requirement that the operation of the social enterprise may be only a small part of the total business in order to avoid payment of the participants being considered as hidden grants.

Local dimension of the context**Youth population:**

Director Marianne Stenkjær explained that, compared to more rural parts of Denmark, the larger cities such as Copenhagen have a higher concentration of people who are unemployed because they may be unskilled, suffering from addiction or mental illness. She indicated that this group is also more visible than in smaller towns where there is less attention given to this. It is the same laws the municipalities are dealing with, but in bigger cities there is the need for this kind of social enterprise for people who are not skilled or able to get a job. She further explained that it sometimes also a problem that there are not the jobs for people to take, or the kind of jobs cannot be matched with the people who are unemployed. In some cases people may have to move outside of Copenhagen. She emphasised that mostly employers ask for skilled workers, but who will employ people with a lot of problems?

Government initiatives:

Director Marianne Stenkjær indicated that it is difficult to operate under market conditions and also serve the needs of the municipality, specifically because you have to demonstrate positive results before they will use you. You have to sell products, and ideally do a better job than others in the sector as you are dealing with people with multiple problems. This could be seen as a strong and innovative business somewhat compensating for the challenges of working with people who are low-skilled, lacking experience and needing personal support.

Although there is no explicit youth unemployment program, the surrounding municipalities, within labour market activation laws, send people to Grantoftegaard through different welfare and support programs. All of Grantoftegaard's participants receive some form of support from the government during their time there, but with a wide range of underlying reasons.

Director Marianne Stenkjær emphasised that Grantoftegaard, as a social enterprise, operates on an alternative model whereby it is not granted money to run a program together with a municipality but rather earns its own income to pay salaries to employees and participants. The Municipality of Ballerup's Education and Social Services book a number of training and activation places at Grantoftegaard, while other municipalities purchase places as they need.

In addition, colleges use Grantoftegaard for internship for their students, and the Culture Department of the Municipality of Ballerup also purchases visits to the active commercial organic farming environment provided at Grantoftegaard.

Local presence of WISEs:

Grantoftegaard works with other farmers on ecological farming and networks with farmers and other social enterprises on how to combine the social and entrepreneurial, although though there are also networks supported by government.

With a national election approaching, Director Marianne Stenkjær indicated that there is some interest in social enterprise, but that this is generally in regards to smaller places founded on volunteer work. There are not many social enterprises that start with enterprise make this into a social enterprise

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates?

All of Grantoftegaard's candidates come through the jobcentre. Although some initially approach Grantoftegaard by themselves, they must go through the jobcentre to access a place. Candidates begin with a week or two trial period for them to grasp the meaning of being there and to discover what it is like, in order to decide if they want to be there.

Does the employment agency make sourcing candidates easy or difficult?

A good relationship with the local jobcentre makes it relatively easy to source candidates, with the jobcentre knowing that Grantoftegaard will only take people who want to be there. By working in close collaboration with the jobcentre the candidates sent normally want to join. The relationship with the local jobcentre is both with the leadership and the social workers. However, there is some tension with the leadership who wants unemployed people to do a short program that cost little to turn them into perfect citizens and to get them a job.

Grantoftegaard therefore has to convince the municipality to pay the amount of money needed to pay for the work done the way Grantoftegaard thinks it should be done. Director Marianne Stenkjær indicated that the municipality has tried to purchase similar programs from other enterprise, but she sees that sometimes you have to pay for what you really want.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Grantoftegaard is organised in a way in which it takes on people who are outside of a normal job pathway and it is not choosing between people and picking the best. It has developed to be good at receiving people who are not vocationally skilled or workplace trained. However, candidates are pre-screened by the jobcenter for whether they fall within the target group.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Grantoftegaard has to offer the municipality a quality service, so it cannot take more participants than it has the capacity to handle. It could only work if all parts of the enterprise are growing as the buildings and the land have to match with the number of people. It also does not want to be like an institution. As a result it sometimes does turn people away and has currently has a waiting list. It does not take because of the money they bring – Director Marianne Stenkjær believes that if it did that the social enterprise would die.

The WISE does receive payment for the training it provides to young unemployed people but this funding is only used to pay for social workers and personal support.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

Grantoftegaard has a number of different sections of the business between which participants can choose to train and gain work experience depending on their interests as these develop: farming, caring for animals, tending the vegetable gardens, operating the kitchen, staffing the shop, serving in the café, leading horse rides, receiving and guiding tourists, visitors and school children on excursions.

The leader of each of this section is not only educated and experienced within their specific professional activity but also as a trainer. This enables them to make theory out of practice and as such most training is done on the job. Participants aged 15-19 who have not completed compulsory education can do schooling at Grantoftegaard instead as the trainers actively teach and describe what they are doing as they do it, so participants learn maths while managing farm equipment and the animals. This is also done in such a way that it can be recognised by the education authorities for over-18s as well. However, it remains very individual to each participant. Placements are initially for 13 weeks then up to one year.

Grantoftegaard also works together with a vocational agriculture school which offers vocational qualifications. Some of the participants go to this school for a short course, e.g. a kitchen assistant course. With some not comfortable going there of their own accord, Grantoftegaard encourages them to go, sometime in pairs. Occasionally the school has come out to Grantoftegaard to describe what the school offers.

In addition, Grantoftegaard provides Danish, mathematics and English schooling which enable participants to sit government established exams. Some participants aren't able to read normally, but this does not mean they are stupid, they can learn and sit their exams and maybe can gain a qualification. Others have issues with anxiety.

By themselves, participants wouldn't be able to go to a normal school but Grantoftegaard provides schooling within a different environment, which Director Marianne Stenkjær says serves as a safe place where participants feel they can dare to come having being told all their life that they're too stupid for school. Those who have not finished compulsory secondary school want to try as you cannot access technical qualifications without this. For many participants it is a case of them having to practice learning and to practice working

Do participants use the training they receive in the work they are doing within the WISE?

With training done predominantly on the job, it is very closely coupled to the work being done in the WISE and learning is focused on the area of the business in which they are working.

How is it decided what training participants should undertake?

As part of fortnightly meetings with their social worker and section leader, each participant is helped to set goals for the following period including the area in which they want to work and train. During these meeting the staff have to use a certain degree of tact and the social workers can try to push a participant in a certain direction, but always try to make sure the participant decides for themselves. Grantoftegaard considers that participants have to know themselves what to do about their own progression and direction towards their goals. This has to be openly communicated so all involved are clear about it.

Some participants are particularly socially anxious and cannot, for example, be in the canteen. There is a special section taking care of four horses, partly for people with this type of problem and especially for girls under 25 who suffer from anorexia and related conditions, for whom the horses themselves act as pedagogues for the participants. Their work is to take care of the horses and to ride around with small children or school children who visit, so these participants have a specific job and place to practice - no-one will think they are doing nothing but they are also taken special care of.

In some sections such as growing vegetables on free land, the group dynamic can be used as empowerment pedagogy, but this doesn't apply to other parts of the farm where participants

are driving big tractors on big fields. It therefore makes a big difference in which section of the social enterprise participants are placed.

Increasing social and ‘non-work’ skills (personal development)

What training do participants undertake that is not directly related to job tasks?

Participants have a ‘labour market mentor’ who provides social professional guidance with a training and labour market-oriented focus which includes working to determine each participants’ job or education options, visits to educational institutions, and employability skills such as creating a company-based job search. This training is done in the same facilities as the other training.

Additionally, social workers take participants out to ordinary companies and try to arrange for 14-day trials. Director Marianne Stenkjær described that this is part of Grantoftegaard’s approach of step-by-step helping participants to work towards an ordinary job.

Grantoftegaard also believes that one thing that differentiates the business is its social workers, who have quite a different role to those at the jobcentre who are mainly consulting private companies.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

Every 14 days each participant has a meeting together between their social worker and section leader, during which they cover topic including if the participant is having any problems with family, or a psychiatrist’s approach to treating someone, the jobcentre, and any other stakeholders. Director Marianne Stenkjær considers this ongoing open communication as an important part of Grantoftegaard’s success in bringing together the different parts of its training, work and guidance model to help to move each participant closer to employment.

Participants receive further personal training in the form of guidance. This may take place in the common room with a coffee, or a section leader may close the doors and have a brief meeting to try to communicate to or understand from the participant what is not working, why they are not progressing, why they did not go to a class or to a work practice session. From this they determine what to do next and to take small steps, but in the agreed direction that the staff and the participant know they are aiming for. Additionally, sometimes participants have mentors to help them to get up in the morning and to get to work. Some have problems with not having a place to live and adverse life conditions and need help to manage these in order to meet the work and training expectations.

Director Marianne Stenkjær explained that it is understandably difficult for a participant to know they want to do woodwork if they’ve never had the exposure or chance to try it. The classrooms, offices, job-searching space etc. are all open and any place can be used to have a meeting or lead a lesson because they are on a farm, not in a school or an institution.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

Participant all do a trial with a regular employer as yet another small push towards an ordinary job. This is done to try to get participants to be familiar with an ordinary job. If the

trial is not successful then they can come back, but they eventually have to move to a normal job or normal life. However, in some cases Grantoftegaard is not able to help participants have a have normal life or job because of a specific diagnosis that it is not equipped to address.

Grantoftegaard makes arrangements for a trial of 2-4 weeks, partly to see if it is a job option for a participant or not, and if not then the participant comes back they try again. Director Marianne Stenkjær does not see this as a bad thing as 'you need to crawl before you can walk'.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Grantoftegaard works with its local neighbours given its location in a somewhat special place that consists of an old village surrounded with factories and ordinary companies. Grantoftegaard's staff know a lot of local people and places where participants could work and who know Grantoftegaard and what kind of people it works with. However, it is not always the case that they want to employ its participants. Director Marianne Stenkjær explained that you have to be quick and clever if you want to have a job – be quick, then learn.

Grantoftegaard does not, however, go through jobcentre in trying to help its participants to secure employment. For Grantoftegaard's use and context, other methods are seen as better. The challenge is to work with employers who do not expect to have people who are quick and clever, and know they are going to receive people they are going to help. However, they also know that Grantoftegaard has already taken its participants a long way.

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market?

Grantoftegaard tries to push slowly, but in the background the jobcentre is pushing it to make the journey shorter. Director Marianne Stenkjær sees this is a problem for Grantoftegaard. If it does not have success then no-one will use it, so there is the need to balance success and efficiency. However, Grantoftegaard provides a safe place to be but where there is the opportunity for participants to receive a lot of small pushes and positive reinforcement. When a participant leaves Grantoftegaard is 'sitting' behind them.

At the fortnightly meetings, the participant, section leader and social worker make decisions together on what to do, what the goals are, and what next steps to follow.

Sometimes the staff will have other meetings as they have the responsibility to coordinate between them to discover what is going wrong for a participant, including when they say they have to have a smoke and the staff need to say 'no, we have to help you to be clean'. Some participant self-medicate mental illness with hash, so Grantoftegaard encourages them to get professional help from psychiatrist and to be aware of what is going on.

Furthermore, Grantoftegaard is careful too not only look at the bad things. Director Marianne Stenkjær explained that ten years ago people were told they had to be clean before they could work, but at Grantoftegaard participants can be working to be clean and be practice working. She also supports the belief that people with mental illness will actually be healthier if they are working. In this way Grantoftegaard is working on multiple dimensions and the combination of work and training together with personal guidance is very important.

How is the participant's employment facilitated by the WISE?

Grantoftegaard facilitates both transitions to employment as well as to higher education. It works to identify specific opportunities if it has a good connection to an employer who wants to take someone. If it has a job on its hands then it will try to find someone to secure it and push them to do so. Grantoftegaard also helps participant to find jobs with other employers.

Does the participant continue working in the WISE until a job is found?

Grantoftegaard makes sure that no-one leaves with nothing. If it is not possible to find work, it will work together with the jobcentre and social services department in municipality to assist the participant into the most suitable program. If there is a good reason they can stay longer, such as if they are waiting for hospital or psychiatric treatment, and Grantoftegaard will try to let them participate in programs and schooling on-site.

It is better for Grantoftegaard to have people stay for a short time. It is not really interested in long-term participants but it knows certain things will take at least a year to overcome and it allows participants to stay if this is necessary. However, it is not really in its interests as the municipality buys 'activation' places based on success. Grantoftegaard is committed to getting done whatever is needed – for example, to get rid of the voices in ones head – but at the same time it has to have something to sell to municipalities.

Participants begin on a 13-week program, with one-third leaving at the end of this period. However, not all go into employment as some enter education, others do 'business practice' for two months, some go into other programs. Some enter employment with a regular employer whereby the employer gets support from the municipality in taking them on. The remaining two-thirds of participants stay between 13 weeks and one year, whilst around 2% stay for over a year and up to two or three years depending on their diagnosis.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Some participants who have been able to get a job come back to have a chat or ask for advice on a problem as they know they can talk issues affecting them. This could be because of a letter from the municipality they do not understand, or because they have been ill. The objective is still retention in the immediate desitination after Grantoftegaard and participants who require some additional support will be helped where Grantoftegaard can provide this. However, it does not want to provide specific resources for free consultations to graduates.

Aside from these drop-ins, it is not doing anything active regarding the destinations of graduates, although the jobcentres keep such statistics. If a participant is farewelled into employment but then quits or is fired after three months, then they would have to start again at the jobcentre and ask to come back to Grantoftegaard.

WISE outcomes produced

During 2014, Grantoftegaard had 20 participants under the age of 30. Out of this group, around 20% went into an ordinary job and 30% into further education. Around 20% went into further treatment whilst the remainder went onto other programs. In addition to this, it had 31 participants between the age of 30 and 40, most of whom could be consider ready for activities but not for a job, and some of whom are disabled. Of this older group, 6% went into ordinary jobs, 6% into education, and the rest onto other programs or treatment. Just a few participants have come back to Grantoftegaard to work, and will likely stay until they turn 65.

Grantoftegaard considers that a good proportion of participants moving into employment signifies success but that a proportion going into treatment is also a success. This is because psychiatric conditions, mental illness or addiction, can act as barriers to employment and it will be difficult to hold a job if that diagnosis is always in the way. If, however, a participant becomes aware of the options for psychiatric treatment, of the possibilities for overcoming their situation or condition, and to want to do so, then this is significant progress towards the employability of a participant in the long term.

Director Marianne Stenkjær believes that Grantoftegaard's immediate results are comparable to those of other municipal programs but better in terms of the sustainability of effects, based on what she had heard from social workers in the municipality. These social workers are very busy people with a large number of individuals to look after, but they like to work with Grantoftegaard and are all very fond of it. Grantoftegaard also has to make sure that in describing its good work, anything it sends out of its office has to be 120% useful for the social workers in the municipality otherwise the money is effectively lost.

Challenges and opportunities

The focus for Grantoftegaard now is on how to describe its success and the progression of its participants, but it is very difficult to describe what it is doing. It needs to be able to put its success into statistics in order for the municipality and others to compare, so that they are talking the same language.

The municipality has the methods and the IT to do this but Grantoftegaard does not. It does do personal progress measurement during fortnightly participant meetings. This information is written down and participants have to agree with what is written down. They then work against goals and revisit them in order to measure progress – called the 'step method'. This is easy to interpret and charts are made of participant progress but it is mostly qualitative.

The IT tools developed to measure participant progress, asking them what it was like before and after the program, are problematic because many participants do not fully understand the questions asked of them. Currently Grantoftegaard has to help them to answer the questions, which it would not normally be meant to do.

Director Marianne Stenkjær believes that Grantoftegaard needs to be able to develop side by side the community. The financial sustainability has been increasing and the social enterprise going well, but the number of candidates for Grantoftegaard seems to be getting bigger. It is dealing with those most out of work and removed from society to get them back into society and this is hard work.

Grantoftegaard recognises the importance of being able to offer social enterprise for the municipality, but it is a challenge to adapt to what the municipality wants with laws changing every second year and it not being able to look two years ahead. Director Marianne Stenkjær considers that Grantoftegaard needs to stay close to its goals and know what it is really good at, but she is also wary of selling something that looks like an institution rather than social farming. People go to Grantoftegaard because they want to have a life, achieve successes, trained and be treated as a normal person. She highlighted that this was not the case 30 years ago and is maybe not what society wants. However, she believes that people in Grantoftegaard's participant target group have abilities, it is just a matter of finding them.

The Netherlands: The Colour Kitchen

The information presented in this case study has been taken from The Colour Kitchen's website (www2.thecolourkitchen.com, largely in Dutch), its *Jaarverslag* (annual report in Dutch), the profile featured in the November 2014 publication of Social Enterprise NL's co-founder Mark Hillen titled *Iedereen Werkt, Iedereen Winst* (Everyone Works, Everyone Profits, social-enterprise.nl/preview-2-iedereen-werk-iedereen-winst, in Dutch), an interview held with one of The Colour Kitchen's trainers Coen van der Vleuten on Thursday 28 May in Utrecht, and additional responses provided by Director Joske Paumen via email, who also verified the information in this case study.

About the WISE

The Stichting Colour Kitchen Foundation launched its Colour your Dreams project in 2010 to give people with a *Wajong* (young disability) or unemployment benefit the opportunity to, during the course of one year, earn a recognised diploma as a hospitality professional and be assisted to gain employment in the hospitality sector. The Colour Kitchen has venues in Utrecht, Breda, Alkmaar, Amsterdam, The Hague, Eindhoven, Geldrop and Hardenberg.

The Colour Kitchen aims to help people who have a distance to the labour market because they have not been able to access educational opportunities or because of other social problems. It does this by offering them a professional education within a commercial setting and giving intensive social guidance.

Its slogan "together we make the difference" works at all levels of the organisation, including at the level of its local suppliers. Since 2010, The Colour Kitchen has seen sales growing at an average of 25% annually and continues to increase the number of locations and participants. At the end of 2014 The Colour Kitchen had 101 employees compared to 45 at the end of 2013.

Basic reintegration model:

Does it combine work, training and guidance in a supportive but real work environment?

YES, but the work experience is not paid. This means that participants can continue to receive government benefits to support them whilst gaining a qualification. If the work were paid then participants would no longer receive government benefits.

The goal of the project is that participants find a job or join further education. The training program is billed as a unique training form, taking place in a fully commercial environment but where personal attention and social support are key. The quality and success of the program is built on participants learning through intensive cooperation in a small trusted group, intensive personal guidance and a focus on developing competencies and skills, in combination with working and having fun at the same place.

Business model and diversification:

Does the WISE make money through the sale of goods or a service?

YES: The Colour Kitchen provides a range of catering and hospitality services. A proportion of the hospitality venues' revenue goes to the Foundation in order to pay for the training programs. However, as The Colour Kitchen is not yet large enough to be self sustaining, it also

receives some private investment. Its shareholders bear 50% of the commercial result to the foundation's social aims.

Does the WISE engages multiple income streams?

YES: The Colour Kitchen has one restaurant venue in the Zuilen district of Utrecht and provides workplace catering at 10 locations around the Netherlands, including at its head office in Utrecht. These 'The Colour Kitchen at Work' business customers range from banks to housing associations and showrooms and now includes the Youth Protection Service in Amsterdam. 'The Colour Kitchen on Tour' provides event and function catering. In addition to these, Michael Gersen, head chef at The Colour Kitchen's restaurant in Utrecht, has developed a line of tasty spiced oils, chutneys, pickled cheese and other gourmet products which are sold in The Colour Kitchen's various locations.

The Stichting Colour Kitchen Foundation is the entity that executes the social component of the project. The Foundation develops, finances and facilitates the apprenticeships at each location. It does this by binding the social partners (employers, unions and government), acquiring financial resources, offering social guidance and (together with the ROC registered training organisations) accrediting apprenticeships as qualifications.

In addition, The Colour Kitchen is supported financially or in kind by hospitality industry partners Sligro and Peeze Koffie, and by funding and advisory bodies the VSB Fonds, the Stichting DOEN foundation, the Stichting Instituut Gak foundation, the Tempo-Team Foundation, the Start Foundation, Accenture, Adessium Foundation and the Rabobank Foundation (which supports The Colour Kitchen's business catering concept in Alkmaar, Breda and Dommelstreek, provides funding for training, and is arranging an independent impact assessment).

Legal form, labels and certifications and awards:

The Colour Kitchen identifies itself as a social enterprise: "a commercial business with a big social heart". The Stichting Colour Kitchen Foundation manages the training programs as a 'foundation' and the individual restaurants and cafés that employ the trainees operate as separate BVs (*Besloten Vennootschap*, the Dutch equivalent of a private limited liability company) 'business' entities. The Colour Kitchen is looking to merge its component parts into one 'Holding BV' business with the Foundation continuing to do the fundraising for the training program, but the BV responsible for the execution of the training program. The Holding BV would be the 100% shareholder of all the different business BVs: The Colour Kitchen Horeca (restaurants and cafés); The Colour Kitchen at Work (workplace catering), The Colour Kitchen People (the BV through which most of the employees are paid) and The Colour Kitchen Opleiden & Begeleiden (the BV that will be executing the training programs)

The Colour Kitchen has accreditation from *Kenwerk* (the Dutch centre of expertise for vocational education, training and the labour market for the hospitality, bakery, travel, leisure and facilities management sectors) for providing different levels of recognised diplomas, for example, Level 1 at the Utrecht De Pionier cafeteria and up to Level 3 at the Zuilen restaurant. Stichting The Colour Kitchen has *ANBI* (*Algemeen Nut Beogende Instelling* or public benefit organisation) certification as a social purpose organisation and environmental sustainability certification for low CO₂ emissions and environmental footprint.

The Colour Kitchen has also been profiled by Social Enterprise NL and features in Mark Hillen's book *Iedereen Werkt, Iedereen Winst* (Everyone Works, Everyone Profits). He also
Tim Bayl | 10861335

explains that he often uses The Colour Kitchen as a case study in speeches as he sees it as a role model able to inspire others and demonstrate that with perseverance a great deal can be achieved.

Local dimension of the context

Youth population:

The Colour Kitchen venues in Utrecht, Breda, Alkmaar, Amsterdam, The Hague, Eindhoven, Geldrop and Hardenberg are located in area of those cities that are in need of development or are in the process of developing, including in terms of educational opportunities. These areas also tend to have higher incidences of low educational attainment and youth unemployment. The Colour Kitchen sources participants from these developing areas as much as is possible.

Government initiatives:

The Colour Kitchen is well regarded by local municipalities. The Colour Kitchen accesses finance through a social impact bond (SIB) in cooperation with the City of Utrecht, Rabobank Foundation, Start Foundation and Impact Society. The Colour Kitchen works with local governments in Utrecht, Amsterdam (through Pantar, its supported employment company) and Eindhoven. In these cities it has financial agreements to offer programs to their “clients”.

In Utrecht the city councillor for Work and Income has stated that the municipality has a positive relationship with The Colour Kitchen and that he tries to make the complex system of work and income processes better and easier. In Amsterdam the municipality in one instance asked The Colour Kitchen to take on an individual and paid to support them as the individual was not accessing any government benefits to support themselves. In other cities it tries to benefit from government funds on an individual basis (per student).

The Colour Kitchen has also started working with local ‘practical schools’ (*praktijkscholen*), such as the Pouwer College in Utrecht, that provide education to young people with learning or behavioural problems, from which it can be logical for these students to come to The Colour Kitchen. These schools provide part of the funds for the training programs of their students, which is paid with national funds from the Ministry of Education.

Other funds it accesses are contributions from the companies to which it provides workplace catering. Alongside the catering contract it has with them, they contribute to the training programs by means of a yearly donation.

In addition, The Colour Kitchen’s clients encourage working with local suppliers and emphasize the importance of cooperation in their local area.

Local presence of WISEs

Does the WISE benefit from the presence of other WISEs or networks?

The Colour Kitchen also aims to be a socially responsible business and to have a small environmental footprint by sourcing produce from local businesses. In the Hague it sources bread from a bakery employing disabled people. In Alkmaar it buys fresh produce from local farmers who are not only close by but also provide good quality. It is trying to develop this aspect further, however, to maintain high quality for customers whilst working with local small businesses can sometimes be difficult when crops are damaged from weather events.

Sourcing and selecting of candidates by WISEs

How does the social enterprise source candidates?

The Colour Kitchen works in cooperation with local municipal authorities and has a national agreement with the UWV (the Dutch unemployment and social assistance agency) in order to guarantee it is targeting appropriate groups. The Colour Kitchen takes on candidates twice a year and sources candidates through UWV and local municipalities, as well as from schools and through word of mouth. In one instance a relative approached The Colour Kitchen on behalf of a candidate.

Does the employment agency make sourcing candidates easy or difficult?

The Colour Kitchen has contracts with UWV (the public employment agency) and some local governments as described above. However, sourcing is done mainly through its network of social organisations in a city or region. It organises network meetings in every city every 3 months. It also organises days for students to have a look at how it works and to see if it suits them.

Consultants from UWV and local government also provide some candidates but in most cases it is a difficult process, especially in a new city or region or in cities where it does not have financial agreements with the local government. It always runs the selection through an intake and a test; and the candidate joins The Colour Kitchen on a trial basis for a week (on the work floor) to see if they like it and is able to keep up with the (hard) work

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

The Colour Kitchen targets candidates aged between 17 and 35 years who may have no basic qualification, limited work experience, distance to the labour market, are from the local area (with a maximum one-way travel time of 30 minutes), are motivated to work, have an affinity with the hospitality industry, and are on Wajong or unemployment assistance benefits.

Each candidate first has an interview with two job coaches from The Colour Kitchen who discuss with the candidate their home situation, ambitions, expectations and other factors that may make pursuing training difficult, such as addiction or a history of violence. This also enables the coaches to pinpoint areas on which to focus their individualised support.

Candidates who are deemed suitable then undertake a two-week trial period, which is designed to be long enough to go beyond the initial enthusiasm for the opportunity. This gives the candidate the chance to see if they like it, find it fun, meets their expectations and get along with the people they work with. It also allows The Colour Kitchen to learn about the candidates needs and determine if it can meet them. Financial support is also discussed here.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Whether candidates' training can be financed by UWV or the municipality, or if they receive a government benefit or are on the Wajong scheme for young people with disabilities plays a role in selecting suitable candidates, principally because The Colour Kitchen targets this group but also because it believes that those who can finance their own education or training are able to go elsewhere but those who cannot will benefit the most from joining The Colour Kitchen.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

All Colour your Dreams projects last one year. During this year classroom lessons and coaching are provided in the workplace of the restaurant. The main part is practical training whereby participants are expected to do everything themselves as well as allowed to make mistakes, as The Colour Kitchen abides to the philosophy that experience is the sum of errors. The training is designed so that participants are immediately able to put what they learn into practice.

Theory is taught in-house in cooperation with the *ROC Midden Nederland* (regionaal opleidingscentrum or Central Netherlands vocational education and training institutes), the *SVO* (the national training organisation for the food industry) and the *Kellebeek College*, which are all familiar with The Colour Kitchen's target audience and offers flexible education. The practical lessons are given by a permanent job supervisor within the safe learning environment of The Colour Kitchen, whereby student receive a lot of personal attention, which reduces the chance of failure.

At the end of the year, participants are trained as a hospitality professional and obtain one a recognised qualification as a Level 1 Catering Assistant, Level 2 Cook, or Level 2 Host/Hostess, depending on the capabilities of the venue at which they have trained. Level 2 is considered sufficient as a 'start qualification'. The Colour Kitchen describes these as below.

Level 1 Catering Assistant (Breda, Alkmaar, Utrecht, Amsterdam, The Hague, Eindhoven, Geldrop and Hardenberg): As a Catering Assistant you are employable in restaurants, bistros, commercial kitchens and more. You will learn both kitchen skills and operation skill so that you know all parts of the business. You will work with beautiful produce, but will also deal with guests.

Level 2 Cook (Utrecht, Amsterdam and Eindhoven): The kitchen is the domain of the cook, combining working with good ingredients, flavours and a passion for collaboration. You can even invent dishes, play around with flavours and dish presentation!

Level 2 Host/Hostess (Utrecht): The hosts are the face of a restaurant and find it satisfying to receive guests and keep them happy. You meet many different people and provide a service to them through giving expert advice and ensuring they have a enjoyable experience at the restaurant.

The Colour Kitchen Foundation guarantees the quality of its training programs by working with accredited training bodies and qualified training agencies. At present it works with *ROC Midden Nederland* in its Colour your Dreams project in Amsterdam, Utrecht, Gouda and Alkmaar. The *Kellebeek College* provides training for the Colour your Dreams project in Breda, and the *SVO* provides the program for the host/hostess training. For several courses in the field of hospitality, catering it works with different suppliers such as Sligro, Peeze. Kitchen supplier Metos offers remote learning space for students chefs in Amsterdam.

Do participants use the training they receive in the work they are doing within the WISE?

The training program is delivered in a unique form that corresponds to the current situation of the sector because training is always conducted in a fully fledged commercial catering

environment. Throughout the year participants gain practical experience at The Colour Kitchen, where they are guided by a practical supervisor on the job, whether in the kitchen or operational support. The Colour Kitchen sees that this is one of the most important figures for each participant during the program, and who often acts as their principal role model. All projects take place in one of the venues of The Colour Kitchen. These are fully-fledged commercial restaurants, where guests have enjoy experiences and come to meet each other. This way participants learn all the techniques of the catering and hospitality profession and are introduced to a variety of ingredients and products.

How is it decided what training participants should undertake?

The decision on if a participant can begin the program and what training they should undertake is made between the coach, tutor and the practical supervisor. Previous education is considered as a secondary education diploma is needed to start a level two course.. The team look of course at the preference of the participants, in addition to the *AMN* vocational training entrance test and the trial week at the work floor.

Most participants do only Level 1 or only Level 2 then move into a job. Indeed, the government expects that once a young person have a qualification they should be working and will only support financially for one qualification. In some cases candidates' parents are able to raise the funds for a second qualification. Candidates are generally advised to get some paid work experience and then consider doing further training at a later stage. However, about five or six participants have gone on to attempt a Level 3 qualification at the ROC, while only two were successful. One of these was an excellent student and was able to address their social problems during the course of their training and went to a hospitality job. The other successful student went on to a fashion school.

Increasing social and 'non-work' skills (personal development)

What training do participants undertake that is not directly related to job tasks?

The coaches provide a fixed training program for the participants during the first half year. Every other week participants have a two-to-four-hour group training session on different subjects including communication skills, job interviewing, coping with disappointment and 'how to say yes or no'

As well as training in non job-task skills, participants also take part in sports activities once a fortnight, which include boxing (to develop participants' knowledge of their own limits and thinking about their sparring partner) and a range of team games (to develop working together and team dynamics).

In addition, during the practical training teaching staff run a number of activities aimed at helping participants to learn about and become familiar with the dynamics of working in a hospitality setting. These include laying couverts for a dinner setting whilst blindfolded but led by the instructions of another participant (helping to learn that how you communicate to people informs how they will treat you), races to clear tables (to develop dealing with time pressure and stress, and to demonstrate the importance of doing it right not the fastest), and Socrates cafés whereby participants discuss life questions (to develop listening skills and to understand that it is not what you say but what you mean that is important).

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

The Colour Kitchen provides intensive coaching and personal guidance through every participant having a coach and a practical supervisor. The first assists the student in their everyday life – with various problem (such as debt problems, addictions, but also to cope with their disabilities). The second acts as a role model for the students and not only educates them on the work floor, but also teaches them how to act in a team, to make friends, and a range of work ethics. The Colour Kitchen believes it can increase the chances of success through this hands-on approach and intensive guidance.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

Three-quarters of the way through the year-long training program, participants undertake a placement in another hospitality business. This is not only for participants to get a feel for a hospitality business other than The Colour Kitchen, but also for them to understand that other businesses do not operate the same way. In particular, it is to emphasise that other businesses expect employees to perform first, with learning coming second, whereas The Colour Kitchen's approach is to learn first and then perform.

Furthermore, The Colour Kitchen has a strong relationship with its suppliers, and sees the relationship with them as more than a business transaction. By working together they reinforce one another's goals. This also enables the participants see how produce is grown by local suppliers. In this way The Colour Kitchen sees that it creates a beautiful link between knowledge, increased awareness and caring interaction with products.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Local (future) employers are familiar with the work that is done by and in The Colour Kitchen and they recognise and value it. The Colour Kitchen makes sure that its young people are visible, and they see that this is reflected in the understanding and appreciation of its guests. For the companies with which The Colour Kitchen works, its students really embrace that company as their own employers.

An example given in The Colour Kitchen's 2014 annual report explains that the head chef of The Colour Kitchen called one employer and did a great job of presenting a participant to them, and enable them to fully appreciate the participant's abilities. As a result the employer is aware not to put too much pressure on their new employee, and was able to adjust other employees' expectations of the participant.

The employer was also helped to understand and make the most of government financial support for taking on the participant. The employer also explained that employing the participant made for a positive story within their company.

Transitioning into employment (leveraging a network of employers/customers)

How is the decision made that the participant is ready for transition to the regular labour market?

The decision is always based on the individual. The Colour Kitchen follows a four-stage framework that begins with exploration, then growing and specialising, followed by independence, and finally external experience. The rules by which participants must adhere begin less strict in nature (in terms of turning up on time etc.) but get tighter as they progress through the four stages. It is expected that each participant should not only have completed their training but also have progressed through all four stages of this framework.

How is the participant's employment facilitated by the WISE?

The Colour Kitchen's goal is to find a suitable job for its participant after the program. As well as employing a job hunter to focus on this, students who successfully complete their training are supported by its coaches to find a job or further education. As part of this, at each of its locations The Colour Kitchen strives to provide at least one former student a job. It is also the case that The Colour Kitchen is persuasive and supportive in securing employment for its participants, ensuring that the new employer understands that the participant is qualified and experienced and, in the relevant cases, helps the new employer with wage subsidy rules.

Furthermore, in many cases, The Colour Kitchen provides coaching for a participant at their new job ('jobcoaching'). This way it can support the employee as well as the employer in a way that suits them both. The Colour Kitchen's network of employers is now quite extensive – local as well as national – and includes agreements with big catering companies such as Prorest and ISS.

Does the participant continue working in the WISE until a job is found?

If a participant is deemed not to have met all of the requirements of the training and coaching program then they will stay with The Colour Kitchen a bit longer in order to do so. However, this only rarely happens and at the Utrecht De Pionier location has only occurred twice in the three years the interviewee had been teaching there.

The Colour Kitchen knows it is important for employers to be able to trust the abilities and behaviour of their employees. It also knows that the hospitality sector in a city like Utrecht is fairly close-knit and if a participant performs poorly at one employer it is likely they would find it very difficult to secure employment at another employer.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Once participants are in their new workplace, The Colour Kitchen continues to support them to settle into this position and during at least half a year guidance is offered in the workplace to both the former student and the employer. This increases the chance of a lasting working relationship for the participant, as well as for The Colour Kitchen in placing future participants.

WISE outcomes produced

The Colour Kitchen does not know how many of its graduates it has placed in a job are still in that job six months later because it does not register this and has found it difficult to gain this kind of information. Within the social impact bond in Utrecht this will be monitored during the coming five years and it hope to gain a lot of knowledge from this.

During the last four years, 250 people between 17 and 35 years old have been given a chance to learn skills and gain experience at The Colour Kitchen. In 2014, The Colour Kitchen helped to transition 31 participants into a paid job of the 69 who graduated during the year – a success rate of 44.9%. In total, 59.6% of participants completing a qualification at The Colour Kitchen in 2014 went into paid work or further training. The Colour Kitchen's currently employs seven of its graduates across its venues.

In 2014, The Colour Kitchen enjoyed a training completion rate of 75.4%, with 52 participants graduating with qualifications out of 69 people who began training. This is higher than the previous year during which 67.7% of enrolled pupils attained a qualification. Both of these figures are higher than the national completion rate for vocational training at ROCs which is 65% for Level 2 and 64% for Level 1 qualifications.

Of the 144 young people who trained at The Colour Kitchen during 2014 (just over half of whom are to complete their training in 2015), 65.5% were pursuing the Level 1 Catering Assistant training, 26.7% were completing Level 2 Cook qualification, and the remaining 7.8% were following the Level 2 Host/Hostess qualification. In 2015, the number of qualifications completed will surpass 100 per year.

Challenges and Opportunities

Director Joske Paumen sees that the government has been making policy where business and citizens should take care of each other and that this is exactly what it is doing. It is challenging companies to act responsibly and to make a difference by looking carefully at their suppliers, but also to give access (proactively) to their network and to contribute by providing jobs.

She see's that The Colour Kitchen's biggest challenge is to find enough of the right professionals, capable of educating and coaching its students in the business environment of The Colour Kitchen.. It proposes a yearly growth of 20%, which means that its biggest asset (its people) need to grow with it.

Joske sees that another challenge lies within the political arena. New policy (in the form of the Participation and Quota Laws) are not yet well enough adapted to the current situation. There is fear that some people will be forgotten and that mainstream companies are not yet ready to take up people with disabilities or other reasons for being distanced from the labour market. It's difficult for The Colour Kitchen's to influence policy making, and to find the time to do so.

Another further challenge for The Colour Kitchen's is how to make its business model work in regions where it does not have enough volume (in terms of students/locations). In these cases it is not an attractive partner for local government and it has difficulties sourcing our students (and the funding with it). This is why it has plans to grow substantially, also in terms of profits, in order to be self-financing, whereas currently 50% of profits go to the shareholders and 50% to the social programs.

The Netherlands: DropOuts BV

The information presented in this case study has been taken from DropOuts BV's website (dropoutsamsterdam.nl, in Dutch) and a face-to-face interview held with DropOuts BV Founder and Director, Antoinette de Ridder, on 29 May 2015 in Amsterdam. A video of Antoinette de Ridder describing DropOuts is available on the TEDxAmsterdam website (<http://tedx.amsterdam/dropouts-antoinette-de-ridder>).

About the WISE

Dropouts, founded in 2014, is an advertising agency employing mainly young people who could not find a job or (for whatever reason) have not completed their studies. Dropouts select the youth for their creative talent. In their time with DropOuts participants work for real customers on real jobs within a large network of promoters, meaning they can build a good portfolio. In addition, the advertising agency guides these young talents in their personal development and in building and practicing networking.

After working for DropOuts for between six months and two years, the company helps the 'dropouts' to make the next step in their career. DropOuts bills itself as having an attitude that is a bit cocky and impatient, dislikes chatter and opaqueness and instead prefers clarity, and is keen to get going and do a great job.

Basic reintegration model:

Does the WISE combine work, training and guidance in a supportive but real work environment?

YES: Participants are on paid employment contracts at the minimum wage that begin at six months but can be extended up to two years (the legal maximum for temporary contracts).

Business model and diversification:

Does the WISE make money through the sale of goods or a service?

YES: DropOuts is a communication and advertising agency for 'conception, creation and communication'. It aims to serve its clients by doing more than delivering communication materials. It works with brands to produce surprising, original and effective solutions in order to meet the targets of its clients.

Does the WISE engages multiple income streams?

YES: The projects of DropOuts include brand building, developing corporate identities, coming up with concepts, shaping campaigns including through online activation, viral campaigns and social media, and the design of specific communication material including magazines and brochures. It does this with a love for design, film, photography, projections and new media.

Legal form, labels and certifications, awards etc:

The founder and Director of DropOuts strongly believes that DropOuts should be a BV (*Besloten Vennootschap*, the Dutch equivalent of a private limited liability company), and should not be dependent on government subsidies in order to function. She also strongly believes that this fully aligns with participants learning through real projects. Together these act advantageously and participants have the chance to develop themselves so as not to lean on government benefits.

DropOuts is supported through the Stichting Doen foundation by the VriendenLoterij lottery. This support is in the form of a loan attracting the same interest as a normal bank loan would but on different terms whereby DropOuts is not required to repay the loan until after a year.

In April 2015 DropOuts was formally recognised by Social Enterprise NL and is listed on its websites social-enterprise.nl and iedereenwinst.com.

In March 2015 DropOuts was one of 12 initiatives awarded a grant by the Amsterdam city councillor for Work and Income under the municipality's plan to tackle youth unemployment in Amsterdam. The grant provided DropOuts with funding for training and coaching. DropOuts was the only initiative out of the 12 that is registered as a BV not a foundation.

In September 2014 DropOuts was chosen from over 600 applicants for a wildcard entry into The Next Entrepreneur award run by Rabobank and MKB-Nederland. In the same month it was one of 30 nominees from 213 applicants for the TEDxAmsterdam award.

Local dimension of the context

DropOuts was set up in Amsterdam partly because it is where the advertising industry is the biggest and there is a large share of creative people in Amsterdam.

Youth population:

DropOuts seeks talented, creative and commercially-minded early school leavers who like to be challenged and just want to get better at their craft. One reason for choosing Amsterdam was because a lot of young people move to Amsterdam after leaving school because of its cool image and the opportunities it may offer. Otherwise DropOuts does not explicitly target any particular area because of the nature of its youth population.

Government initiatives:

DropOuts does not systematically access any government programs however it does work closely with the Gemeente Amsterdam municipality. One additional driver for setting up in Amsterdam was the Gemeente's database of young unemployed people that is granular enough to enable an effective pre-selection of candidates that are likely to be suitable for DropOuts. The Gemeente has also been a client for DropOuts but this has remained a small part of the Gemeente's advertising and communications budget, more of which DropOuts is looking to take on. The Gemeente has also provided funding for training through a competitive process as outlined above.

Local presence of WISEs:

DropOuts has thus far really only benefitted from the assistance of one of the founders of well-known Amsterdam social enterprise Ctaste (alongside CtheCity and Ctalents) in helping DropOuts to become a member of Social Enterprise NL (having been initially told that it was too small a social enterprise and to come back in two-to-three years).

DropOuts hopes that being part of this network will make a difference, particularly through its lobbying activities. It believes there should be advantages to clients engaging with DropOuts, and that doing so should meet social return and public procurement requirements. It also shares the notion that social entrepreneurship is about having a strong business sense not just social heart.

Sourcing and selecting of candidates by WISEs in collaboration with authorities

How does the social enterprise source candidates?

DropOuts sources the majority of its candidates by approaching the Gemeente Amsterdam, although some have come through word of mouth and online enquiries.

Does the employment agency make sourcing candidates easy or difficult?

The pre-selection made possible by the Gemeente Amsterdam makes the process of candidate selection easier and the municipality is happy to see young people on its register into an opportunity such as that provided by DropOuts.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Candidates are selected based on passion, motivation and talent. They are interviewed and if show potential are invited back for a second interview. Candidates also do a small test project in the type of work they would be doing to test their skill level and creativity.

The candidates DropOuts takes on are always unemployed or have not finished their schooling. They are experiencing distance to the labour market for any number of reasons including disability (one of the current employees is deaf), to which DropOuts pays attention. Another candidate has a cognitive condition but is a capable copywriter.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

DropOuts values candidates in two main areas: do they want to work at DropOuts, have enthusiasm and want a career in the creative industry; and are they creative and can produce work that surprises, or is even a bit crazy.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

DropOuts primarily offers on-the-job training, alongside workshops given by DropOuts' professional ambassadors. Participants can also choose an industry-recognised training program relevant to their professional development that not only up-skills them but also improves the level of work of the company. As developing a portfolio of work is more important in the advertising sector than certified qualifications, DropOuts does not put an emphasis on completing formal training.

Do participants use the training they receive in the work they are doing within the WISE?

Participants at DropOuts receive formal and on-the-job training that explicitly supports their work, rather than doing work to affirm their training. Participants are therefore using their training all the time whilst working within DropOuts.

How is it decided what training participants should undertake?

Each individual attends the workshops with professional ambassadors but formal training is chosen in coordination with the Director of DropOuts and on-the-job training is delivered in a personalised fashion by the senior staff.

Increasing social and ‘non-work’ skills (personal development)

What training do participants undertake that is not directly related to job tasks?

Participants receive personal coaching from a certified Birkman coach (The Birkman Method is a behavioural, motivational and occupational personality assessment method). Based on an initial assessment, the coach develops a program for each participant and meets with them every eight weeks. This may include exercises to develop self-confidence and personal communication skills but varies depending on the participant.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

DropOuts’ Director sees that the special attention paid to her employees is more of a management style that is not necessarily different to the way she has managed employees in her career before starting DropOuts.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

During their entire time with DropOuts, participants are doing real work for real clients. Where possible DropOuts also tries to give its participants the opportunity to do some work at a client company, and sometimes subcontracts employees for a few days at a time. The only negative side of this for DropOuts is that there is a risk of losing employees to clients but this is of course also seen as a positive outcome as the participant is in paid employment outside of the WISE.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

The experience of DropOuts is that the predominantly mainstream companies it works with are sometimes uneasy about engaging DropOuts because of its employees, although they rarely ‘say it to your face’. Nevertheless, one employee was once asked “so, what’s wrong with you?” Others have expressed pity for the deaf employee. The Director of DropOuts emphasised that pity is not only no use to its employees but is also not a barrier for them.

To overcome this at meetings with new or potential clients, DropOuts is able to convince them of the quality of its work. The Director also admits that her background in the industry helps to reassure clients and her management experience helps her in selling work to them.

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market?

The decision that a participant is ready to work outside of the WISE is always made based on the individual participant. DropOuts considers the participants’ work mentality and their desire to want to make the client happy and achieve their goals. It believes participants require these to make a successful transition.

How is the participant’s employment facilitated by the WISE?

A few months before the end of a participants’ contract with DropOuts it will help participants with putting together a well organised portfolio, help with CV writing and other

communications with employers. DropOuts talks to participants about particular employers they want to work for and tries to leverage the personal networks of its senior staff to gain introductions for participants with contacts in those employers. It is then up to participants to act on the introduction and pursue any opportunities or interviews.

Does the participant continue working in the WISE until a job is found?

If a participant is not skilled and talented in the areas of DropOuts' work then it will support the participant to find work elsewhere as it would for any employee. At the end of the agreed contract period, or the two-year maximum temporary contract period, participants do not remain working at DropOuts. It does however see the possibility of employing a participant as a permanent employee if they are good at their job and could also train other participants.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

At this early stage, DropOuts does not systematically maintain relationships with participants after they leave the WISE. However, there have only been three who have left since it began.

WISE outcomes produced

As at the end of May 2015, two participants have transitioned from DropOuts into paid employment and one whose contract was not renewed is about to interview with a large Dutch corporation with whom the participant had indicated a desire to work. A further three participants are currently working at DropOuts and a possible future participant was doing the test exercise on the day of the research interview. DropOuts' Director acknowledged that it would be worthwhile for DropOuts to stay in touch with participants to see where they are six months after leaving DropOuts.

Challenges and opportunities

DropOuts would take on 10-20 participants if it had the work demand to employ them, and it hopes to work toward this with or without additional stimulus from government bodies.

The Director of DropOuts believes that government should overcome its resistance to change and more actively support social enterprises. She highlighted that people are often sceptical of social enterprise and don't understand that it's not about making money. However, she questions what the problem is if social entrepreneurs do make money. She also believes that social enterprises should be showcased to show other employers what is possible and that they could do the same. She believes Social Enterprise NL should go some way towards this.

United Kingdom: Bikeworks

The information presented here is taken from a face-to-face interview held on 15 May 2015 with Tim Richardson, who is responsible for Bikeworks' Cycle into Work programme. Additional information was taken from Bikeworks' website (<http://www.bikeworks.org.uk>) and further supplemented by articles on the websites of Social Firms UK and Justmeans (<http://www.socialfirmsuk.co.uk/news/london-based-bikeworks-awarded-title-englands-best-new-social-enterprise> and <http://www.justmeans.com/blogs/bikeworks-one-of-the-uks-best-young-social-enterprises>). There is also 15-minute video on Cycle into Work on Bikeworks' website (<http://www.bikeworks.org.uk/program/cycle-into-work>).

About the WISE

Bikeworks was registered as a company in September 2006, began trading in 2007 and opened its first premises in East London in the spring of 2008. It employs 25 people, around half of whom are graduates of its Cycle into Work program.

Bikeworks emphasises that it is more than just a bike shop. Through its programmes we aim to use cycling as a force for positive change including saving bikes from landfill, providing training to get people back into employment and by creating accessible cycling regardless of your physical or mental barriers. It works with a wide variety of organisations to bring the positive benefits of cycling to everybody.

It delivers its mission through a variety of community cycling programmes including employability for disadvantaged groups, all-ability cycling, bicycle ReUse & recycling, schools cycle training and more. As a business it provides cycling services to both consumers and organisations. Its store offers repair services, sells new and refurbished bikes and runs cycle maintenance courses. Bikeworks' business services can help make your organisation a cycle friendly workplace including services such as in work repair services, team building events and more.

Basic reintegration model:

Does it combine work, training and guidance in a supportive but real work environment?

'Cycle into Work' is a work-based training programme designed by Bikeworks to create pathways to employment in the cycle industry for disadvantaged individuals. The programme combines professional-level training in cycle mechanics and in customer service and soft skills with personal development work and crucially valuable work experience in a real working business.

Business model and diversification:

Does the WISE make money through the sale of goods or a service?

YES: Bikeworks runs a bike shop and provides bike-related services. However, it has much higher wage costs compared with 'high street' cycle shops.

In addition, there are a number of funders supporting Bikeworks. Barclays are the primary supporter and funder of Bikeworks Cycle into Work programme. Halfords are Bikeworks' cycling industry supporter providing funding and jobs for graduates of Cycle into Work.

Further funding is provided by the Social Business Trust, the Esmée Fairbairn Foundation, London Re-use Limited (made up of re-use projects, including charities, across London that work together to find new homes for donated furniture and household items), the City of London City Bridge Trust, UnLtd, the Oak Foundation, the London Legacy Development Corporation (the not-for-profit organisation responsible for the long-term planning, development, management and maintenance of the Olympic Park and its facilities after the London 2012 Games), and the Funding Network. The Bikeworks website lists a further 23 'Friends and Partners' from the public, private and third sectors.

Does the WISE engages multiple income streams?

YES: The Bikeworks store offers a full range of repair services, sale of new and refurbished bikes and cycle maintenance courses from beginner to professional level. It also sells equipment for and promotes all-ability cycling. Bikeworks' business services help make organisations cycle-friendly workplaces including through in-work repair services and team-building events. It has a stock of over a thousand donated bikes that it uses as part of these different activities. It also has a trade-in donation scheme with large cycle store chain Evans, through which it gets high-grade bikes that it can sell on.

Legal form, labels and certifications, awards etc:

Bikeworks is a charity and Community Interest Company limited by guarantee. The WISE is a Social Enterprise UK member but does not display its label, although it does list Social Enterprise UK as one of its 'Friends and Partners'. Bikeworks is certified to award City and Guilds training and has also won the following awards.

2012 HP Smart Business Awards: Winner – Community

2011 PwC Private Business Awards: Best Social Enterprise

2010 London Business Awards: Best Social Enterprise

2009 UK Social Enterprise Awards: Best Social New Enterprise

2009 Archant London Environmental Awards: Best Recycling Initiative

2008 Thames Gateway Business Awards: Best Growth Business

2007 London Cycling Awards: Highly Commended

Local dimension of the context

Youth population:

Tower Hamlets, the London council in which Bikeworks' shop is located, has a high youth unemployment and NEET incidence compared to other parts of London and the rest of the UK.

Government initiatives:

Many Local Government Authorities are doing more for cycling infrastructure and cycling services, so the sector is growing and there is some funding available for bike programs. Some of these are focused on sustainability and transports while others on health and wellbeing.

Local presence of WISEs:

Does the WISE benefit from the presence of other WISEs or networks?

Bikeworks has worked with other social enterprises in the area including Circle Sports. It is also part of networks including Social Enterprise UK and the School for Social Entrepreneurs.

Sourcing and selecting of candidates by WISEs in collaboration with authorities

How does the social enterprise source candidates?

Some candidates come to Bikeworks through word of mouth and some are walk-ins. Otherwise Bikeworks has contacts in Job Centre Plus offices in 7 or 8 London Boroughs. It books outreach meetings in these job centres to attract candidates. In addition, Bikeworks runs short 'build a bike' courses delivered in the community often at partner organisations. This enables participants to learn valuable skills and earn a bike of their own. Participants are then given the opportunity to apply to join the full 'Cycle into Work' programme.

Does the employment agency make sourcing candidates easy or difficult?

Job Centre Plus offices serve as a source of candidates but requires an ongoing relationship including running engagement activities from which there would normally be around 60 benefit claimants applying. Of these 40 join Bikeworks for a Level 1 certification and of those 20 continue onto the Level 2 certification. Bikeworks works with Department for Work and Pensions areas for Lambeth and Southwark councils which includes 7 Job Centre Plus offices. Bikeworks always takes up any opportunity to speak to Job Centre Plus work coaches as it is important for it to ensure they understand the Bikeworks model and recognise its successes. Bikeworks also works closely with a number of (social) housing associations.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Bikeworks states that it recruits trainees solely on their character and desire shown to improve and ultimately gain employment. Its participants have often experienced one or more of long-term unemployment, mental health issues, offending and drug or alcohol addiction. Bikeworks does not discriminate based on disadvantage but ensures that candidates are suitable for its program and being in a workshop. At one stage Bikeworks attempted to take on a group of youth offenders who were in supported housing. However, many of them first needed help with behavioural issues before entering Cycle into Work, and as a result only three of the nine participants stayed.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Bikeworks uses the aforementioned 'build a bike' taster to screen candidates.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

Trainees undertake formal accredited training in cycle mechanics and customer service within the context of a working social enterprise. Bikeworks runs City & Guilds accredited training programmes in three training centres in Bethnal Green, Hammersmith and Leytonstone. It offers the Level 1 City & Guilds entry-level qualification to around 80 people each year. This covers fixing punctures, wheels and brakes. Around half of Level 1 students go on to complete a Level 2 qualification. Bikeworks considers this to include everything one needs to work as a professional cycle mechanic.

Do participants use the training they receive in the work they are doing within the WISE?

Crucially, whilst progressing towards their qualifications in bike mechanics, trainees also gain valuable work experience in the bike store, workshop and at events outside of the premises. During any of these work-based activities, participants are under the supervision and guidance of experienced bike mechanics including graduates of the Cycle into Work program who have experienced similar disadvantage to the participants with whom they are working. In addition, participants gain experience with manufacturer requirements and in dealing with suppliers and customers.

How is it decided what training participants should undertake?

Having been accepted into the Cycle into Work program, participants undertake the Level 1 certification which includes relatively basic skills. Bikeworks will only offer the Level 2 certification if it believes the participant is ready and willing for its more technical content that prepares them for a professional workshop. Of those completing the Level 2 certification over 60% are able to go straight into jobs with mainstream employers. Bikeworks is also looking at developing a Level 3 qualification that would also include developing a blended curriculum.

Increasing social and ‘non-work’ skills (personal development)

What training do participants undertake that is not directly related to job tasks?

The training participants undertake is coupled with personal development and soft skills training within the context of the working social enterprise. Between 50% and 60% of participants have weak literacy and need support as well as pushing to lift their standards in order to complete all components of the certifications and being able to deal with customers and suppliers. Bikeworks is looking to add specific training in employability and in numeracy and literacy.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

Bikeworks staff work closely with participants to make sure they are able to successfully complete the training certifications, and providing guidance on non-skill-related barriers is a large part of this. Furthermore, a number of the staff have previously faced very similar barriers to those participants have or are facing and can provide appropriate empathy and mentorship.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

By spending time in the Bikeworks store, workshop and at events, participants see that graduates of the Cycle into Work program are successfully employed as professional bike mechanics and have overcome the same barriers the participants have or are facing. Alongside the guidance and on-the-job mentoring, participants benefit from experiencing the different parts of the diverse Bikeworks business portfolio and also see first hand the range of opportunities that are out there for them. This raises aspirations and awareness of employment pathways in areas including in freelance bike mechanics, providing training on cycle safety for truck drivers, cycle instruction, tutoring, and team-building activities. Some participants also do work placement trials.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Bikeworks works with a number of employers to help source jobs for its participants and support for its work. These include at Barclays Bike Hire (the city-wide public bike hire scheme), Halfords (a retailer of car parts, car enhancement, camping, touring and bicycles), Madison (the UK's largest cycle and actions sports distributor), Evans Cycles (a retailer of bikes, cycle clothing, accessories and parts) and Giant (one of the world's largest bicycle manufacturers). All of these employers understand the Cycle into Work model and take on graduates of the program as employees. The close relationship with Halfords has seen them ask Bikeworks to develop a Level 3 qualification that takes technological knowledge and skills to a higher level.

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market?

Once a participant has completed the training program, Bikeworks will assist them to get them into a job based on the skills that they have acquired. For participants who have completed the Level 2 certification, they are considered to have the skills and knowledge to work in any job involving general bike mechanics. Essentially however, Bikeworks will make a decision regarding the next steps for each individual and help them to take those steps wherever possible. Some participants use training they have completed as a stepping stone to car mechanics or another technical field.

How is the participant's employment facilitated by the WISE?

Bikeworks actively seeks jobs with employers in the cycle and broader sports sector. Graduates move into work sometimes initially through work placement trials. Many of Bikeworks' graduates have moved into jobs with Halfords and Barclays Bike Hire though many have also gone on to a wide range of other employers primarily in the cycling industry.

Does the participant continue working in the WISE until a job is found?

In some cases participants will gain further work experience in the store and workshop while they are looking for a job. Some participants come back to volunteer in the store or around the premises because of the sense of belonging and contribution that it gives them.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Once in work graduates are provided with continuing support to manage the crucial transition period in their lives. Some starting work as apprentices will continue to do further training at Bikeworks while in work.

WISE outcomes produced

Since the program started in 2010: 460 individuals have learnt key bike maintenance skills and built their own bike with Bikeworks; 183 trainees have graduated from cycle into work; and 65% of graduates have successfully secured fulltime employment.

One graduate has established himself as a self-employed bicycle trainer based in South London. He has since taken on two former Bikeworks trainees to help with the business.

United Kingdom: Circle

The information presented here is taken from a face-to-face interview held on 15 May 2015 with Circle Training Manager Deepa Pagurai. Additional information was taken from the Circle website (<http://circlesports.org>), the brochure available on the training page of its website, and a recent business plan provided by Turly Humphreys, Founder and Director. Video stories of four participants are also available on the Circle website (<http://circlesports.org/thisismystory>).

About the WISE

Circle was founded by Turly Humphreys in September 2010 when it opened its first store in Westminster, as a means to help unemployed young people acquire and develop the workplace skills, confidence, positive mindset and self-discipline needed to secure life-changing permanent employment.

Circle aims to positively impact the lives of unemployed young people by providing a non-academic pathway into a variety of sectors, including business, retail and facilities management. It aspires to offer a unique wrap-around service, increasing confidence and motivation whilst providing training, real-life work experience and opportunities to build strong practical and entrepreneurial skills. It supports every young person it works with long-term, helping them to achieve their personal and professional goals, increase their earnings and become responsible members of the community and mentors to future recruits.

The Circle shop offers customers all the latest streetwear apparel, local young designers and accessories at the same prices as other retailers, but with the added feel-good factor that simply by buying from a social enterprise customers can help change lives. Circle use store revenues to fund its education and work placement programmes to help young people into work, as well as free sporting events for local communities.

Basic reintegration model:

Does it combine work, training and guidance in a supportive but real work environment?

Circle Training is designed to assist, inspire and motivate long-term unemployed young people to create better lives for themselves by providing coaching, mentoring and entrepreneurial training. Training and guidance take place within the context of the work of the shop and (unpaid) work experience in the shop is coupled to training.

Business model and diversification:

The WISE makes money through the sale of goods or a service?

YES: Circle gains income from the sale of sports apparel in its shop. It charges the market rate for clothing and buys new stock from established brands as a social enterprise, rather than a 'charity shop'. It also stocks items produced by young designers in order to give them a break into the market.

The WISE engages multiple income streams?

YES: Circle is funded through a combination of donations, grants, private trusts and retail sales revenue. It receives funding for providing training and placing people into work through contracts with the UK Department of Work and Pensions (DWP). The payments are made when a person joins, at program completion, and after three months in work. In 2014, Circle

received just over one third of its revenue from commercial sources and made a very small net loss.



The Circle store on Kingsland High Street, Hackney, East London. Images sourced from <http://bigissueinvest-csv.com/csv-2014-investees> and <http://circlesports.org/the-shop>.

Legal form, labels and certifications, awards etc:

Circle is a charity and Community Interest Company limited by guarantee. It is a Social Enterprise UK member but does not display its label. Circle has been recognised in the RBS SE100 ranking of social enterprises and in June 2015 was ranked 8/128 for London social enterprises and 4/63 for Employment and Training social enterprises¹¹.

Founder Turly Humphreys was one of 13 winners of the Big Issue Invest Corporate Social Venturing Challenge 2014 and is a fellow of the School for Social Entrepreneurs¹². She was also one of 32 social entrepreneurs to be awarded a place on the UnLtd Fast Growth programme for 2014 which helps fund entrepreneurs to scale social ventures (a £20,000 award and intensive support over the next 12 months to help them scale up their ventures)¹³.

Circle sees that cementing strong partnerships is crucial to Circle's success. Circle states that it is proud to have the following organisations as its sponsors: Land Securities; Experian; UnLtd; the School for Social Entrepreneurs; Big Issue Invest; EY Foundation; Publicis; Big Potential; LandAid; and Redevc.

Local dimension of the context

Youth unemployment:

Circle works in the Hackney area of London which has a higher level of youth unemployment and NEET than that at the national level. Most of the participants at Circle have GCSEs (lower secondary education) but rarely A levels (upper secondary education). Some have no qualifications.

Government initiatives

Hackney Borough Council runs a "Ways into Work" program for 18-24 year-olds. This enables Circle to work with other similar organisations for mutual benefit. Hackney's Council for Voluntary Service also runs youth initiatives with which Circle is able to partner. The Hackney Borough Council a three-year charity lease at a reduced rental for the Circle shop.

¹¹ <http://se100.net/organisation/circle-sports>, last accessed 19/06/2015

¹² <http://bigissueinvest-csv.com/csv-2014-investees>, accessed 07/05/2015

¹³ <https://unltd.org.uk/2014/06/16/32-ambitious-entrepreneurs-go-fast-growth>, accessed 07/05/2015

Local presence of WISEs:

Does the WISE benefit from the presence of other WISEs or networks?

There is large amount of social enterprise activity taking place in London, including sector support networks such as Social Enterprise UK and UnLtd.

Sourcing and selecting of candidates by the WISE

How does the social enterprise source candidates?

Circle has a contract with the DWP through its Job Centre Plus offices. Under this contract Circle takes on young people on Jobseekers' Allowance between the ages of 18 and 24 years in the Hackney area. Circle's appealing offering for those interested in a career in retail or a customer service helps to earn their the trust young people who have limited opportunities available to them through Job Centre Plus. Candidates are proposed to Circle who then interviews them.

Does the employment agency make sourcing candidates easy or difficult?

Building relationships with the staff of the Job Centre Plus office is key, to whom Circle has to sell what it does and highlight the benefits of its offering in order to receive suitable candidates. Circle sees its work experience element as the 'hook' in to attract candidates to its training course. Circle had established a good relationship with a work advisor there but after that advisor left that office, it took quite some time to build a new relationship with their replacement. This resulted in the need for an additional round of recruitment as the first round of candidates put forward by the new advisor were unsuitable.

Do individual employment histories such as previous work experience and length of unemployment affect the selection of candidates?

Most candidates are lacking in confidence but the majority do want to work. Many participants haven't been taught that you need to work hard and prove yourself, often because of a family background where the older generations live off benefits. Circle promotes and expects a strong work ethic and attempts to provide its participants opportunities outside of their usual means. Participants have been unemployed for between three and six months.

Is a candidate's situation the overriding driver in their selection rather than the financial benefit/burden of the particular candidate?

Circle believes its offering has to be appealing to earn the trust of young people, and that it is. Candidates require a certain level of literacy and numeracy, otherwise they would be referred to a suitable course to work on this first. In some cases participants may require additional support during the program. Some participants drop out and then come back, sometimes because of health issues. Circle takes an individual needs-based approach with each participant.

Increasing vocational skills and knowledge (vocational development)

What certified and non-certified training do participants access that is directly related to the work they are doing or are expected to do?

Our training programme is specifically tailored to the needs of our participants, offering practical-based training rather than academic learning. Circle Training participants develop customer service skills and the professional use of social media. Participants are also

encouraged to develop the entrepreneurial mindset and skills to create their own businesses and become successfully self-employed in the future.

Participants gain a BTEC Level 1 accreditation in Customer Service. Sessions for the BTEC accreditation are two to three times a week, in addition to workshops twice a week and two or more three-hour shifts in the shop along with retail sector-specific training in clothing merchandise, cash handling and stock control. Circle also offers the opportunity to achieve accredited vocational qualifications in Employability and Retail and Facilities Management at Level 2 and 3.

Circle recognises that gaining this work experience and the relevant qualifications are extremely desirable to potential employers, who cannot afford the time or resources to train inexperienced employees, meaning our services award young people a significant advantage when competing in the job market.

Do participants use the training they receive in the work they are doing within the WISE?

Work experience in the shop on Kingsland High Street enables participants to put the workplace skills they learn into practice. In so doing, Circle offers young people realistic work experience to reinforce the course training and appropriate job-ready behaviours such as punctuality and customer service. The business model uses a shop as a training ground for hands-on customer service training and approaching customers, as well as learning product knowledge, shop standards, business management including cash handling, marketing and team work. Circle sees that ‘doing’ is just as important as training and using the work experience to ensure participants can put what they have learnt into practice.

How is it decided what training participants should undertake?

Participants are expected to be interested in a career in retail or a customer service-focused profession, and all participants undertake essentially the same training program. However, some participants are just about work ready, whereas others are unable to talk about themselves and are not forthcoming. Circle’s staff have to get to know them as people and trust takes time, with attendance sporadic for some participants. Depending on individual situations and needs, participants receive additional assistance outside of training sessions.

Increasing social and ‘non-work’ skills (personal development)

What training do participants undertake that is not directly related to job tasks?

Participants follow an 8-10 week course that includes workshops on: personal development and goal setting; confidence building and self-belief; personal presentation and creating a one-minute elevator pitch; CV and cover letter writing; behaviour and good practice in the workplace, with mock interviews; and job-hunting and online application skills.

Circle Training candidates develop crucial life skills, positive mental attitudes, customer service skills, CV writing, interview skills and the professional use of social media, including Facebook, Twitter and Linked In, to help themselves acquire and retain jobs.

What personal assistance do participants receive that would not normally be offered by a mainstream employer?

In addition to personal development workshops, participants are supported to overcome any personal issues that are affecting their ability to complete the course and secure a job. All

coaches are experienced and can identify barriers and emotional problems that often affect young people. The management and training staff of Circle work closely with each participant to help them to be work ready and to set them up as best as possible for the environment of a full-time job. Extra interview practice is one type of assistance that is often provided. During work experience in the shop, participants receive supervision and guidance as is necessary. Additionally, expectations of behaviour and performance are kept high but realistic.

Improving familiarity with and matching to employers

Do participants gain knowledge of and familiarity with the work done in regular employers or with other employers themselves?

The course includes a corporate day where participants experience visiting a corporate company, find out about different jobs, try out team-building exercises and do mock interviews. Towards the end of the 8-10 week course, participants undertake a one-week work experience placement with one of Circle's corporate partners.

Are local (future) employers familiar with the work that is done by and in the WISE and do they recognise and value it?

Around three-quarters of employer partners understand the Circle model. However, there is the need to bring down barriers that employers perceive based on young people's ethnicity or lack of university degree. Circle therefore puts a lot of effort into promoting what it does and where young people are coming from. Circle recently launched a video campaign advocating for employers to hire young people, available at bit.ly/CircleJ.

Transitioning into employment

How is the decision made that the participant is ready for transition to the regular labour market?

Some participants know what they want and some have unrealistic expectations to go 'straight to the top'. Others have no idea what they want to do. Some participants are also terrified of getting a job and the responsibility it entails, and 'signing on' at the Job Centre Plus office is safe.

Circle also tries to serve as a safe environment to make the transition to the regular labour market easier. However, in some cases participants are motivated but become turned off if their work experience goes badly. All of these factors mean that individual decisions are made between the staff and the participant, but the staff do push participants to be challenged and strongly encourage them into the corporate placement and in putting them forward for a job.

How is the participant's employment facilitated by the WISE?

The director (and founder) of Circle advocates to and works closely with employers to find jobs for participants. The Hackney Borough Council 'Ways into Work' program has also helped to gain access to some positions with the Crown Estates, the authority managing all publically-owned property around the UK.

The result is a network of partnerships with large employers that include:

- The ASPIRE Group and their Facilities Management services (Land Securities, NG Bailey, Office Concierge, Ultimate Securities, Not Just Cleaning and MITIE).

- The Crown Estate, who are landlords of property in Oxford Street, Regent Street and Bond Street, and pass on details of vacancies with their retail partners and tenants. As a result

Circle has placed over 30 young people in retail outlets such as Primark, Esprit, Superdry, Maplin and William Hill.

Argos (retail)

Halifax (homeloan company)

Barclays (a large bank)

Lloyds (a mutualised insurance organisation)

Channel 4 (TV station)

Publicis and subsidiary companies (the largest advertising agency in Europe)

Buckingham Palace

Towards the end of the training program, so-called ‘Corporate days’ are held with some of these corporate partners. This is followed by participants undertaking a one-week work experience placement with one of Circle’s corporate partners. Circle sees this as not only helping to get participants used to the work place but also to help them to accept the reality of what working is like, and that it takes time to work one’s way up.

Does the participant continue working in the WISE until a job is found?

In at least one case has a participant continued working in the shop. Confidence can be easily lost, so there is the need to maintain expectations in the supportive environment and hence for a participant to stay working in the shop. Participants need to show hard work and commitment, and some take longer than others to get to a point where they can be put forward for a job – it is not always clear cut. It is also important for Circle to have a contingency plan for when participants are unable to be placed into a job, and may require help in other areas. This set-up is ultimately mutually beneficial for the participant and Circle.

What relationship is maintained with the participant after they begin regular employment outside of the WISE?

Although there is a tracking system for where participants are, they are more or less left to it. Ongoing contact is maintained with employers however. After supporting and placing the young people they often come back for further mentoring, as they want to proceed up the employment ladder. We have many previous cohorts join us at corporate days to mentor the new students and tell their stories.

WISE outcomes produced

Circle it has had over 100 people on its programs, 80 of whom completed the courses. Of these 67 (84%) gained full-time employment as a result and 90% of these still had jobs a year later. 10% of these had been promoted to supervisor level. 12 went on to further education.

This compares to just 3.5% employment transitions for those in the Work Programme (who are unemployed for longer than six months).

Challenges and Opportunities

Circle has two main challenges: cash flow, and recruiting candidates - both in terms of numbers and appropriateness. The Job Centre Plus staff have gotten used to Circle success and has started to send harder cases.

Circle wants to be known for its cool shop and to recruit through shop rather than the job centre, which it sees first hand as a negative place that people only come to because they’re scared of sanction.

Social Enterprise: Working for the Young Unemployed

Work integration social enterprises as a transformational model for improving labour market outcomes for the low-skilled young unemployed in Australia, the United Kingdom, the Netherlands and Denmark



Introduction

This research aims to provide an understanding of the effectiveness of work integration social enterprises (WISEs) in increasing employability and facilitating a transition into work for low-skilled young unemployed people. It also aims to understand how public policy conditions can influence the success of WISEs, and how policy is used to leverage their potential.

WISEs aim to facilitate integration into the labour market for people experiencing serious barriers to regular employment (Davister et al., 2004). They generate successful outcomes by combining demand-driven vocational training, work experience and personal guidance in the supportive but real work environment of a social enterprise. A realist evaluation (Pawson, 2013)

of eight WISEs is used to identify 20 specific mechanisms WISEs trigger to change their participants' resources and reasoning to increase their employability and work-readiness.

The effectiveness of the WISE model is explained through examining how these mechanisms operate in eight local and four national contexts. A comparative analysis of their four national contexts supports this in highlighting the public policy settings that hinder or help WISEs in improving labour market outcomes for the low-skilled young unemployed (Kerlin, 2013). This research has implications for the viability and sustainability of the WISE model and leads to proposals for governments to better promote it.

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Approach and methodology

Realist evaluation considers social policy program outcomes as generated by the interaction of mechanisms and the context within which they are triggered (Pawson & Tilley, 2006; Kazi, 2003). It is seen as appropriate for comparing how an approach works in different locations and for different individuals, particularly where the approach is new or not yet well understood (Westhorp, 2014). The realist framework involves the *context, mechanism, outcome pattern*, and *context-mechanism-outcome pattern configuration*, whereby the impact of various mechanisms being triggered by WISEs' interventions in different contexts forms outcome patterns. By bringing together mechanism-variation and context-variation in empirical testing, realist evaluation aims to explain outcome pattern variation and identify the configurations of factors that are most important.

Contexts: The four welfare states were chosen because they are advanced post-industrial economies that differ sufficiently in terms of social and economic policy. These national contexts are clarified through data and literature on the size of the youth unemployment problem, the ease of the school-to-work transition, activation of labour market policies, and the maturity of the social enterprise sector. Interviews with leaders of two successful WISEs in each country provide information on local contexts, interventions provided for participants, mechanisms triggered, and outcomes generated.

Mechanisms: WISEs' interventions are expected to trigger a particular set of mechanisms for participants in changing their resources and reasoning and therefore their employability. Mechanisms are examined in terms of participants accessing a suitable opportunity, developing a vocation, developing personally, familiarising with employers and transitioning into work. The mechanisms include reinforcing training with real work (Fowkes & Middleton, 2012) and improving social and professional autonomy (Davister et al., 2004).



Outcomes: The success and impact of WISEs' interventions are considered against the mechanisms the WISEs trigger and the contexts in which these take place. In so doing, variations in context-mechanism-outcome pattern configurations can be explained. This enables the core elements of the WISE model to be identified, as well as the public policy settings which can help or hinder the model.

Results

	Countries		Australia		Denmark		Netherlands		UK	
	WISEs		CL	ST	KF	GG	TCK	DO	BW	CS
National Context										
Size of youth unemployment			Medium		Small		Small		Large	
Ease of school-to-work transition			Low-mid		Mid-high		High		Low	
Activation of labour market policy			Mid		High		Mid		Low	
Maturity of social enterprise sector			Mid-high		Low-mid		Low		High	
Local Context										
Concentration of target population	High	High	Mid	Mid	High	Mid	High	Mid	High	High
Support of government initiatives	Mid	Mid	High	High	Mid	Mid	Mid	Mid	Mid	High
Support of foundations/investors	Mid	High	Mid	Low	High	Low	High	High	High	High
Support of social enterprise networks	Low	Mid	Mid	Low	Mid	Low	Mid	Mid	High	High
Mechanisms										
Accessing a suitable opportunity (2)	2	2	1	1	2	2	2	2	1	1
Developing a vocation (4)	4	4	1	1	4	3	4	4	4	4
Developing personally (4)	4	4	4	4	4	4	4	4	4	4
Familiarising with employers (5)	5	3	3	3	5	4	3	4	3	4
Transitioning into employment (5)	5	4	3	2	5	2	5	4	4	4
Outcomes										
Training completion rate (%)	94	73	84	?	75	n/a	~90	80	80	80
(Graduate) employment entry rate (%)	77	18 ^a	6 ^b	20 ^c	60	67	65	84	84	84
Job retention rate >6 months (%)	>90	70	?	?	?	100	?	90	90	90
Further training entry rate (%)	23	59	30	~30	10	0	?	15	15	15

Viability and sustainability of the WISE model

WISEs gradually build participants' skills and their confidence in their abilities through the integration of work, training, personal development and individual guidance, each reducing barriers to employment. For low-skilled young people who have multiple barriers distancing them from gaining regular work, the combination of these dimensions provides a transformative model for improving their labour market outcomes.

Some WISEs further increase their viability by meeting a specific recruiting need for employers (*Charcoal Lane* for Accor Hotels, and *Bikeworks* for Halfords and for Evans Cycles). These collaborations ensure participants are doing training informed by industry demands, can meet employers' expectations, and can access specific job opportunities. WISEs require an entrepreneurial spirit to drive the business to succeed. Diversified business models and scaling are also important for WISEs' sustainability. However, the mix of funding they can access and its ability to meet program budgets ultimately determines financial sustainability.

Policy levers to support the WISE model

Active labour market policies aim to encourage unemployed people into work (Kluge, 2014). One aimed at low-skilled young unemployed people incentivises the combination of training and work experience whilst maintaining income support could stimulate the WISE model as well as improve the successes of existing WISEs. Alternatively, businesses could be incentivised to achieve both training and employment goals. This could lead to regular employers seeking to engage WISEs with the specific aim of recruiting participants, or to employers incorporating the WISE model.

In ten years, the UK has seen the introduction of a legal form for social enterprise and improved access to public contracts and social investment. Australia and the Netherlands would benefit from a legal form (recently introduced in Denmark), whilst policy in the other areas could strengthen the WISE model in all four countries. Further, incentivising employers to invest in a WISE could stimulate demand for WISEs to provide skilled, experienced, confident candidates for the employer to hire.

Conclusion

Across the eight local and four national contexts, WISEs adapt their business and work integration models to their chosen target population and the public policy that applies to them in order to achieve successful outcomes. Whilst these approaches vary across contexts, essentially the same mechanisms are triggered in highly effectively generating improved labour market outcomes for low-skilled young unemployed people.

The eight WISEs examined

In order tabled above: *Charcoal Lane* (restaurant and event catering; focus on indigenous youth), *STREAT* (five cafés, coffee roastery and catering; focus on homeless youth), *Kaffè Fair* (café, workplace canteen and conference centre), *Grantoftegaard* ('social farm' selling fresh produce and hosting visitors), *The Colour Kitchen* (restaurant, 10 workplace canteens and catering), *DropOuts* (communications and advertising), *Bikeworks* (bike sales, repair and events), *Circle Sports* (sports apparel shop).

Discussion of results

Contexts: Those countries that have less active labour market policy also have larger low-skilled and unemployed youth populations that have a hard time making the school-to-work transition, and therefore a more significant population that WISEs might target. It also happens that these have more mature social enterprise sectors. Within this inverse relationship, social enterprise is thus not being fully leveraged to contribute to addressing social policy problems such as youth unemployment.

Within WISEs' local contexts, there are also varying levels of support from government initiatives, charitable foundations, socially-minded investors and social enterprise networks. Most WISEs are located where they know they can access their target population and their target market. However, accessing funding for training and guidance appears more important than social enterprise support.

Mechanisms: The eight WISEs studied trigger mechanisms whereby their participants access the opportunity based on their suitability for the interventions provided by the WISE, gain skills through vocational training, and gain confidence in their ability by training being reinforced in work experience in a real work environment. Participants develop personally through building confidence in their ability to work with others or independently as required, to communicate effectively in different settings and to manage personal barriers to regular work. They also build self-confidence by developing relationships of trust and respect with WISE staff and certain peers acting as role models.

Within the WISE, they develop work behaviours matching those of employer expectations and gain familiarity with a real work environment. In preparing to transition to work, participants become aware of and access different job types and opportunities and gain the confidence that they are ready for mainstream employment. Depending on the contexts of the WISE and their different business and work integration models, different combinations of mechanisms are triggered for their target groups.

Outcomes: The eight WISEs have impressively high training completion and employment entry rates, considering the multiple disadvantages and barriers to employment for their participants. These outcomes do, however, vary according to WISEs' different target populations and contexts. Significantly, the four WISEs in the UK are highly effective at generating transitions into sustainable employment for low-skilled young people. In contrast, the Danish WISEs have different outcome goals through work integration models governed by active labour market policy there.



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