

SCENARIOS FOR THE EMPLOYMENT OF PEOPLE WITH DISABILITIES BY WORK INTEGRATION SOCIAL ENTERPRISES IN LATVIA

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(Received 22 February 2023; accepted 21 April 2023)

Abstract

Employment is an important part of adult life, yet access to the labour market for people with disabilities is limited. A solution is to promote the development of work integration social enterprises (WISEs), yet this requires more support. Therefore, the research aims to identify factors influencing the employment of persons with disabilities by WISEs and design scenarios for promoting the employment of persons with disabilities in Latvia in the context of social entrepreneurship.

The research performed a systematic theoretical review to identify the factors, their scope and characteristics as well as their significance and applied analysis, synthesis and deduction for the identification and classification of the factors. The scenario method was employed to identify employment opportunities for people with disabilities, yet an assessment of the scenarios was performed by applying the Analytic Hierarchy Process (AHP), which involved experts engaged in social entrepreneurship.

The research found that the most effective way to promote the employment of people with disabilities by WISEs was to increase the scope of national support instruments, and that the use of municipal support instruments was essential. The national support scenario involved partly subsidising wages for disabled employees employed by WISEs and support for long-term investment in WISEs.

Keywords: work integration social enterprises, social entrepreneurship, people with disabilities

1. INTRODUCTION

Employment is an important part of adult life, developing skills and abilities,

promoting socialization, raising individual confidence and increasing incomes. The United Nations in UN Universal Declaration of Human Rights (1948) state that “Everyone

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has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment”. However, opportunities for people with disabilities to find a job and enter the labour market are limited. In 2022, there were 13.9% of the unemployed with disabilities in the structure of the registered unemployment. The employment rate for persons with disabilities is lower (26.6% in Latvia) than that for persons without disabilities (64.2% in Latvia), and this situation is a significant problem both in Latvia and elsewhere in the world, thereby indicating limited opportunities in the labour market for persons with disabilities. Despite a continuous small increase (i.e. 45.5% in 2012 to 50.7% in 2020) of the employment rate of persons with disabilities during the last decade, the gap between the employment rate of persons with disabilities and others persists at around 24 percentage points in the EU. Furthermore, the COVID-19 pandemic and its economic consequences made the current inequalities even worse. The employment rate of people with disabilities grew more quickly (Ne’eman & Maestas, 2023).

An important way of promoting the employment of persons with disabilities is a relatively new kind of entrepreneurship – social entrepreneurship – which in Latvia is governed by the Social Enterprise Law. One kind of social enterprises is work integration social enterprises (WISEs) whose main purpose is to integrate certain groups of the population at risk of social exclusion into the labour market, incl. persons with disabilities. The main focus of social enterprises is to generate social benefit, employ target groups and raise the living standard instead of making as much profit as possible for enterprise owners. In Latvia, social

entrepreneurship is a relatively new field, yet the number of social enterprises tends to gradually increase, reaching 197 in 2022, of which 27% were WISEs. However, effective development of WISEs often requires additional support for social entrepreneurship and achieving social goals. Therefore, the **aim** of the research is to identify factors influencing the employment of persons with disabilities by WISEs and design scenarios for promoting the employment of persons with disabilities in Latvia in the context of social entrepreneurship.

To achieve the aim, the following specific research **tasks** were set: 1) to give insight into the theoretical aspects of employment of persons with disabilities, emphasizing the benefits generated by WISEs; 2) to identify the factors influencing the employment of persons with disabilities by WISEs; 3) to design scenarios for promoting the employment of people with disabilities by WISEs.

The present research used the following **information sources**: research papers from international scientific journals, electronically available national and foreign periodicals focusing on persons with disabilities and WISEs, as well as statistics from the Ministry of Welfare, the Central Statistical Bureau and Eurostat on persons with disabilities and WISEs.

2. THEORETICAL BACKGROUND

2.1. The role of employing people with disabilities in WISEs

There could be distinguished several stakeholders involved in the promotion of employment of persons with disabilities,

incl. the national and local governments, people with disabilities and the WISEs themselves, which employ people with disabilities. There are various reasons why stakeholders promote social entrepreneurship. The reasons mainly relate to benefits generated by the development of social enterprises; the benefits are generated at the levels of individuals, enterprises, regions (municipalities) and the whole country.

Individual level. Research studies show that there are a variety of benefits generated at the individual level that could be classified as social, health and financial. It is emphasized that WISEs play a key role in contributing to the prosperity of people with disabilities (Farmer et al., 2020; Ho & Chan, 2010) through promoting their employment, work experience and skills development (Spear & Bidet, 2005). WISEs provide jobs as well as training, work placements and other kinds of support. The jobs can be transitional, stops on the way to integration into the mainstream labour market, or stable, long-term alternatives to existing mainstream jobs. It is also emphasized that there is a positive link between working in a social enterprise and mental health, health behaviours and social capital (Elmes, 2019; Mason et al., 2015). Enabling people to retain or gain employment has a profound effect on many areas of life, e.g. it gives opportunities to participate in society as active citizens and to foster social inclusion (Leslie et al., 2023). Participating in work and employment can be seen as therapeutic endeavours, but also as important indicators of a successful outcome (Boardman, 2018).

WISEs also play a key role in increasing incomes for individuals (Barraket & Archer, 2010; Roy et al., 2014; Ho & Chan 2010), as they enter into employment relationships,

which results in higher incomes. However, there are also opposing opinions that the role of WISEs is often overestimated. Although WISEs are able to provide job opportunities for people with disabilities, their purported function in enabling disabled people to transition into open employment remains constrained by factors beyond their control, including prevailing norms and the absence of proactive disability employment measures (Chiu et al., 2021). However, Teasdale (2012) points out that the positive characteristics are observed in a small number of case studies and questions whether the assumptions should apply to all WISEs.

Enterprise level. In Europe, one of the major challenges for entrepreneurs is a lack of labour, yet in the case of WISEs, the entrepreneurs face the opposite: high labour supply due to high unemployment among people with disabilities. Besides, social enterprises are more likely to be chosen as potential workplaces by other employees because of their values and mission. The feeling of ‘doing something good’ positively influences many potential employees, which leads to a high level of perceived employee motivation and loyalty. The employees feel that their work is having a positive impact on the environment, people and society. This is due to the core purpose of a social business, which is to solve social and environmental problems, and the social business model that helps the disadvantaged. The employees also see that their work has a real impact on the goals that the company pursues. They see that they are actually making a difference. This results in a sense of meaningfulness. Previous research indicates that meaningfulness impacts positively work motivation, individual performance and job satisfaction (Wrzesniewski et al., 2003;

Keating et al., 2022), engagement (May et al., 2004), and personal fulfilment. These notions hold true also for the employees in a WISE. A research study by Chiu et al. (2018) revealed that persons with disability who worked in WISEs showed a strong sense of belongingness and societal continuity. Rather than monetary rewards alone, these features derived from work are intrinsic in nature, and seemed to have given employees additional motivation and incentives to continuously perform well at work. Besides, people with more positive employment participation experiences report better work outcomes (Ginis et al., 2023).

It could be concluded that social entrepreneurs acquire loyal, motivated and reliable employees; moreover, a positive image of the company emerges. Customers feel good when they buy products and services from companies that are helping their community or the world at large.

Regional (municipal) level. At this level, there are generated community-level benefits through revitalizing local economies in locationally disadvantaged areas (Berkes & Ross, 2013; Eversole et al., 2013), reconfiguring public and private spaces to improve civic, social and economic participation (Barraket & Archer, 2010; Munoz et al., 2015). Also, social enterprises can be key actors that foster social innovations (Olmedo et al., 2021). Besides, social enterprises can contribute to addressing intractable challenges such as poverty and inequality disproportionately faced in rural areas (Musinguzi et al., 2023). WISEs can be a sustainable business model, providing employment pathways that reduce reliance on government funding. Besides, promoting employment results in reducing the burden on municipal budgets through paying less social benefits to the needy and

low-income persons (Gintere & Licite-Kurbe, 2021).

National level. Research studies have found that in recent decades, governments have come to promote social enterprises as an instrument of welfare reform, to transition people out of disadvantage by addressing poverty (Ho & Chan, 2010), unfulfilled capabilities and social exclusion (Barraket, 2013; Teasdale, 2010). This indicates that social entrepreneurship plays a key role in reducing poverty and contributing to social inclusion. Besides, social enterprises are currently popular with many governments as a vehicle for employing disadvantaged people or as an alternative to mainstream employment (Vidal, 2005). Such WISEs are often framed as supporting people to become more self-sufficient through work rather than relying upon welfare (Dart, 2004; Defourny & Nyssens, 2010; Teasdale, 2012). It could be concluded that promoting the development of WISEs increases the employment of people with disabilities, as the WISEs offer a holistic perspective of providing work and social integration (Bode et al., 2004),

Given the results of the theoretical literature review, the most significant benefits provided by WISEs are as follows:

- at the individual level – improvement in the quality of life (this also includes aspects of emotional well-being, health etc.), higher incomes, social integration and the build-up of experience and skills;
- at the WISE level – loyal, motivated employees, high labour supply and a positive image of a socially responsible enterprise;
- at the regional/municipal level – an increase in employment in the region, an increase in prosperity and a decrease in the burden on municipal budgets through paying less social benefits;

- at the national level – poverty reduction, employment promotion and social inclusion.

The identified benefits provided by WISEs are important for further research to design scenarios for employing people with disabilities.

3. RESEARCH METHODS AND DATA

The research performed a systematic theoretical review to identify the factors, their scope and characteristics as well as their significance and applied analysis, synthesis and deduction for the identification and classification of the factors. The scenario method was employed to identify employment opportunities for people with disabilities. The purpose of applying the scenario method is not to directly represent the future but rather to outline the central elements of a potential future and focus on the factors that could shape that future (Kosow et al., 2008).

Various approaches and methods are applied to design scenarios. The present research applied the intuitive logic approach taking into account not only objective data and statistics but also an intuitive sense based on expert opinions and experience. Designing a scenario consists of five steps.

1. Setting the goal of the scenario. The research aimed to design scenarios for promoting the employment of persons with disabilities by WISEs in Latvia.

2. Identifying key factors. The factors that affect the employment of persons with disabilities in Latvia were identified based on theoretical research studies.

3. Systemizing the factors identified by grouping them (Kosow et al., 2008).

4. Designing and describing the scenario. Potential scenarios for promoting the employment of persons with disabilities by WISEs in Latvia were designed based on the most important factors, describing the basic idea of the scenario as well as the potential benefits and risks.

5. Evaluating the scenario. The Analytic Hierarchy Process (AHP) developed by Saaty, which is used for complex decision-making, was employed to identify the most appropriate scenario for promoting the employment of people with disabilities.

Applying the AHP method, the scenarios designed through synthesis and deduction are compared with each other, taking into account various factors that influence the implementation of the scenario (Saaty, 1987). The AHP method involves a hierarchical division of elements – the problem identified and the goal set are gradually divided into criteria, which in turn are divided into sub-criteria –, and alternatives or scenarios are designed to determine the most appropriate solution.

The hierarchy analysis set a goal: the identification of the most appropriate scenario for promoting the employment of persons with disabilities in relation to social entrepreneurship. Criteria and stakeholders interested in promoting employment were identified accordingly. Based on the results of the literature review done, four stakeholders were identified: the national government, municipalities and regions, WISEs and persons with disabilities. In addition, evaluation sub-criteria or stakeholder interests in and benefits of employment of persons with disabilities were identified based on the literature review. Next, the scenarios proposed or alternatives to promoting the employment of persons with disabilities were analysed and

evaluated in relation to second- and third-level criteria and sub-criteria (Figure 1).

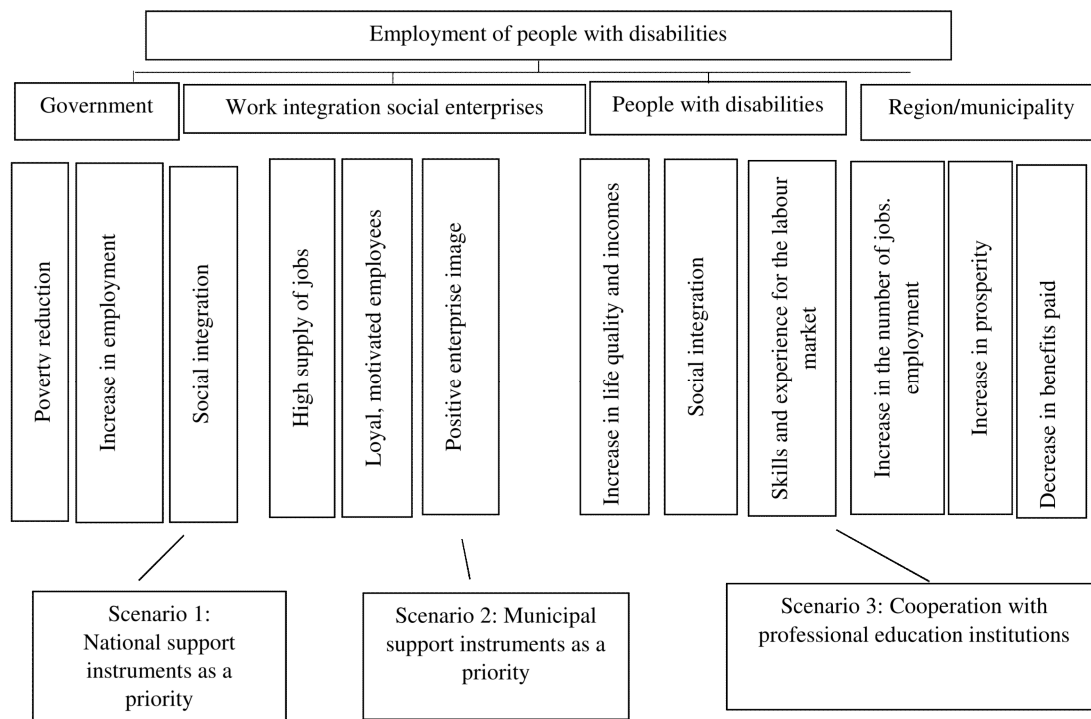
To determine the most appropriate scenario, several experts – representatives of various related fields or stakeholders – were involved to evaluate the criteria and sub-criteria in pairs. The scenario was also evaluated in relation to the criteria set at the second and third stages. The experts did the evaluation in numerical terms on a relative importance scale. To determine the most appropriate scenario for promoting the employment of people with disabilities in relation to social entrepreneurship, four experts representing various interests were involved: the head of the Latgale Department of the Riga Social Service, a certified occupational therapist, the owner and manager of a work integration social

enterprise, as well as a person with a disability.

4. RESULTS AND DISCUSSION

4.1. Factors in the employment of persons with disabilities

The employment of people with disabilities by WISEs is affected by a variety of factors. Some researches distinguish between endogenous and exogenous factors (Heo & Xiaohui, 2019; Dobeles, 2011), while other between psychological, social and organizational factors (Knardahl et al., 2017). Escribano and Gonzalez (2022) distinguish environment, organizational and economic factors that influence the decision



Source: authors' construction

Figure 1. Hierarchy of evaluation criteria

to create a WISE. Environment factors represent changes in a labour market policy, civil society commitment, investment, recognition of WISEs etc. Organizational factors involve entrepreneurial leadership, culture and commitment of the managers to start the process. The research on the factors influencing the employment of persons with disabilities by WISEs in Latvia focuses only on external environment factors: policy, economic, social and working environment ones.

Policy factors. In Latvia, the Social Enterprise Law entered into force on 1 April 2018, prescribing the kinds of support for social enterprises, incl. WISEs:

- various expenses related to the achievement of business objectives, improvement etc. are not subject to enterprise income tax;
- municipalities are entitled to grant immovable property tax relief;
- a public person is entitled to transfer for use free of charge the movable property to a social enterprise;
- a public person and a capital company is entitled to transfer for use free of charge the property belonging to it to a social enterprise;
- volunteers are allowed to be engaged if they do not perform duties related to accounting, corporate governance or core business functions etc. (Social Enterprise Law, Section 5).

The most financially significant kinds of support for social enterprises were financial support administered by the finance institution Altum and the Ministry of Welfare. This kind of support ended in 2021 because the allocated funding was used up.

There are only a few specific support mechanisms or kinds of tax relief for WISEs in Latvia. Due to amendments to Cabinet

Regulation 467 Operational Programme for Growth and Employment and implementation rules for specific support objective 9.1.1 Increasing the Integration of Disadvantaged Unemployed Individuals into the Labour Market, measure 9.1.1.3 Support for Social Entrepreneurship, made on 1 January 2021, WISEs are entitled to a lower mandatory state social insurance contribution (MSSIC) rate (21.94%). The lower MSSIC rate is granted for those employees whose salaries are not reimbursed through the State Employment Agency. In addition, a one-time salary to be paid by the government has also been introduced under this support programme – if a disabled or mentally handicapped person has been unemployed, the enterprise is entitled to apply for the one-time salary for the first month of the employment.

WISEs employing people with disabilities are also entitled to general kinds of support available to any enterprise employing people with disabilities (not only WISEs), e.g. subsidized jobs provided by State Employment Agency (SEA). However, support for subsidized jobs from the SEA lasts for one year; the procedure is quite long and bureaucratic. Also, there is opportunity to apply for personal assistant, occupational therapist consultation, to provide workplace adaptation etc. However, support is mainly provided for limited period of time. It could be concluded that overall, various support instruments are available in Latvia to promote the employment of persons with disabilities; however, the current solutions are not always aligned with their skills, wishes or knowledge. It could also be observed that, although support mechanisms are provided at the national level, the rate of employment of people with disabilities increased relatively slowly, thereby

indicating shortcomings in the support system in place. Previous research has also shown that support for WISEs was insufficient. Amin (2009) points out that persons with disability need long-term support from the state. A. Westall (2007) recommends that banks and community development finance institutions should be encouraged to work together and co-finance social enterprises wherever it is appropriate. Governments should also need to extend the availability of support, for example, through matched funding or tax relief on investment in social enterprises. Overall, governments should take more action to help people with disabilities to find job and optimize future employment outcomes (Shields et al., 2022).

Economic factors. WISEs struggle with strong competition in the market that is affected by low productivity of persons with disabilities and a lack of support instruments. Martin and Osberg (2007) and Brown (2002) state that social enterprises have a lack of consistent, flexible and long-term financing. Financing enables social entrepreneurs to hire talented employees, find a market, rent a space, pursue pilot projects, and carry out other activities related to growing their enterprises. The high cost of credit and loans and collateral requirements is a problem in accessing funds for social enterprises.

Often, persons of the target groups prefer to receive benefits from the municipality rather than to work for a small salary (Dobele, 2013; European Commission, 2018). In Latvia, municipalities provide the guaranteed minimum income (GMI) – a financial support to cover minimum daily expenses – and a housing benefit for the poor and needy. In addition, it should be noted that other benefits may be paid to the needy residents of the municipality in addition to the GMI and the housing benefit: e.g. a

benefit for medical services and for the education and upbringing of a child. This means that if the benefits paid by the municipality are larger than the opportunities to earn while working, the employees of the target groups often choose the first option. Earlier research studies (Dobele, 2013; European Commission, 2018) suggest that there is a risk of developing a “benefit recipient” culture.

Social factors. The main challenges identified in the literature are, for instance, the lack of education and qualification of target groups (Anca & Sloka, 2020) and their limited participation in employment (Spear & Bidet, 2010). Accessing education can be an opportunity for persons with disabilities to improve their lives, empower themselves, obtain employment and enjoy an independent life (Rodriguez et al., 2021; Morina & Biagiotti, 2022). The self-esteem and motivation of individuals are also important factors.

Working environment factors. When employing persons with disabilities, the type of disability needs to be taken into account, i.e. in the case of persons with physical disabilities, the infrastructure needs to be adapted, as well as a support person is often needed.

Overall, it could be concluded that the policy aspects made the largest impact on the employment of people with disabilities, particularly the legal framework, which also prescribes support instruments. The economic factors related to the insufficient involvement of the private sector in the employment of people with disabilities and their competition in the market, as well as the dependence of such persons on social benefits, which affects their chance of returning to the labour market, are also important.

4.2. Scenarios for promoting the employment of people with disabilities by WISEs

Potential scenarios for promoting the employment of persons with disabilities by WISEs in Latvia were designed based on the key factors and WISE stakeholders identified. The scenario development considered initiators (who would play an important role in promoting the integration of people with disabilities into the labour market) as well as potential support instruments.

Scenario 1: national support instruments as a priority. Under the scenario, the largest support for promoting the employment of persons with disabilities is provided by the government and prescribed by law. The authors suggest two kinds of national support.

Partial salary subsidies for people with disabilities employed by WISEs. The scenario was based on Lithuanian experience, assuming that the government provides partial salary subsidies for people with disabilities employed by WISEs. In accordance with the Social Enterprise Law of the Republic of Lithuania, funding is specifically allocated for subsidies: the salary subsidies are set at 80% of the full salary for persons with group I disabilities or severe mental disorders, 70% for persons with group II disabilities or moderate mental disorders and 60% for persons with group III disabilities or mild mental disorders, not exceeding the amount of two minimum monthly salaries set by the government. To implement this scenario in Latvia, amendments to the Social Enterprise Law need to be made and salary subsidies need to be paid just as Lithuania does, while setting restrictions on the amount of subsidies (not

exceeding the amount of two minimum monthly salaries).

If this scenario is implemented, social enterprises will have free funds that can be invested in their business growth, while creating new jobs for the target group. As a result, the employment rate of persons with disabilities and their quality of life are going to increase, whereas their dependence on national and municipal social benefits is going to decrease, thereby reducing national and local government social security expenditures. However, there is a risk of more public spending, as well as a higher bureaucratic burden on enterprises to complete the necessary documents, which takes some more time. Besides, the capacity of responsible authorities might be insufficient, the processing time of documents by the authorities might be disproportionately long, which would result in not paying the subsidies in a timely manner.

Support for long-term investment in WISEs. Under the scenario, public financial support is provided for long-term investments (tangible, intangible, working capital, personnel salaries, training and consultancy costs) in WISEs employing people with disabilities. The amount of financial support is granted up to the de minimis limit. The scenario is an alternative to the previous grants administered by Altum and the Ministry of Welfare. By means of the grants from Altum and the Ministry of Welfare, a large number of social enterprises, incl. WISEs, have formed and developed, as the grants played an important role in the development of social entrepreneurship in Latvia. During the implementation of the three-year programme, a total of EUR 8.5 mln. has been allocated to support social enterprises (the average amount of financial

support per enterprise was EUR 65 thou.). The implementation of this scenario has been approved at the national level, i.e. to continue the programme, the Ministry of Welfare has allocated funding of EUR 3 mln. for both projects submitted previously and new business projects. It is planned that additional funding could support approximately 30 social entrepreneurship projects. Given the duration of the programme co-funded by the European Social Fund, the maximum deadline for the implementation of the projects submitted might be no later than 30 September 2023.

Implementing this scenario provides financial security and development opportunities for WISEs. The funding provides employees with appropriate equipment and infrastructure and, consequently, the quality of employee work increases. Enterprises will have greater financial opportunities to improve their operation and develop as well as create new jobs for people with disabilities. At the same time, the employment of persons with disabilities tends to increase, whereas expenditures by the national and local governments on social benefits for the target group tend to decrease. However, it should be taken in consideration that due to the limited state budget, it is not possible to provide full financial support for the implementation of this scenario in a longer term. The documentation required to qualify for funding is complex and time-consuming, and it could take a long time for the authorities to evaluate it.

Scenario 2: municipal support instruments as a priority. Under this scenario, the main support is provided through the municipality. Informative events are regularly held in the municipality, providing information on the advantages of

social enterprises and the available kinds of national and municipal support. Representatives of the municipality purposefully identify enterprises operating in the municipality, informing them about support mechanisms for employment of persons with disabilities, establishing cooperation with the entrepreneurs in creating potential jobs, as well as providing various support mechanisms to motivate the entrepreneurs to hire persons with disabilities.

To have a subsistence income, many such persons apply to the municipal social service for municipal support. The municipal social service would need to identify the persons with disabilities who would be willing to enter the labour market, as well as obtain information on their skills, education and employment preferences. It is needed to provide information on the enterprises operating in the municipality that are interested in employing persons with disabilities, as far as possible in accordance with the interests of such persons, as well as based on the success of the municipality in establishing cooperation between the enterprises.

In cases where businesspersons have decided to establish social enterprises, municipal support for the enterprises increases if using all the kinds of support specified in the Social Enterprise Law, which may be applied by the municipality: immovable property tax relief, free use of premises or buildings etc. Besides, if a social enterprise has been established, the municipality may additionally support the enterprise by helping to find and attract cooperation partners, providing mentor support as well as, as far as possible, financially supporting the enterprise during its growth. Cooperation partners may be the

municipal social service, entrepreneurs who have previous experience in employing persons with disabilities or in setting up and operating an enterprise in a particular field of activity, as well as enterprises, institutions that would be interested in purchasing the services or goods produced.

If this scenario is implemented, entrepreneurs will become more aware of social entrepreneurship, the number of social enterprises that employ the target groups, as well as the number of jobs would increase in the region. Municipal expenditures on recipients of municipal benefits would decrease, local social responsibility would increase, and the integration of persons with disabilities into society and the labour market would increase as well. In a municipality, residents are approached personally, and a social worker professionally provides support and knowledge that can motivate individuals to start an employment relationship. The following risk arises – individuals prefer to receive social benefits instead of having a job; therefore, the individuals are not very interested in the support and information provided by the municipal social service. The municipality needs to set the same criteria for granting support to enterprises. In municipalities, there are a small number of entrepreneurs who are interested in employing people with disabilities because of the insignificant support provided. Enterprises have inaccessible, difficult-to-adapt working environments, and job responsibilities constrain opportunities for people with disabilities to get hired. Municipalities do not have the resources needed – premises or buildings, as well as additional funding to provide support to social enterprises. Revenues from immovable property tax decrease for

municipalities, whereas expenditures on the measures taken increase. Additional responsibilities are assigned to the municipal social service, it in turn needs to increase the number of personnel or delegate the responsibilities to current employees and increase the budget of the service; besides, the service begins to partly perform the functions of the State Employment Agency. Municipalities and their administrative bodies seeking cooperation opportunities with enterprises assume additional responsibilities and functions.

Scenario 3: cooperation with professional education institutions. The goal of the scenario is to increase the recruitment and employment of skilled employees with disabilities by WISEs by equipping them with appropriate skills and competences. The scenario envisages that WISEs cooperate with professional education institutions that train people with disabilities. To contribute to the recruitment of employees by WISEs, the educational institutions would be provided with information about the WISEs, the specifics of their activities and the required skills and knowledge for their employees, thereby creating the visibility of the target group. Given the potential of social enterprises, they could provide work placements. The scenario involves delivering informative or practical classes and guest lectures at educational institutions as well as an expanded knowledge of the specifics of job responsibilities by social entrepreneurs. The professional education institutions that train people with disabilities are also recommended to cooperate with entrepreneurs, institutions and WISEs by holding regular communication and experience-sharing events.

In case of implementing this scenario,

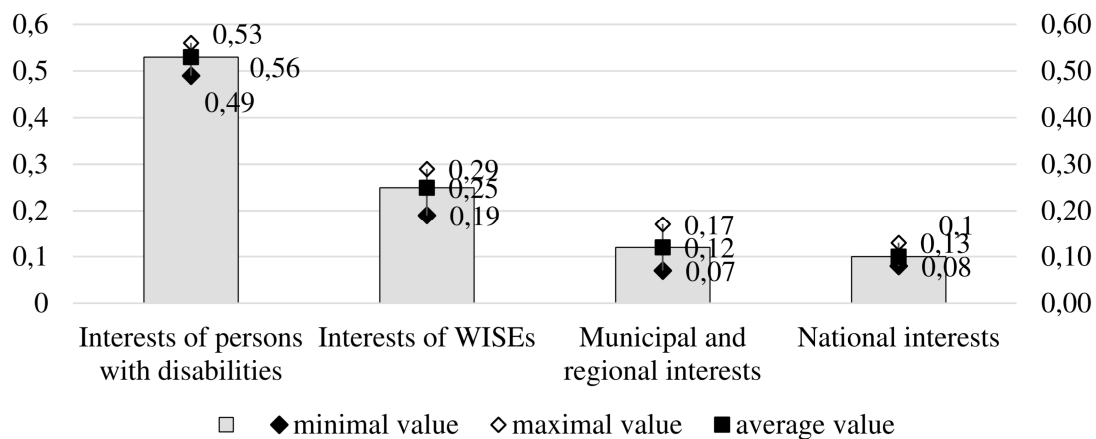
persons with disabilities are motivated to get involved in the educational process, learn a new profession and skills and return to the labour market because there is a greater chance that they will have job opportunities. The skills and qualifications acquired are in line with labour market needs, and the individuals increase their competitiveness. The number of WISEs and fields they are engaged in tends to increase. The flow of information about potential employees and employers increases. Of course, risks must also be taken into account, e.g. experience-sharing and communication between educational institutions and enterprises occurs formally, and the knowledge acquired is not incorporated into practical training. The interest of enterprises is low, and they cannot provide work placements or jobs. The training programme is agreed with national institutions, yet it has little flexibility, it takes a long time to change the training programme and the skills to be acquired, given the rapid market changes and the different needs of employers. WISEs have limited opportunities and resources as well as lack time or other resources for sharing

quality experience and for training.

It could be concluded that several scenarios are possible for promoting the employment of persons with disabilities. To identify the most appropriate one, the research employed the Analytic Hierarchy Process (AHP). After summarizing the opinions of all the experts and calculating the average ratings of the criteria set, it was concluded that the interests of persons with disabilities were the most important ones in promoting the employment of persons with disabilities (0.53). Promoting the employment of people with disabilities increases their quality of life and incomes, promotes social integration and builds up their skills, knowledge and competences. The interests of WISEs themselves were also important (0.25), while national and municipal interests were rated the lowest (Figure 2).

The dispersion of opinions on the criteria was low, indicating consensus among the experts.

After identifying the main stakeholders, the experts compared their interests in and benefits of promoting the employment of



Source: authors' construction

Figure 2. Expert ratings of the criteria groups

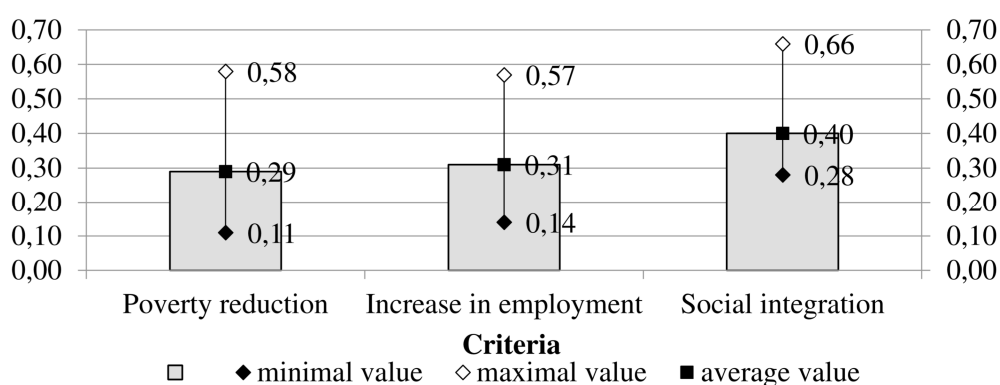
persons with disabilities. The following three main criteria for national interests were identified by the AHP: poverty reduction, increase in employment and social integration (Figure 3).

The experts' ratings of national interests revealed that the most significant benefit (generated through promoting the employment of persons with disabilities by WISEs) was a contribution to social integration (0.40). This was also consistent with previous research studies emphasizing the role of employment of people with disabilities in social integration and professional activation (Gay, 2004). However, the results of the present research showed that poverty reduction and increase in employment were also important benefits, with the average ratings being quite similar (0.29 and 0.31, respectively). It could be concluded that the dispersion of opinions of the experts was quite high, and there was no consensus on the most significant benefits of promoting the employment of persons with disabilities at the national level. The disagreement among the experts showed that there were various challenges for people with disabilities: constraints on their social

integration, discrimination in the labour market and the risk of poverty. The difference in opinion between the experts showed that each expert had his or her own vision of the most acute problem and, consequently, a different benefit of employing persons with disabilities by WISEs at the national level.

The following main criteria for municipal and regional interests were identified by the AHP: increase in the number of jobs and employment in the region, increase in prosperity and decrease in social benefits (Figure 4).

According to the experts, a decrease in social benefits (0.37), the supply of more jobs and the promotion of employment (0.34) would be the most important benefits for the municipality and the region if the integration of the disabled into the labour market and employment were fostered. As regards a decrease in the social benefit burden, the expert's opinions were diverse (0.14 - 0.70). This could be explained by the fact that the level of remuneration in social enterprises is not always high and, therefore, the total income of an employed person does not exceed the income level of a poor person.



Source: authors' construction

Figure 3. Expert ratings of national interests

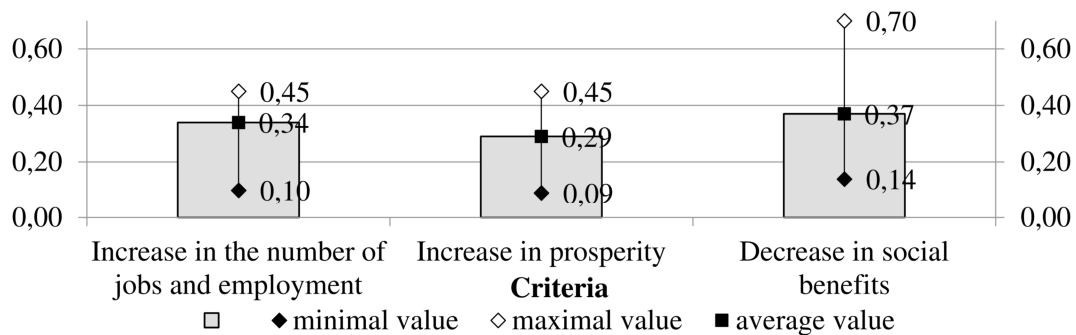
For this reason, local governments will have to continue to pay social benefits. At the same time, there is a low dispersion of expert opinions on the other two criteria, indicating consensus among the experts on the relevance of the criteria.

The following main criteria for WISE interests were identified by the AHP: high supply of jobs, loyal, motivated employees and a positive, socially responsible enterprise image (Figure 5).

According to the experts, labour supply (0.36), as well as loyal and motivated

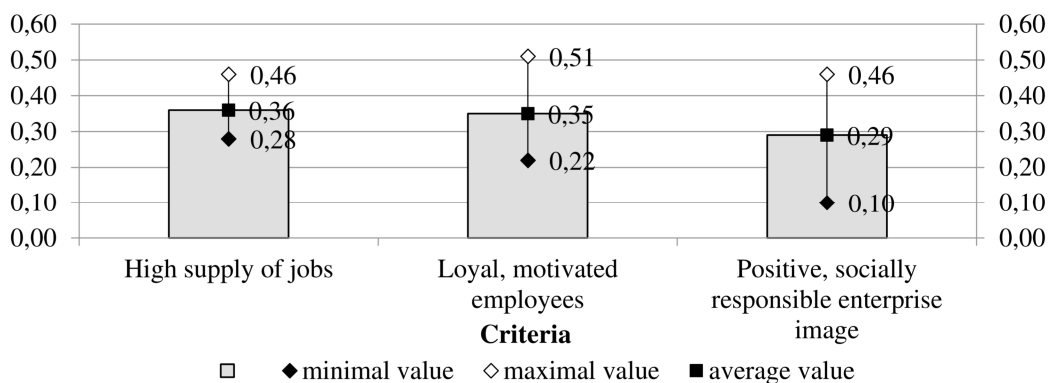
employees (0.35) were the most important criteria and benefits at the level of WISEs. Loyal and motivated employees (0.35) and a positive image of the enterprise (0.29) were also significant benefits. However, the dispersion of opinions (0.22 and 0.51; 0.10 and 0.46) indicated that the experts disagreed on the relevance of the criteria.

The following main criteria for the interests of persons with disabilities were identified by the AHP: increase in life quality and incomes, social integration and experience and skills build-up (Figure 6).



Source: authors' construction

Figure 4. Expert ratings of municipal and regional interests



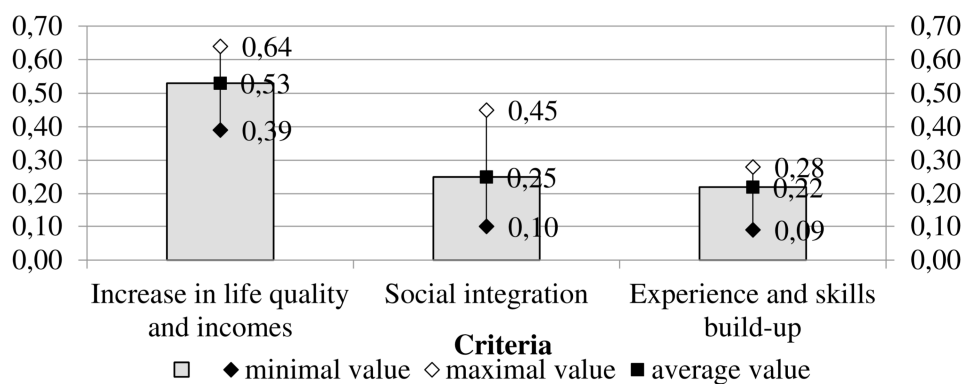
Source: authors' construction

Figure 5. Expert ratings of WISE interests

According to the experts, the main benefit for people with disabilities was an increase in life quality and incomes (0.53). As regards an increase in life quality and social inclusion, the dispersion of expert opinions was the highest, pointing to different views on and visions of which of the criteria would provide the largest benefit. There was a relative consensus among the experts on the build-up of experience and skills, and the

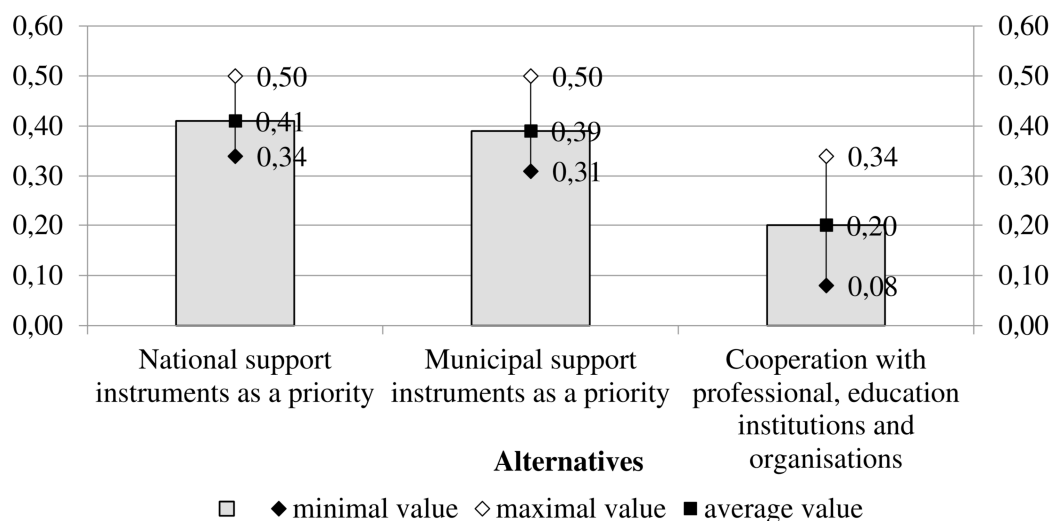
average was comparable to the importance of social inclusion.

Finally, the role of each scenario in achieving the main goal was identified according to all the criteria and sub-criteria. Overall, according to the experts, national support instruments (0.50) were identified as the most appropriate scenario, as well as the application of municipal support instruments (0.41) was important (Figure 7).



Source: authors' construction

Figure 6. Expert ratings of the interests of persons with disabilities



Source: authors' construction

Figure 7. Eigenvector values for the scenarios for promoting the employment of persons with disabilities

There was little disagreement between the experts on the application of national and municipal support instruments, thereby indicating a significant consensus.

The results of the hierarchy analysis revealed that promoting the employment of persons with disabilities in the context of social entrepreneurship was a priority, and it is necessary to increase national support for it. According to the experts, municipal support was also important for promoting the employment of people with disabilities by WISEs. The research results showed that there was a need to develop additional support mechanisms at the national and municipal levels to promote the employment of people with disabilities and their integration into the labour market and society.

5. CONCLUSIONS

WISEs bring significant benefits to individuals (people with disabilities), regions (municipalities) and the country as a whole. At the individual level, the main benefits are an increase in life quality and incomes, social inclusion and the build-up of experience and skills. The number of jobs and prosperity increases in the regions, as well as the social benefit burden because of the poor and needy decreases for municipalities. Poverty reduction, employment and social inclusion are tackled at the national level. It is important that WISEs themselves benefit by gaining loyal and motivated employees as well as a positive image of a socially responsible enterprise.

One of the most important factors influencing WISEs is the public policy, or more precisely, the support system. There are only a few specific support mechanisms or

kinds of tax relief for WISEs in Latvia. WISEs may receive support intended for any social enterprise, as well as the WISEs are entitled to a lower mandatory state social insurance contribution (MSSIC) rate (21.94%) if employing people with disabilities or mentally handicapped ones. In addition, WISEs are also entitled to general kinds of support available to any enterprise employing people with disabilities. The economic factors related to the insufficient involvement of the private sector in the employment of people with disabilities and their competition in the market, as well as the dependence of such persons on social benefits, which affects their chance of returning to the labour market, are also important.

Three scenarios for promoting the employment of people with disabilities by WISEs were developed. The scenarios considered initiators (who would play an important role in promoting the integration of people with disabilities into the labour market) as well as potential support instruments. The scenarios involve benefits and risks. The scenario “national support instruments as a priority” involves partial salary subsidies for people with disabilities employed by WISEs and financial support mainly for long-term investment in WISEs (in the form of grants). The scenario “municipal support instruments as a priority” involves various support instruments, i.e. the municipality regularly holds informative events on social entrepreneurship, municipal representatives cooperate with entrepreneurs in creating potential jobs, as well as provide various support mechanisms to motivate the enterprises to hire persons with disabilities. The scenario involves cooperation with the municipal social service. The third scenario “cooperation with professional education

institutions” envisages WISEs cooperating with professional education institutions that train persons with disabilities (work placements, jobs, guest lectures).

The hierarchy analysis allowed us to conclude that the interests of persons with disabilities were the most important for promoting the employment of persons with disabilities (0.53), as this would increase their quality of life, incomes, social integration, as well as build up their skills, knowledge and competences. However, the most appropriate scenario for promoting the employment of people with disabilities and their integration into the labour market in the context of social entrepreneurship was to increase national support for WISEs. According to the experts, municipal support was also important for promoting the employment of people with disabilities by WISEs.

This study has its limitations. The number of experts included in evaluation process of social enterprise scenarios were limited. Future studies can use other approaches and methods to find out the results of similar researches. The scope of research is also limited to the Latvian context. Further research can be carried out in other contexts which are particularly different in their characteristics from the context of this research.

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СЦЕНАРИЈИ ЗА ЗАПОШЉАВАЊЕ ОСОБА СА ИНВАЛИДИТЕТОМ РАДНОМ ИНТЕГРАЦИЈОМ У СОЦИЈАЛНИМ ПРЕДУЗЕЋИМА У ЛЕТОНИЈИ

Lasma Licite – Kurbe, Liva Sevcuna

Извод

Запошљавање је важан део живота одраслих, али је приступ тржишту рада за особе са инвалидитетом ограничен. Решење је да се промовише развој социјалних предузећа за интеграцију у рад (СПИР), али за то је потребна већа подршка. Стога, истраживање има за циљ да идентификује факторе који утичу на запошљавање особа са инвалидитетом од стране СПИР-а и осмисли сценарије за промовисање запошљавања особа са инвалидитетом у Летонији у контексту социјалног предузетништва.

Истраживање је извршило систематски теоријски преглед да би се идентификовали фактори, њихов обим и карактеристике, као и њихов значај и примењена анализа, синтеза и дедукција за идентификацију и класификацију фактора. Метод сценарија је коришћен да се идентификују могућности запошљавања особа са инвалидитетом, али је процена сценарија извршена применом процеса аналитичке хијерархије (АХП), у који су укључени стручњаци који се баве социјалним предузетништвом.

Истраживање је показало да је најефикаснији начин да се промовише запошљавање особа са инвалидитетом од стране СПИР-а повећање обима националних инструмената подршке и да је од суштинског значаја употреба општинских инструмената подршке. Национални сценарио подршке укључивао је делимично субвенционисање плата за запослене са инвалидитетом запослене у СПИР-има и подршку за дугорочна улагања у СПИР-ове.

Кључне речи: радно интегрисана социјална предузећа, социјално предузетништво, особе са инвалидитетом

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