

# UNLOCKING THE TRANSFORMATIVE POTENTIAL OF WISES IN THE EU

Follow us on LinkedIn and X



Funded by the European Union

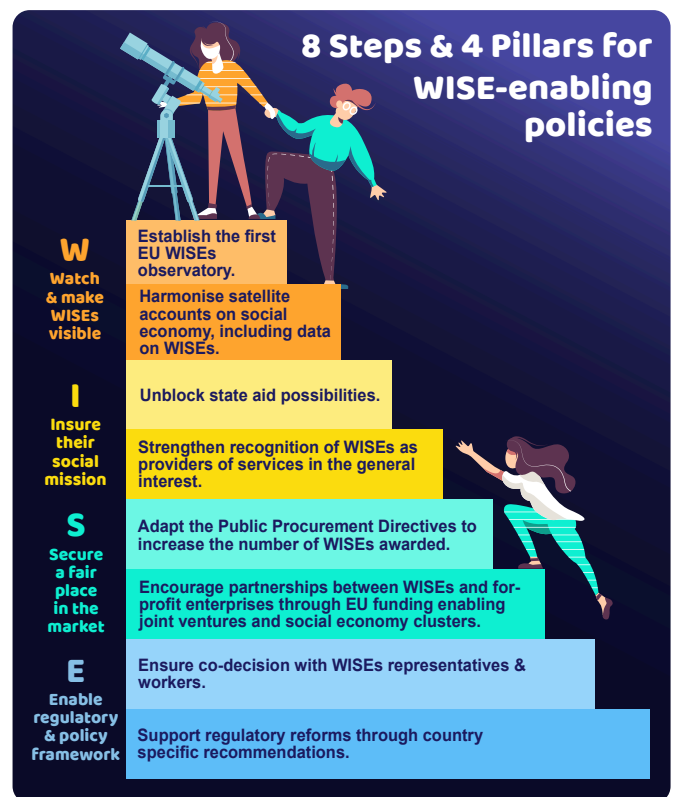
This policy brief is intended to inform policymaking on Work Integration Social Enterprises (WISEs), using research findings developed under the WISESHIFT project. In particular, this policy brief bases its proposals on evidence developed in the [Comparative Report on WISEs scenery](#)<sup>1</sup> and the [Transformative Potential of WISEs](#)<sup>2</sup> report.

**WISESHIFT** aims to provide evidence-based and theoretically sound rationales, actionable strategies, and multi-level policy architecture to WISEs, national federations, European networks, researchers and policymakers. The goal is to enable WISEs to become dynamic actors of inclusive and sustainable transitions within their ecosystems. [WWW.WISESHIFTPROJECT.EU](http://WWW.WISESHIFTPROJECT.EU)

## Mainstreaming WISEs in the European Union

Among the host of activities of general interest carried out by social enterprises, work integration is the most widespread. *Work Integration Social Enterprises* are Social Economy Organisations (SEO) defined by three distinctive dimensions<sup>3</sup>. Firstly, like any enterprise, they engage in commercial activities (the sale of goods or services). They operate across different sectors, including the circular economy in reuse, repair, and recycling activities, care and agrifood and they are subject to competitive pressures. Secondly, they aim at **facilitating the work and social integration of people with support needs**.<sup>4</sup> Thirdly, as a lever to articulate both social and economic goals, **WISEs develop a strong pedagogical environment**, making them intentionally designed to empower persons who are on the margins of public life. It also means that they are particularly positioned to promote on-the-job training for their workers.

**WISEs are present in all EU Member States** regardless of the type of welfare system and the existence of a specific legislation or policy scheme recognising or supporting WISEs. **New types of WISEs continue moreover to emerge to facilitate the inclusion of excluded persons.** However, **WISEs**



**diffusion varies significantly from country to country**, because their development is largely linked to diverging national political and historical contexts.

<sup>1</sup> Galera, G., (2026). Comparative Report on WISEs scenery. WISESHIFT project, Horizon Programme (GA 101178477). European Commission: Brussels. Available at [wiseshiftproject.eu](http://wiseshiftproject.eu).

<sup>2</sup> Roquebert C.I., Petrella F., Richez-Battesti N., Moncel N., (2026). Transformative Potential of WISEs. WISESHIFT project. Horizon Programme (GA 101178477). European Commission: Brussels. Available at [wiseshiftproject.eu](http://wiseshiftproject.eu).

<sup>3</sup> We refer to the definition adopted by the European Social Economy action plan: "SEOs are "private entities, independent of public authorities, providing goods and services to their members or to society, encompassing cooperatives, mutual benefit societies, associations, foundations and social enterprises that operate in accordance with the following key principles and features: the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to further pursue their social and/or environmental purposes and carry out activities in the interest of members/users ('collective interest') and/or society at large ('general interest'); and or participatory governance" (Communication from the European Commission, COM(2021) 778 final, p. 5).

<sup>4</sup> Two specific types of people with support needs are referred to in the WISESHIFT project, 'workers with support needs' (WSN) and 'people with disabilities' (PWD).



FOLLOW US ON LINKEDIN AND X



Funded by  
the European Union

Where they have not been recognised, WISEs often operate outside the radar, thus preventing reliable estimates of the number of *de facto* WISEs from being made. Conversely, data are available where WISEs have been legally recognised.

The **significant lack of reliable data** prevents WISEs and their networks to demonstrate their actual and potential impact to public authorities, private funders and citizens. It concerns crucial metrics such as, size of the organisation, value created, numbers employed and field of activity. Only a few Member States collect statistics that capture all these aspects. Among a set of policy recommendations available at the end of the document, **this policy brief calls for the establishment of 1st European WISEs observatory**, to steer policymaking by analysing the impact of current legal frameworks and public support schemes for WISEs.

## A diverse and complex WISE scenery in Europe

While WISEs operate in all EU Countries and Serbia, significant differences are noticeable when it comes to their trajectories; the models of work integration; the type of public policy schemes and the types of legal frameworks that have been developed to acknowledge the social responsibility taken on by WISEs.

In some countries WISEs have mostly originated from the transformation of long-standing sheltered workshops, in some other countries they have been driven by civil society. These two trends often coexist.

Regarding the type of models of work integration, multiple social challenges, coupled with the interaction of WISEs with public policies, have led to the development of **three main types of integration models: permanent, transitional and mixed**. The permanent model offers long-term or lifelong employment opportunities for WSNs within the WISE itself, while the transitional model focuses on preparing WSNs to move into the conventional labour market. The mixed model combines elements of both, providing a pathway in which some workers remain permanently employed in the WISE, while others are placed outwards. The transitional model has emerged in countries where WISEs strongly interact with public policies. This is for instance the case of France, where the transitional model is

compulsory. For some types of WISEs, the permanent work integration model is also supported by public schemes.

Given the rather diverse country situations, policy discussions are varied: the policy choice to treat WISEs primarily as transitional instruments is currently under discussion for instance in France. Conversely, in countries where public support for WISEs is limited, WISEs are rarely eager to facilitate the inclusion of trained WSNs in the open labour market. This is for instance the case of Croatia, Italy and Serbia, where WISEs are more likely to retain the employed WSNs.

Country variations concern also how WISEs address their mission. **Three main types of WISEs have emerged as typical patterns: productive WISEs, social WISEs, and training WISEs**. Productive WISEs exist both in countries providing generous public incentives to support work integration and in countries lacking support altogether. They are strongly oriented toward the production of goods and services relying on sub-contracted agreements with large mainstream businesses or public entities and tend to lean towards a transitional integration model. Productive WISEs have mostly grown into large organisations, reaching significant turnovers and employing hundreds of workers. Conversely, social WISEs often adopt a permanent work integration model and consider employment a key dimension together with welfare support and cultural, housing and financial inclusion. They are usually small, have a low turnover and are both place and community based. Lastly, training WISEs complement their training offerings with the implementation of productive activities.

The legal and policy acknowledgement of WISEs differs quite significantly across and sometimes within countries. Legal recognition is articulated in diverse solutions reflecting different cultures and traditions of the legal systems wherein WISEs operate. Legal innovations acknowledging WISEs span from the legal recognition of new types of organisations up to the introduction of WISE qualifications and accreditation schemes.

Public support policies can similarly take diverse forms and either target all types of enterprises or WISEs specifically; some support measures act on the fiscal or contributory leverage, providing for the payment of social security contributions for WSNs by pu-



FOLLOW US ON LINKEDIN AND X



Funded by  
the European Union

blic authorities; others provide subsidies for the labour cost of WSNs or supporters; some other sustain other entrepreneurial functions. Finally, access to market regulations is, in some instances, based on reserved and preferential contracts, regulated by EU legislation providing for the possibility to assign public contracts to WISEs or to economic operators supporting the work integration of WSNs.

In some countries, WISEs' access to policy support depends on their legal recognition, whereas in others support is provided independently of legal recognition. There is thus no correlation between legal recognition and public support.

several accreditation schemes.

Accredited WISEs benefit from a set of dedicated support schemes.

Both a permanent and a transitional model of integration coexist in Belgium.

A recent tension has emerged between integration through WISEs within the social economy and individual integration measures open to all enterprises, particularly in Flanders.

**In numbers:** In **Belgium**, researchers have estimated a minimum of **695 WISEs**, employing **22,341 workers, in 2023**.

### France

Most WISEs operate as associations and cooperatives. They are legally recognised and institutionalised through a public accreditation as "structure of integration through an economic activity" (SIAE). WISEs are all part of the Social and Solidarity Economy by law (labelled as ESUS - *Entreprise solidaire d'utilité sociale*) and are built upon a transitional model, offering temporary contracts to vulnerable workers.

Due to insufficient funding and strong market pressures, there is currently a tendency toward slowdown, redirection, and fragmentation of WISEs.

**In numbers:** In **France**, **5,823 WISEs** were identified in 2024. Over **9,000 workers were hired in 2024<sup>5</sup>** alone, and representatives of the sector estimate a total of **300,000<sup>6</sup> workers with support needs currently contracted**.

### Italy

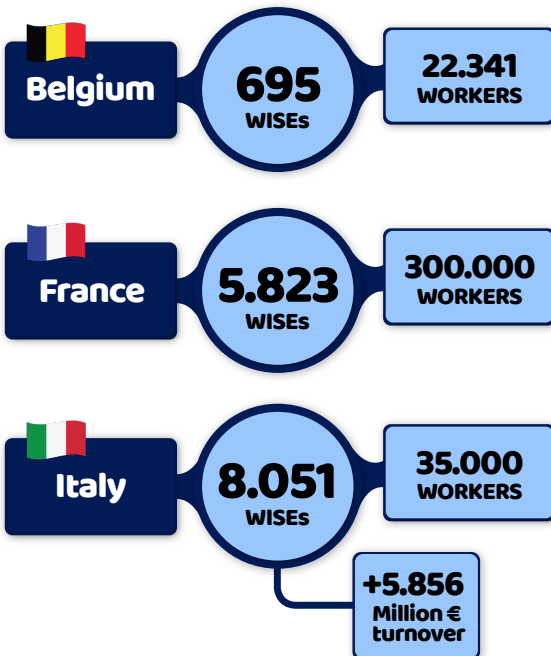
Type B social cooperatives represent by far the most widespread type of WISEs in Italy. WISEs were legally recognised in 1991 by law 381, which introduced a new cooperative form. WISEs do not have access to public support measures except for some specific regional provisions and they mostly adopt a permanent work integration model.

The lack of an enabling environment explains why the number of WISEs has remained relatively stable in Italy since the 90s, the number of WSNs integrated is overall low, and the predominant model of integration is by default mostly permanent.

**In numbers:** in **Italy**, at least **8,051 WISEs** were estimated in **2024**. They represented **over 5,856 million EUR of turnover** and employed nearly **35,000 workers with support needs**.

## Snapshot from the eight WISESHIFT countries

### Countries with high level of legal recognition



### Belgium

Belgian WISEs are mainly set up as associations and cooperatives and they are legally recognised through

<sup>5</sup>Insertion par l'activité économique (IAE) | Politique de l'emploi

<sup>6</sup>Insertion par l'activité économique : le secteur vent debout contre la baisse de budget annoncée

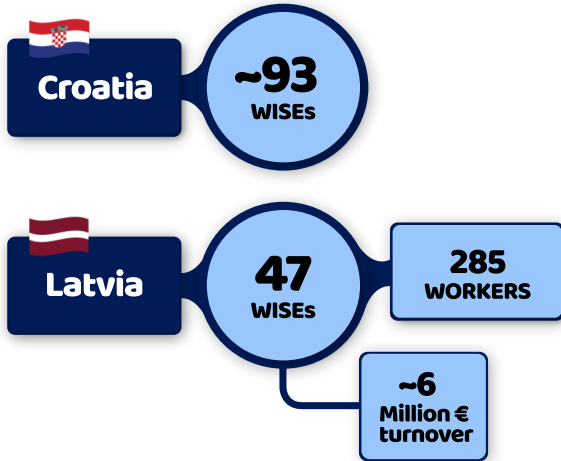


FOLLOW US ON LINKEDIN AND X



Funded by the European Union

## Countries with medium level of legal recognition



### Croatia

WISEs can operate as associations, social cooperatives (where the use of the term 'social' is subject to arbitrary use), veterans' social-working cooperatives, social welfare institutions, and conventional companies, or they can acquire two distinct legal statuses: sheltered or integrative workshops. The majority of WISEs adopt a permanent model of integration.

The Strategy for the development of social entrepreneurship (2015-2020) introduced a new legal status/label for WISEs. However, this strategy has yet to be implemented.

The policy appeal of Croatian WISEs has so far been wavering and dependent upon EU funds. It is moreover diminishing except for WISEs integrating people with disabilities, which have access to Active Labour Market Policies.

**In numbers: In Croatia:** a rough estimate of **93 WISEs in 2023** were identified.

### Latvia

WISEs were formally recognised in 2018 with the introduction of the Social Enterprise Law which stipulates that only limited liability companies are entitled to qualify as social enterprises.

Most WISEs are however set up as associations or foundations and adopt a permanent model of integration.

The narrow legal recognition and uneven support provided to WISEs prevents to fully harness the potential particularly of *de facto* WISEs integrating

workers with special needs other than people with disabilities.

**In numbers:** In **Latvia**, there were **47 legally recognised WISEs in 2024**. Their overall turnover amounted for a total of almost **6 million EUR**, employing **285 workers with support needs, as per 2023**.

## Countries with low level of legal recognition



### Ireland

In Ireland there is not a dedicated legal form for WISEs and the Company Limited by Guarantee is for the time being the most widespread legal form adopted by WISEs.

Various policy initiatives have since the 1990s included WISEs within the Irish policy discourse. In 2019, the Department of Rural and Community Development of the Irish Government published Ireland's first [National Social Enterprise Policy \(2019-2022\)](#), which was followed by other initiatives including the recent 2024-2027 National Social Enterprise Policy Trading for Impact.

Irish WISEs adopt a mixed model of integration.

A competitive public procurement process and restrictive active labour market measures/regulations pose (potential) challenges for Irish WISEs.

Since they lack a specific legal identity, it is moreover extremely challenging to accurately assess the size of WISEs in Ireland.

### The Netherlands

No specific legal form exists. WISEs can choose among various legal forms, namely: associations,



FOLLOW US ON LINKEDIN AND X



Funded by  
the European Union

foundations, cooperatives, or investor-owned companies. While there is no dedicated fiscal regime or national funding line, Active Labour Market Policies provide all enterprises supporting work integration of workers with special needs with a pragmatic and functional support framework. Among Dutch WISEs, some create permanent positions within the organisation, while others focus on transitional occupations.

Recognition happens in practice through local listings, partnerships, and operational criteria, but it creates challenges in terms of visibility and data collection.

**No statistics are available for WISEs in The Netherlands.**

## Serbia

WISEs are free to use one of the following legal forms: enterprises for professional rehabilitation and employment of persons with disabilities (EPRE of PWDs), social cooperatives, associations of citizens and foundations, conventional companies (i.e., Limited liability company - LLC / joint stock company - JSC). Serbian WISEs adopt a mixed model of integration.

In Serbia, all employers who hire a person with disabilities without work experience on a permanent contract are entitled to a wage subsidy for 12 months. A set of support measures for WISEs has been introduced by the Act on Social Entrepreneurship (2022), which is however not yet functional.

Despite the recent recognition, WISEs lack proper support and **no reliable data on the number of existing WISEs in Serbia.**

## How should the EU act? Steps to unlock WISEs' potential

As acknowledged by the EU institutions, WISEs present a huge potential to support the EU's objectives in terms of poverty reduction, waste reduction, addressing labour and skills shortages, and ensuring quality jobs in a just transition. Nonetheless, environmental, economic and regulatory conditions are far from allowing WISEs to reach their full potential.

Effective EU intervention will need to focus on:

- How can the EU increase the entrepreneurial and social capacities of WISEs?
- How can the EU better link the social and green policy agenda?
- How can the EU ensure relevant frameworks for different contexts?

To unlock WISEs' potential, WISESHIFT partners recommend the following **eight-step strategy based on four pillars:**

<b>W</b>	<b>I</b>	<b>S</b>	<b>E</b>
Watch & make WISEs visible	Insure their social mission	Secure a fair place in the market	Enable regulatory & policy framework

### Pillar 1: Watch & make WISEs visible

Despite the significant contributions of WISEs to society, the project findings reveal a concerning lack of data. A more visible presence is crucial to steer policymaking by analysing the impact of current legal frameworks and public support schemes for WISEs, which is necessary to unleash their transformative potential.

**1 Establish the 1st European WISEs observatory.** This one-stop-shop platform would assemble, monitor, analyse and disseminate relevant data and trends related to WISEs across Europe, supporting stakeholders as well as national and EU institutions with robust evidence-based data.

**2 Harmonise the use of satellite accounts on social economy, including key data on WISEs,** ensuring efforts are redirected in examining their economic, social and ecological impact.

### Pillar 2: Insure their social mission

In most of the countries studied in the Comparative Report on WISEs scenery, relevant support measures take the form of public grants and subsidies, reducing



FOLLOW US ON LINKEDIN AND X



Funded by  
the European Union

the cost of labour for workers with support needs. These measures, which should be tailored to the profile of workers, are vital to protect the social mission against market or institutional pressures. The length and intensity of support are also crucial for addressing the social challenges faced by workers with support needs, particularly when those needs are severe and multiple. Measures could include targeted actions like:

**3 Unblock state aid possibilities.** The General Block Exemption Regulation should extend the duration and the intensity of aid for the recruitment of disadvantaged workers in the form of wage subsidies, update the definition of disadvantaged workers with emerging profiles, increase the intensity of training aid, and include a clear definition of social economy enterprises.

**4 Strengthen recognition of WISEs as providers of services in the general interest.** In countries such as Austria, Czechia and Portugal, WISEs may obtain public benefit status linked to their general interest aim. On that basis, public authorities should secure clearer recognition and more sustainable support the additional costs of work integration, for example frameworks based on Services of General Economic Interest.

### Pillar 3: Secure a fair place for WISEs in the market

Findings show that measures facilitating access to public and private markets are crucial for WISEs' economic development, their capacity to innovate and scale, and their ability to adapt their operations to fast-changing market demands.

**5 Adapt the public procurement directives to increase the number of WISEs awarded,** through a mandatory requirement to allocate at least a percentage of annual procurement budgets to reserved contracts and through a consistent recognition of social and environmental considerations. Moreover, the creation and preservation of jobs for individuals from disadvantaged groups as a direct outcome of the awarded procurement contracts, should be assessed with social impact indicators.

**6 Encourage partnerships between WISEs and for-profit enterprises through EU funding enabling joint ventures and social economy clusters.** Network agreements established by WISEs with for-profit enterprises respond to an increasing demand from mainstream businesses to gain public trust and respect and to WISEs' ambition to enter new markets with a high added value.

### Pillar 4: Enable regulatory and policy framework

In studied countries policy and legal recognition of WISEs through regulation has triggered benefits and drawbacks. To effectively implement quality measures, actors' involvement and data gathering are of instrumental importance.

**7** In all policy measures and EU funding, it is of utmost importance to **ensure co-decision with WISEs representatives and workers in strict enforcement of the code of conduct for partnership principles, particularly in monitoring committees for EU funding.** As highlighted by the project findings, WISEs are deeply shaped by each country's specific context and policies designed from the top down —with limited stakeholder consultation— have repeatedly failed.

**8 Supporting regulatory reforms through country specific recommendations.** In many Member States, WISEs mainly use traditional legal forms that were shaped for SEOs or mainstream businesses. The need for a specific legal form or accreditation scheme depends on country-specific factors, which ought to be carefully taken into consideration through qualitative consultation of stakeholders, WISE networks, and local experts. Targeted analyses are needed to understand the need of new regulations and what elements should they incorporate to fully harness the potential of WISEs. In this regard, the EU Semester should better direct country specific recommendations for the support of WISEs across the EU.

In most countries, WISEs are long lasting and resilient initiatives **filling gaps left by the state and the market.** Their strength lies in successfully **combining social inclusion goals with sustainable economic activities** and, in many cases, ecological action. Their innovative approaches often **inspire and influence mainstream actors, public policies, and sector-specific ecosystems,** demonstrating their capacity to shape broader practices.

Investing in WISEs means strengthening WISEs' capacity to address current market failures and cultivating their unique potential to innovate, thereby enriching a future-oriented and inclusive employment policy.

This policy brief is the first of a series of three. Policy levers to foster WISEs' contribution to sustainable and inclusive transitions will be further described in Policy Brief No. 2.

**Whether you are a policymaker, practitioner, researcher, or simply curious, your voice matters. Please [subscribe to our newsletter](#) or [contact us directly](#) to join our community.**