


E.L.BA project

Emergenza Lavoro nei
Balcani
2015-2016



Economic and social framework

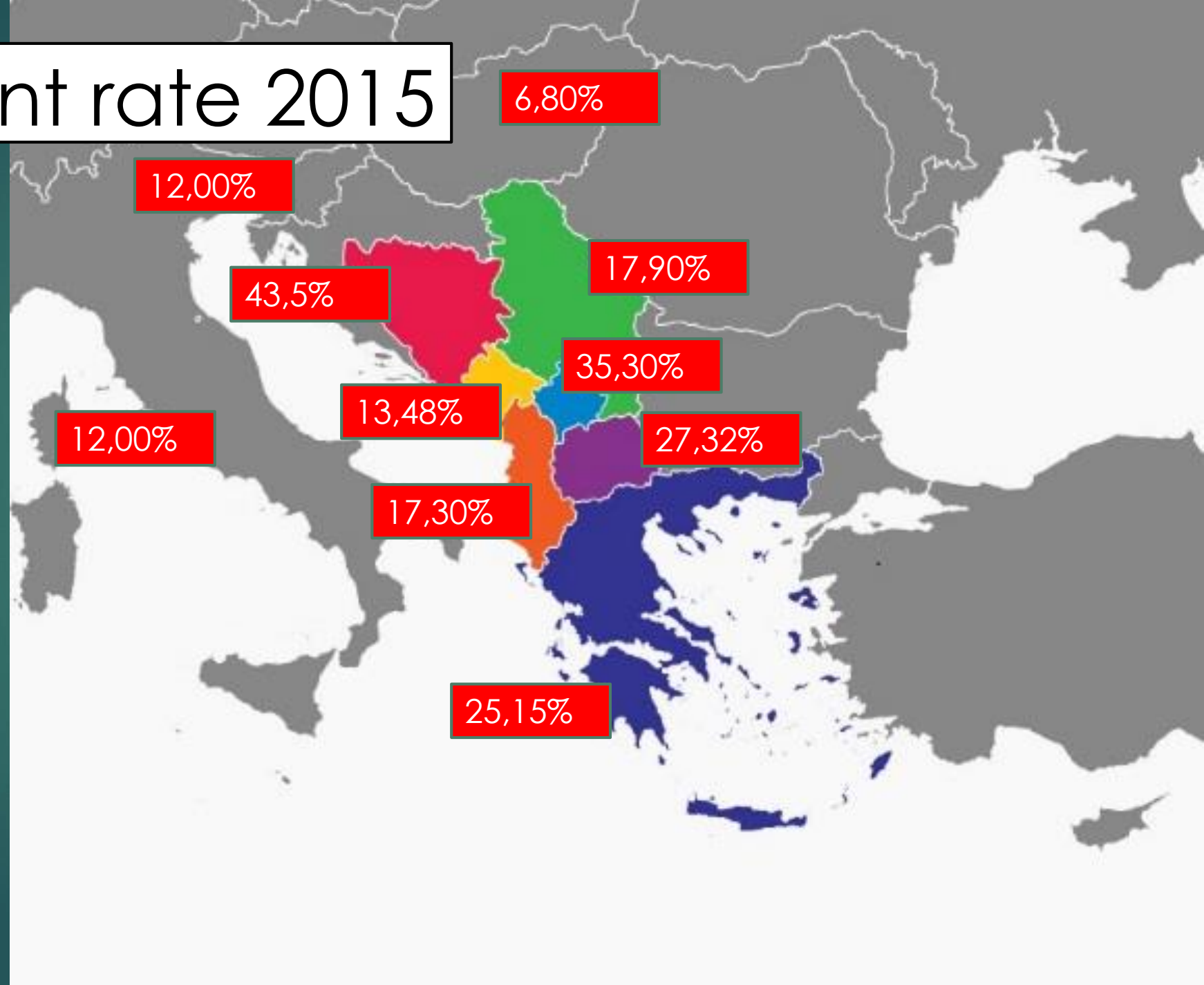
- ▶ The financial and economic crisis in the Eurozone is affecting dramatically the South East Europe economies:
 - More difficult funding from financial institutions (mainly from Germany, Austria, Italy and Greece)
 - Reduced international trade from SEE countries to EU
 - Internal and foreign investments decreased
 - Drop in remittances
 - Domestic consumption decreased
 - High unemployment rates

- 
- ▶ The solutions adopted are worrying because related only to a stricter control of public finances - **austerity measures**:
 - Reduction of already low salaries (often below the poverty threshold)
 - Weaker social protection measures (pensions, subsidies)
 - Cuts in essential services (health, welfare, education)
 - ▶ Large part of the population is affected by the crisis, but the ones suffering the most are **the vulnerable groups**:
 - They remain marginalized
 - Poorer than the rest of the population
 - Insufficient support by the State
 - Lack of possibilities for inclusion

REGIONAL context

- ▶ For the Western Balkan countries, the transition from socialism to capitalism and democracy was less smooth than in other parts of Emerging Europe.
- ▶ But once the war ended and peace returned, these countries did more than rebuild: they began a transformation into market economies.
- ▶ However, the process of structural transformation began to stall in the mid-2000s, especially because of the global financial crisis.
- ▶ Balkan transition economies, which means Albania, Bosnia, Bulgaria, Croatia, Macedonia, Montenegro, Romania and Serbia, “suffered the most from the global recession of 2008-09.
- ▶ General social and economic situation Western Balkans is characterized by a decreasing rate of economic growth, of the unemployment rate and, as a consequence, poverty and social exclusion.

unemployment rate 2015



REGIONAL context

- ▶ In a nutshell, labour markets in the Western Balkans are characterized by the four dominant common features:
- ▶ high levels of **emigration** (export of labour) and consequent large inflow of remittances - they are all in top 20 countries worldwide according to the amount of **remittances** *per capita*;
- ▶ high or sometimes excessively high levels of **informal employment**;
- ▶ public sector wage premiums;
- ▶ and weak private sector.



Regional context

- ▶ The main obstacles : for this are **insufficient knowledge** of the concept and possibilities that open through social entrepreneurship, **non-existence of the adequate institutional framework**, sporadic programs and initiatives for employment through social entrepreneurship, **lack of the initial capital**, needed knowledge and skills.

Region context

- ▶ Taking into consideration the number of the poor and socially excluded in WB, as well as consequences of the global economic crisis, it is clear that the current situation must be changed since, according to the experiences of the EU, **only social entrepreneurship can effectively integrate unemployed and other vulnerable categories of the work capable population**

Problems

- ▶ * insufficient knowledge about the concept and possibilities of SP
- ▶ * lack of adequate institutional and legal (inadequate, inflexible, outdated) frame
- ▶ * bureaucracy, slow administration at the establishment
- ▶ legal entities

Problems

- ▶ sporadic programs and employment initiatives
- ▶ the lack of funding for initial investments, start-ups, incentives ...
- ▶ lack of necessary knowledge and skills (entrepreneurship, investment for EU funds)
- ▶ Poverty, destroyed resources in the country

Perspectives

- ▶ At a time when social exclusion, poverty and unemployment are acute social problems in the WE, **social entrepreneurship is the path and potentiality for overcoming these problems.** Development of social enterprises is one of the ways to meet the **requirements** that European Union has set in front of its candidats, which are related to equal access to employment and social services.



Perspectives

- ▶ Concept of social inclusion, initiated by the EU countries looks at an individual as potential not as an expense of the society and it devotes attention to their social inclusion. The aim is to **enable and return less employable categories to the labour market.** Through the active inclusion measures, which emphasize social economy, the **price** that should be foreseen for the incentives for employment and education of the poor and excluded citizens **is much less than constant and unsustainable allocations for social protection.**

Perspectives

- ▶ Draft of the European strategy 2020 sets three priorities for the EU countries, but also for the the candidate countries in the next period:
- ▶ 1. “Smart” development: economic development based on the knowledge and innovations;
- ▶ 2. Sustainable development: promotion of more effective, ecological and competitive economy;
- ▶ 3. Inclusive development: initiating opening of the new work places with the aim of social and territorial cohesion.

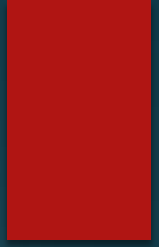
Objectives of the project

1. To **tackle the economic crisis in South East Europe**, through sustainable and socially equitable economic solutions
2. To offer innovative and qualified answers (social enterprises) to **the needs of vulnerable groups** in South East Europe, supporting their educational, social and professional inclusion
3. To support these countries' **access processes to the European Union**, through the promotion of welfare and social economy experiences that are in line with EU standards
4. To strengthen **the sustainability** of the social enterprises supported **by Churches and charitable organizations** in South East Europe
5. To strengthen **regional cooperation between the Churches in the area**, fostering an exchange of best practices, information and skills regarding the fight against poverty

Social economy as a tool to fight against the economic crisis

- ▶ In Europe, the organizations of the social economy and social enterprises are playing an important role as **services suppliers**, also in marginalized areas that are not adequately served by private and public bodies.
- ▶ They facilitate the reallocation of resources and a favorable **transformation of the welfare system**, contribute to combat social exclusion and contribute to local sustainable and fair development.
- ▶ This sector has become one of the **main creators of jobs in Europe**, keeping up the employment rate even after the economic crisis

Church and Social economy



Encyclical Letter “Caritas in veritate” (Pope Benedict XVI)

- ▶ The man and not money should be at the center of the economic action (par. 25)
- ▶ The poor, the socially excluded, are to be considered a resource, even from the economical point of view, and not a "burden" (par. 35)
- ▶ The ties of friendship, sociability and solidarity are possible even within the economic activity, and not only "outside" of it or "after" it (par. 36)
- ▶ There is enough space for the economic activities ruled by different principles, which are not only profit and money accumulation (par. 37)
- ▶ The enterprise is an organization that responds not only to those who invest in it, but also it tend to achieve a social aim: it entails responsibilities toward its own workers, suppliers, consumers, environment and surrounding society (par. 40)
- ▶ There are the profit and nonprofit sector, but it is also emerging a wide intermediate area between them, that is the one using the profit as an instrument for pursuing social objectives (par. 46)

The model of Social enterprise proposed by the project

Any organization, in a different way linked (directly or indirectly) to the local Church, that meets social, pedagogical and human promotion goals, and that can have a significant social impact on local communities.

The social enterprise related to this organization is created in order to take care of the most vulnerable and disadvantaged groups, both employing them or providing them with social and educational services.

Moreover, this form of social enterprise should actively involve its members in the decision-making processes and in its governance through mechanisms of democratic participation and permanent consultation.

Finally, it should reinvests all the profits produced by the business activities in the social enterprise itself and/or in social-oriented actions.

Possible areas of work

- ▶ The businesses that foresee **the employment of people from disadvantaged groups**: these enterprises should have least 30% of the total number of the employed as social disadvantaged people;
- ▶ The businesses providing **services to persons coming from vulnerable groups** such as: social welfare, health care, health and social services, education, education and training, extra-scholastic training, child care, disability assistance;
- ▶ The **development of disadvantaged areas**, such as poor rural areas or urban areas particularly disadvantaged, with businesses on: social tourism; sustainable agriculture; environmental protection and biodiversity.

Final beneficiaries

- ▶ Vulnerable groups in South East Europe such as:
 - Young people and women from disadvantaged areas such as rural areas or suburbs;
 - People belonging to Roma, Egyptians and Ashkali groups;
 - People with physical and/or mental disabilities and persons suffering from mental disorders;
 - Former drug addicts;
 - People from families under revenge of feud (*gjakmarrja*);
 - Any other group of people in need, benefiting from the services Caritas and/or other social services

Activities proposed

▶ **EDUCATIONAL PROGRAMME**

- Trainings on Social Economy
- Study visits

▶ **ECONOMICAL SUPPORT TO SOCIAL ENTERPRISES**

- Fund for strengthening the existing social enterprises
- Fund for start-up of new social enterprises
- Technical counseling, coaching and monitoring

▶ **DISSEMINATION PROGRAMME**

- Market researches
- Researches on Local legislation
- Meetings, Brochures

CARITAS AND THE CHURCH



CARITAS AND THE CHURCH

1990s humanitarian phase



CARITAS AND THE CHURCH

2000 phase of the social service delivery and capacity building



CARITAS AND THE CHURCH

2010 phase of social entrepreneurship

...



Experiences of social enterprises

RAD DAR Caritas Mostar

- ▶ August 2013 Caritas Mostar founded the Economic Society for the recruitment of disabled persons RAD-DAR. In setting up the Economic Society RAD DAR Caritas Mostar goes a step further in the care of persons with disabilities and gives them an opportunity for employment.
- ▶ **3 persons**



Cooperative Livač

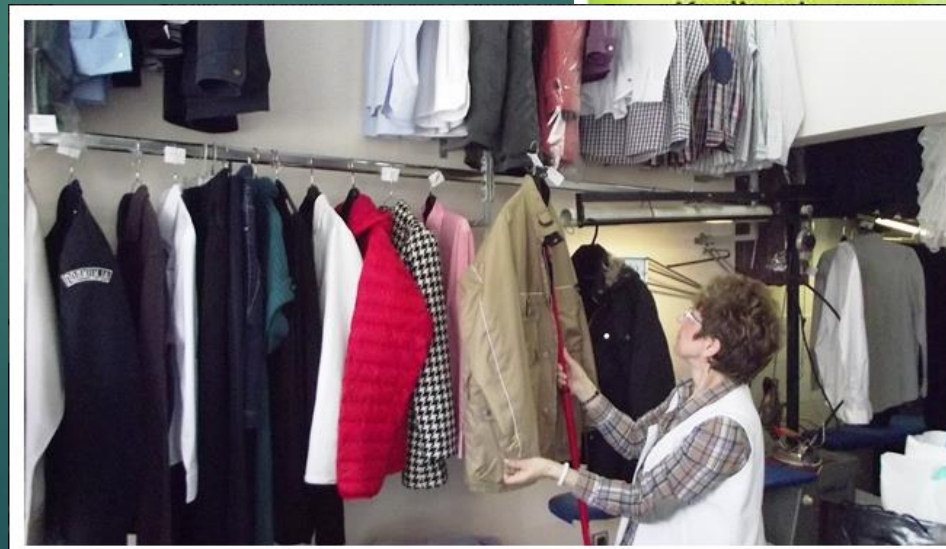
- ▶ In Aleksandrovac, Laktasi municipality, in 2006 Caritas of the Diocese of Banja Luka founded agricultural cooperative Livač.
- ▶ With the aim of creating new jobs and employment, but also for the development and improvement of livestock production.
- ▶ **Profit is used to finance Caritas social projects.**

cooperative Livač



SERVIS "Elio,, , Caritas Šabac - Serbia

- "Elio" is a "social enterprise" which offers employment opportunities for women from socially vulnerable groups, high-quality services at affordable prices and free community services for people from vulnerable group.



Caritas ŠABAC

elio

HEMIJSKO ČIŠĆENJE & veseraj

PRANJE **PEGLANJE** **DOSTAVA**

eri Vaših potreba i mogućnosti!

sa ELIO pomažete ranjive kategorije
to ste prepoznali društveno odgovornu
dimenziju naše organizacije.

ušana 48, 015 342 201
00 - 20.00 subota 08.00 - 14.00

ka 19, 060/30 65 465
00 - 15.00 subota 08.00 - 14.00

Conclusion

- ▶ The project **E.L.Ba.** is ambitious not only for the expected results but also for the change of approach and perspective of action it requires for Caritas in the Balkans
- ▶ From agents supporting the fragility of people we will try to be **agents of development of communities**, and within them, of people.
- ▶ We will make a promotion with a wide range:
 - ▶ We promote single persons and their families not by donating but improving their capacities.
 - ▶ We promote communities, empowering them in the sense of taking charge of people and their territory.
 - ▶ We promote the territory, in the awareness that the care of the general context in which people live is directly related to the growth of people (the better the care, the bigger the growth)