

PUBLIC SERVICE REFORM

Niche for social enterprises?

Dr Harri Kostilainen
Diaconia University of Applied Sciences

OUTLINE

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SITUATION IN FINLAND



Large and established public welfare and employment services



Complementary role for private for-profit and non-profit organisations



Ongoing reform to organise and provide these publicly funded services



Rapid increase of private organisations providing these services



Emerging landscape of social enterprises and their eco-system

Work integration social enterprises (WISE)



Offer employment to the persons with disabilities and long-term unemployed.



Innovative but have only a marginal role to enhance the employment opportunities of the disabled and long-term unemployed people.



Situation of registered WISE's (Act 1351/2003) is problematic: the Act does not genuinely provide any special support or incentives to establish WISEs



Finnish Social Enterprise Mark

- Aim was to give (positive) brand identity to social enterprises, to differentiate them from traditional enterprises and, in more general terms, to raise awareness of the social enterprise business model.
- A stakeholder-driven label without legal regulation. To be eligible for the label, the organisation should have businesses aiming to address social or ecological problems and invest the majority of their profits in promoting their social or environmental aims, proven openness and transparency of business activities.

Image after: <https://suomalainentyo.fi/en/services/finnish-social-enterprise/>

Success factors and transferability

- Due to the needs of the Finnish society and the priorities of the available funding (ESF), **the focus** of social enterprise and their eco-system development has been **on work-integration and welfare services provision**.
- Only recently **the ecosystem** has had **more stable** organisations and sustainability.
- Deliberate policy decision to **treat all types of enterprises in the same way** for public support:
 - no fiscal exemptions or advantages,
 - no special treatment in public procurements,
 - no public or private finance or funding channels dedicated only for social enterprises.
- **Social Impact Bonds** innovative tool for any impact oriented private organisations.