



From the public perspective

An introduction to
Socioeconomic Reports

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Foreword

We have large groups of people in Sweden *today* who for various reasons are excluded from the labour market. The costs are enormous, both for *the individual* and the public. This includes the cost of absenteeism and sick leave, healthcare and treatment, but also the cost of crime and reduced tax revenues. These are people who live on limited means, at times on the *fringes* of society, in social exclusion. The longer it goes on, the more devastating to the individual's *self-esteem and financial circumstances*.

And yet we know that within the near future we are going to be facing a labour shortage, when everyone will be needed and every hour worked will contribute to *sustainable* growth and common welfare. What can we do to change the situation? How can we invest our tax funds to ensure dividends in the form of lower public costs and a higher employment rate?

There are surely, and there must be, several answers to those questions. Social enterprise is one of them.

A social enterprise runs a business and

- is aimed at integrating people into society and employment
- empowers employees through ownership, contracts or other documented means
- re-invests its profits in its own or similar programmes
- is independent of public programmes

Social enterprises link entrepreneurship with the individual's need to work and public needs for services by running a commercial enterprise where the employees and their circumstances come first.

In this report, *Socioeconomic Reports*, we clearly demonstrate the substantial public profits generated by the two studied enterprises, *Vägen ut! kooperativen* and *Basta Arbetskooperativ*. Reports like this can and should be used as input when decision-makers discuss interventions towards rehabilitation and enterprise.

Can we afford not to make these long-term social investments in *new enterprises for sustainable growth and common welfare*? And what will be the price *if we do not*?

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1 Summary and Results

We studied two social enterprises, *Vägen ut!* (“Exit!”) and *Basta* in 2005. The objective was to develop and apply a method that can be used to evaluate the public benefit of these and similar enterprises in economic terms. The process has been described in two reports: an initial method report and a complete results report. The former describes the theoretical and methodological bases of the Socioeconomic Report. The latter provides complete results of the Socioeconomic Reports for the two enterprises and a detailed description of how other social enterprises or rehabilitation programmes can independently prepare this kind of report. For reasons of space, we have chosen in this summary to present the results for the two studied enterprises by turns.

The social enterprises in this study demonstrate extraordinarily large positive external impacts, expressed as social profit. Our results indicate the following:

- The enterprises generate very high social profit on the order of SEK 1 million per employee and year. The social profit exceeds the business profit by a factor of 50 or more.
- The social profit consists of two components: the public costs that are eliminated or reduced when addicts recover and the production value created in the enterprises.
- The greatest gains are made by the legal system, social services and insurance companies. Profits for these actors amount to SEK 100,000 to 500,000 each per employee and year in both enterprises.
- From the social investment perspective, *Basta* and *Vägen ut!* appear to be extraordinarily profitable enterprises with annual returns of several hundred percent. After five years’ stay at these enterprises, the social profit may amount to as much as SEK 9 million per employee.
- The total social profit of the two enterprises’ existence is about SEK 120 million per year, which can equal the budget for addiction programmes in a city of 200,000 inhabitants.

According to welfare economics theory, enterprises that demonstrate substantial negative external impacts are usually penalised with taxes or fees. This study thus inspired the following question: based on the theoretical principles, should this type of social enterprise be encouraged by means of e.g. reduced payroll taxes or another form of affirmative action?

In one sense this study is a special case among social enterprises. It depicts enterprises whose employees' social exclusion due to addiction and criminality is very costly to society. Nevertheless, some of them are highly skilled and capable, particularly as entrepreneurs. The study results are not directly applicable to other social enterprises with employees of other backgrounds and whose social exclusion is rooted in other causes. But we believe there are programmes for marginalised and disadvantaged groups in or adjacent to the social economy for which it would be worthwhile to develop the method and compile empirical data, such as those for:

- At-risk youth, especially considering the profound and long-term consequences of social exclusion of youth in terms of human suffering and economic costs.
- People marginalised in the labour market for various reasons including ethnicity, skills, psychosocial problems, disabilities, etc. The marginalisation of these groups is very likely costing the public substantial production value.
- People with mental disabilities and other health conditions who are routinely marginalised by social actors in the labour market rehabilitation system even though a large percentage of them are capable of working. The result is substantial health-care costs and production losses.
- Immigrants who are permanently excluded from the labour market for linguistic, ethnic or other reasons, at great public cost.

It would perhaps be worth the effort to study the public value of these programmes and prepare similar Socioeconomic Reports for them as well.

2 What is a Socioeconomic Report?

The Socioeconomic Report is based on supplementing the financial statements of an enterprise from the public cost-benefit perspective.¹ The purpose of this is to internalise relevant components of the social enterprise's external impacts.

Our definition of this annual report is based on established economic theory and its accepted terminology. The theory uses the term "external impacts," which roughly means the impacts arising from an enterprise's activities that are not reflected in its accounts or financial statements. The environmental impact of industrial production is a common example of a negative external impact, such as external costs. The opposite of that concept is internal impacts, that is, impacts that are reported in the enterprise's financial statements, etc. We have based our definition of a Socioeconomic Report on those two concepts.

The first section of the Socioeconomic Report covers the production value and production costs generated by a recovering addict's work at Vågen ut! or Basta.

The second section of the Socioeconomic Report covers all external costs to the public that are eliminated because the addiction has been overcome, which we call external revenues. It also includes all costs that remain to a lesser extent or which have arisen as a result of the activities of Vågen ut! or Basta.

The annual report is in three parts: an income statement, a key figures statement and an investment statement.

We produce *the income statement* based on a number of individual calculations that we weigh together based on how many people in the various categories work at Vågen ut! and Basta. This external calculation is then linked to the enterprise's annual report for 2005.

The key figures we report illustrate the difference between the business and public cost-benefit perspectives.

¹ The definition of Socioeconomic Report we use here is a modification and expansion of the preliminary definition used in the earlier method report.

The investment statement is aimed at evaluating the investment impacts of rehabilitation programmes at Vågen ut!/Basta. We use three investment horizons: 1, 5 and 25 years. Pay-off time is a central concept here, which may be interpreted as the time that elapses before an investment is repaid.

3 Socioeconomic Report – in figures

3.1 Income Statement – Vägen ut!

The income statement component of the Socioeconomic Report for Vägen ut! for the 2005 financial year is shown below. The format follows the principles of double-entry bookkeeping. In the interests of brevity, revenues and costs are shown line-by-line, one after the other. Let us begin by tracking the enterprise's costs and revenues. We do this by adding revenues received from various public actors, such as SEK 1,609,000 from the Employment Service, and other revenues on the line for the enterprise's revenues. The total of SEK 7,157,000 is shown in the column where the revenues are added up. The line below shows total costs, which amount to SEK 7,511,000. The two following columns show the enterprise's profit/loss for 2005 in total and per employee.

If we want to study the Socioeconomic Report from the municipal perspective, we go to the "Municipality" column and see that municipal revenues from Vägen ut! amount to SEK 9,645,073 for 2005. The costs amount to SEK 4,717,487. Some of these are found higher up in this column as a revenue for Vägen ut! of SEK 2,762,667, which includes rehabilitation costs for placements at Vägen ut! The municipality's total profit and profit per employee for Vägen ut! are shown in the two right-hand columns of the income statement.

Table 3.1 Socioeconomic Report, Vägen ut! 2005 Income Statement

		Employment Service	Enterprise	Social Insurance Administration	Municipality	County Council	Legal System	Other	Total	Profit	Profit/ Individual
Employment Service	Revenue	1,085,220							1,085,220	-523,780	-13,846
	Cost	1,609,000							1,609,000		
Enterprise	Revenue	1,609,000	2,010,000		2,762,667		775,333		7,157,000	-354,000	-9,358
	Cost		7,511,000						7,511,000		
Social Insurance Administration	Revenue			4,084,843					4,084,843	3 372,943	89,161
	Cost			711,900					711,900		
Municipality	Revenue				9,645,073				9,645,073	4 927,586	130,256
	Cost				4,717,487				4,717,487		
County Council	Revenue					2,663,039			2,663,039	1 176,559	31,101
	Cost					1,486,480			1,486,480		
Legal System	Revenue						14,978,904		14,978,904	14,001,696	370,121
	Cost						977,208		911,208		
Other	Revenue							14,477,333	14,477,333	14,477,333	382,695
	Cost								0		
Total	Revenue								54,091,411	37,078,336	980,130
	Cost								17,013,075		

We see that Vägen ut! had revenues in business terms of approximately SEK 7.1m for 2005, while the cost-benefit revenues amount to approximately SEK 54m. The substantial difference primarily reflects the public costs associated with addiction that are eliminated or reduced when addicts recover.

The net financial performance for Vägen ut! is a loss of approximately SEK 0.35m for 2005, while the social profit is approximately SEK 37m, a reflection of the same impacts as above. Those who profit the most in this process are the legal system and the actor we have classified as “Other,” which gain SEK 14m and SEK 14.5m respectively during the year.

6

It is also interesting to note that the labour market agencies sustain a net loss of approximately SEK 500,000 annually, which is primarily an expression of the costs of wage subsidies they assume to facilitate the occupational rehabilitation of members of Vägen ut!

3.2 Key Figures Statement – Vägen ut!

The key figures in the Socioeconomic Report for Vägen ut! are as follows:

Table 3.2 Socioeconomic Report, Vägen ut! 2005, Key Figures Statement

Key figures	Ratio	Value
Revenues for Vägen ut! from public and business perspectives	54m / 7.1 m	7.6
Profit (loss) for Vägen ut! from public and business perspectives	37.1m / (0.35m)	---
Social profit of Vägen ut! per year and employee	37.1m / SEK 38	0.98m
Social profit/cost of rehabilitation ²	37.1 / 3.5Mkr	10.6

The table shows a few key figures for the Socioeconomic Report for Vägen ut! We see that the public revenues are 7 to 8 times higher than the business revenues. Even more spectacular however is that the social profit is more than SEK 35m while the enterprise is reporting a loss in purely business terms. This relationship clearly illustrates how wide the gap between the business and public cost-benefit perspectives can be.

² The cost of rehabilitation is defined here as sales of rehabilitation places sales as reported in the enterprise's income statement.

Every employee at Vågen ut! generated a social profit of about SEK 980,000 in 2005. The rehabilitation cost invested by the public in Vågen ut! in 2005 returns more than ten times the money or 1,060 percent – a rather acceptable return in most investment contexts.

3.3 The social investment perspective – Basta

3.3.1 Background

Long-term and preventive efforts or rehabilitation are always associated with a certain measure of uncertainty. It is always easier for decision-makers to deal with the short-term certain issues than with the long-term uncertain ones. Alongside the general aversion to risk, the duration of terms in office and the budget year tend to favour a short-term approach to decisions, which tends to reduce the uncertainty. The individual decision-maker is expected to form an opinion and consider a very concrete, clearly identified, certain and sometimes urgent cost today in relation to a very uncertain, in most cases vague (both in size and scope) revenue sometime in the future – which may also accrue to some other actor. It is not surprising that in this type of decision situation, people assign greater weight to the concrete impacts of the present than the uncertain impacts of the future.

As long as we are unwilling to take risks in the long-term effort to prevent illness and rehabilitate excluded and marginalised people, the short-term and certain but often poor decisions will prevail. We may need new welfare institutions that are willing to take these risks, which are in terms of humanity and economics basically sound. The Socioeconomic Report's investment statement is an attempt to create this type of long-term approach to rehabilitation.

3.3.2 The one-year investment perspective

Let us take Basta as an example. We start with the pessimistic assumption that after the first twelve municipally financed months at Basta, an employee will relapse on the first day of month thirteen. The municipality will then accrue an investment cost of SEK 285,000 and a revenue of SEK 235,000. The return on invested capital for the first year is 82 percent, or a loss of 18 percent in relation to the investment.³ From the public perspective, the revenue generated for the same cost is SEK 1.78m.

³ It should be noted that this impact arises when the progression is studied from the individual's perspective, which differs from the result when the enterprise as a whole is studied (Table 9.3). There is thus a considerable disparity in the results depending on whether the social investment problem is analysed from the individual or collective perspective, which is partially a matter of risk management and risk calculations.

Table 3.3 Socioeconomic Report, Basta, 2005. First-year return on a rehabilitation place for the municipality and the public if an addict immediately relapses after the first year

Cost of rehabilitation	Revenue to municipality, SEK	Return ⁴ to municipality, %	Revenue to the public, SEK	Return to the public, %
285,000	235,000 ⁵	82 %	1,795,000	630 %

From the municipal perspective, the return on investment is 82 percent, but the return from the public perspective is about 630 percent. This looks like a bad deal for the municipality but a good one for the public. It then becomes interesting to ask: from what economic perspective should such decisions be taken? Is there a responsibility for having an overall perspective on the issue and if so, whose responsibility is it?

3.3.3 A five-year perspective on the rehabilitation problem

But now let us move the time horizon farther ahead. Basta has existed as an enterprise for more than ten years and a large number of people have now lived at Basta for five years or longer or have lived at Basta for a time and later stayed clean and sober outside Basta for five years or longer. The median time for the people living at Basta when this study was conducted was four to five years.

We can thus calculate the five-year investment horizon for people who have stayed at Basta for five years without relapsing into addiction rather easily by going directly from the values in the table above, keeping the rehabilitation cost constant and multiplying revenues by a factor of five.

Table 3.4 Socioeconomic Report Basta, 2005. Return over five years on a rehabilitation place for the municipality and the public⁶

Cost of rehabilitation	Revenue to municipality, SEK	Return to municipality, %	Revenue to the public, SEK	Return to the public, %
285,000	1,175,000	413 %	8,975,000	3,150 %

⁴ Here and throughout the report we use "return" to mean a ratio between what an actor gets back in relation to what the actor invests. If the ratio is less than 100 % it indicates a loss. Likewise, ratios higher than 100 % indicate a profit.

⁵ This data was taken from Table 9.3, where the total municipal revenue during the year amounts to SEK 15,321,000, which distributed among 65 employees yields a gross revenue per person of SEK 235,000.

⁶ We have chosen to use non-discounted values in this and subsequent tables.

We then see that the return on the rehabilitation investment from the five-year perspective is more than 400 percent for the municipality and 3,000 percent, or thirty times the money, for the public as a whole. This would probably be considered a good return in the conventional business world.

If we compare this to the values we arrived at after one year, it illustrates the difference between a short-term and long-term approach to rehabilitation. Something that may seem like a bad deal from the short-term municipal perspective becomes a very profitable story from a somewhat longer term perspective.

3.4 Cases of special interest

The material we have produced to present the Socioeconomic Reports for Basta and Vågen ut! contains a great deal of detailed information that could not be analysed and reported here for various reasons. There are however a few interesting factors worthy of discussion: how the profits are distributed in the sector we have called the legal system and what impacts arise for insurance companies.

3.4.1 Impacts within the legal system

The legal system is made up of four agencies or actors. In the table below, we have distributed the generated profits among these actors.

Table 3.5 Socioeconomic Report, Vågen ut!, 2005. Annual impacts on the legal system of the Vågen ut! programme distributed by actor

	Courts/Prosecutors		Prison and Probation Service		Police	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
Court/Prosecution system	6,679,313	201,875				
Prison and Probation Service			3,007,974	775,333		
Police					5,291,617	0
Total	6,679,313	201,875	3,007,974	775,333	5,291,617	0
Profit		6,477,438		2,232,640		5,291,617
Profit per individual		171,225		59,018		139,879

We can see that all parties profit by the existence of Vågen ut! The costs of expensive trials, complex prosecution processes, many police interventions and costly prison sentences are saved. It is somewhat surprising that the public prosecution system and

the courts gain the most with a combined profit of about SEK 170,000 per year for every employee at Vågen ut! The Prison and Probation Service also makes a substantial gain, even though this annual report has allocated (or according to our perspective, invested) SEK 750,000 of its own funds, primarily to contract care. The annual net profit for the Prison and Probation Service is about SEK 60,000 per employee at Vågen ut! or a total of more than SEK 2.2m for the entire enterprise. The net profit for the police is more than SEK 5m for the entire enterprise or about SEK 140,000 per individual and year.

3.4.2 Impacts on insurance companies

How insurance companies are affected by the Vågen ut! and Basta programmes is another interesting question. A large part of the social profits generated by these two enterprises is made up of prevented thefts and burglaries, reported in the annual reports under the “Other” category of actors. In the table below, we have first separated the component of this impact that can be attributed to the insurance companies and then distributed the profits based on the market shares of the companies in the homeowner’s/renter’s insurance market. The table shows how the profits are distributed among the companies.

Table 3.6 Socioeconomic Report Basta & Vågen ut! 2005. Annual value of prevented thefts as one of the impacts of Vågen ut! and Basta

Actor	Percentage	Vågen ut!	Basta
Other costs (value of thefts)	100 %	14,5m	36,9m
Percentage, insurance companies	85 %	12,3m	32,3m
Market shares, four largest companies	100 %		
LF-gruppen	41 %	5,0m	13,2m
Folksam	28 %	3,4m	9,0m
Skandia	14 %	1,7m	4,5m
Trygg-Hansa	12 %	1,5m	3,9m
Other	5 %	0,6m	1,6m

The difference in impacts between the two social enterprises is attributable to three things: the difference in the number of employees, the difference in the sex of employees and the difference in main drug of choice. Basta has more employees, a larger percentage of drug addicts and a larger percentage of men, resulting in more extensive burglary/theft and higher costs for insurance companies. The opposite conditions prevail at Vågen ut!

4 The Social Enterprises

This study covers two social enterprises, Vågen ut! and Basta. There were 65 people in the Basta programme in December 2005, of whom 43 percent had been at Basta for 12 months or less. This means that their stay at Basta had been financed by Social Services (78 %) or the Prison and Probation Service/legal system (22 %) at a cost of SEK 780 per day or SEK 285,000 annually per individual for the municipality and SEK 900 per day or SEK 329,000 annually for the Prison and Probation Service.

The other people at Basta have been in the programme for one year or longer. The length of stay varies between one and eleven years, with a median value of four to five years. Forty-eight (74 %) are men and seventeen (26 %) are women. The average age is 42. Amphetamines are the most common drug of choice for residents of Basta. Heroin and alcohol are minority drugs. The residents of Basta are generally long-term substance abusers who became addicted during adolescence and many have been practicing addicts more or less constantly for 20 years.

Compared to Basta, Vågen ut! is a young social enterprise of only a couple years' standing. The programme has expanded very quickly in that short time. The people in the programmes are rarely there for longer periods, which is based on the principle that Vågen ut! should function as a transition from social exclusion to employment. There were three main programmes in 2005: Villa Solberg – housing and job training for men, Karin's Daughters – commercial activities and job training for women and the Solberg Café – commercial activities and job training.

Nineteen people were employed at Vågen ut! for all or part of 2005. Fourteen received a wage subsidy and two were in Sheltered Public Employment (OSA). Some of the employees were there for the entire year, while others had been employed for only a period. Expressed as full-time equivalents, the 19 people are reduced to 13 FTE. Of these, 11 people are included in our calculation because they have a history that can be connected to our typical careers.

There were 15 men at Villa Solberg during the year and 15 women were in the Karin's Daughters programme. Amphetamines were the main drug of choice for 60 percent of the people at Vågen ut! Heroin was the drug of choice for only 5 percent and alcohol was the drug of choice for the remaining 35 percent.

When we compare the two enterprises, we see that the main similarity is that essentially all employees have a long history of criminality and addiction, with deeply rooted and usually long-term social exclusion, in most cases starting in early adolescence and lasting well into middle age. The lives of many residents are stories of addiction, criminality and exclusion for 20 years or more. Amphetamines are the main drug of choice in both programmes, but there are certain differences:

- At Basta, addiction is the main reason for entry to the programme while residents at Vägen ut! may also have a more purely criminal background.
- Basta is dominated by men (74 %) while the majority at Vägen ut! are women (55 %).
- Alcohol as drug of choice has a clearly minority status at Basta (12 %) but is the drug of choice for a considerably larger percentage at Vägen ut! (35 %).
- The median time for a stay at Basta is four to five years, but only four to five months at Vägen ut! The difference is mainly attributable to that the programmes at Vägen ut! had existed for only a little over a year when the study was performed.

These differences have some consequences on the results of the Socioeconomic Reports because public costs are extremely dependent on the addict's sex and drug of choice.

5 Welfare Policy Perspective

One is faced with two problems when evaluating the impacts of rehabilitation programmes aimed at target groups with complex needs, which are related to how our public institutions are organised and the management systems used. We might call the first the “stovepipe problem” and the second the “tyranny of short-sightedness.”

13

5.1 Stovepipe logic

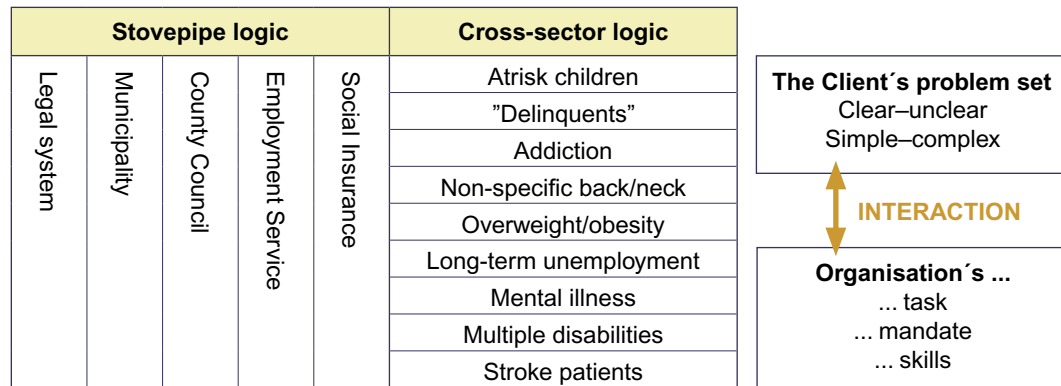
The public systems work effectively for most citizens in the country. They are built according to what researcher Siv Their usually calls “stovepipe logic.”⁷ They are highly specialised and have deep but narrow expertise within certain fields that is appropriate when the client problem set is clear, uncomplicated and coincides with the organisation’s skills, mandate and task.

The problem arises when the client’s problem set is vague, complex and crosses over the skills and mandates of several different organisations. These clients do not fit into the system precisely because the complexity of their problems demands a concerted and coordinated response from many actors, both to understand the problem and to identify the right solutions. This applies especially to marginalised groups, which are often the target population for social enterprises.

The paradox is that the clients who have the greatest need of support due to their complex and indistinct problems also have the greatest difficulty getting the support they need.

⁷ See Their, *Pedagogist Ledarskap*, 1998.

Figure 5.1 Organisation- or client-perspective



People suffering from addiction (like criminals and the long-term unemployed) are a group that do not really fit into the systems and with whom are played a sort of organisational game of “Old Maid.” For individual clients, this means they are far too often forced into running a fruitless gauntlet between different agencies.⁸ Everyone takes limited responsibility for the client's situation, but no single actor sees the entire set of problems or assumes responsibility for resolving all of them.

We have clearly shown in the Socioeconomic Reports how the profits of addiction rehabilitation are a complex mix of interventions taken from the various stovepipes. With respect to Vågen ut!, what seems to be a profit of SEK 0.7 million from the County Council perspective is a profit of SEK 5.6 million for the legal system and 17 million for the public. The same phenomenon – three entirely different cost perspectives. This stovepipe thinking usually leads to interventions that impede both meeting the needs of the individual and efficient use of public resources.

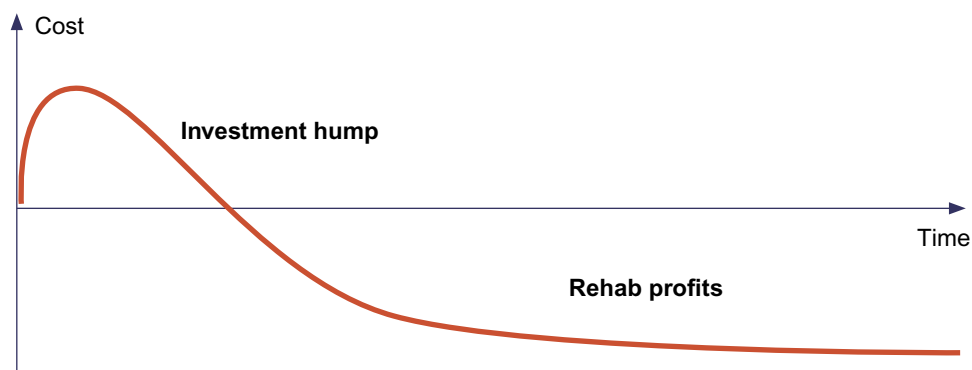
5.2 The tyranny of short-sightedness

The other problem is that in most public contexts, people think only in terms of costs (aside from physical investments), which are charged in the current budget year. When investments are made in buildings and other permanent facilities, the cost side of an agency's budget is charged with only a certain percentage of the cost every year over the estimated lifetime of the building. The organisations have an investment budget. There is no corresponding social investment budget in the social sector, where resources are likewise invested in a rehabilitation process. The *social investment perspective* is found neither on the mental map nor in the management and reporting systems.

⁸ See Nilsson & Wadeskog and National Board of Health and Welfare, 1999, Rutger Engström, “Psyiskt sjuk eller missbrukare” and Swedish Government Reports, SOU 1997, Egon Jönsson.

But let us look back at the impacts of Basta from the long-term perspective. That which is a short-term (from the one-year budget perspective) cost becomes a substantial profit over the long term (from for instance the five-year perspective). From the municipal perspective, the investment in a stay at Basta is not fully returned within one year (the return is only 82 % of the investment). From the five-year perspective, this is turned into a profit of 250 percent or about SEK 700,000 for every employee at Basta. You have to spend money to make money and there is always some risk involved. Costs always come before revenues – and future revenues are not certain. Alongside the one-year problem, this is one of the barriers to thinking in terms of social investment.

Figure 5.2 Rehab profits and time factor



As long as our thinking and our public management and reporting systems do not allow management of a long-term investment approach to social issues or risk-taking, we will be caught in the trap of short-sightedness, which is not only economically inefficient but also causes unnecessary human suffering.

5.3 The Socioeconomic Report as a method of evaluating an overall view and the long-term approach

The Socioeconomic Report is a concrete method for breaking the tyranny of short-sightedness and stovepipe thinking, in that calculations are based on an overall perspective and can assign value to impacts that lead to the redistribution of resources among various actors. It also becomes possible to evaluate the long-term impacts of rehabilitation programmes, which makes it possible to adopt an investment perspective on rehabilitation as opposed to a short-term cost approach. In these two ways, the Socioeconomic Report provides an opportunity to take decisions on more effective use of public rehabilitation resources and thus to act in a manner more efficient from the cost-benefit standpoint.

There are other applications for the Socioeconomic Report and the method we have presented here, in addition to the obvious one of using it to describe and analyse the public value of social enterprises.

- The method can be used to describe and understand the complex contexts of the lives of people with multifactorial problems.
- In this way, the method can be used to form an overall view of the needs of various target groups. The method can be used as a basis for overall needs assessment.
- When this perspective is adopted, one can create the prerequisites for cooperative solutions for various target groups with complex problems and identify the winners and losers in concerted efforts.
- This gives us the capacity to calculate the impacts of concerted efforts surrounding people with multifactorial problems and to adopt a long-term social investment perspective on their rehabilitation.

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Cooperative Development Centres, Kooperativa Utvecklingscentrum LKU, are found in every county in Sweden and have a government mandate, via Nutek, to support the development of business and entrepreneurship in the social economy, including social enterprises and cooperatives. To find the Kooperativa Utvecklingscentrum office nearest you, visit their website at www.kooperativutveckling.coop

Would you like to get in touch with the cooperatives that produced socioeconomic reports?

Vågen ut! kooperativen: www.vagenut.coop

Basta Arbetskooperativ: www.basta.se

Would you like to know more about the European Social Fund, ESF, and the Equal programme?

The Swedish ESF Council is a state agency that administers European Social Fund schemes in Sweden and informs the public. ESF supports projects that contribute to higher employment, gender equality, sustainable development and economic and social cohesion. You are invited to visit the Swedish ESF Council online at www.esf.se

Social Enterprise – expanding the labour market is a project within Equal, a Community initiative whose objectives are to:

- Facilitate start-up and operation of social enterprises aimed at creating jobs for people who are excluded from the labour market
- Identify barriers and suggest amendments to laws and regulations and how they are applied
- Spread information about existing social enterprises and their economic and human impacts

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Nutek is the Swedish National Agency for Economic and Regional Growth. Nutek's mission is to contribute to the creation of new enterprises, help existing enterprises grow and strengthen regional growth – and thus promote sustainable economic growth throughout the country.

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From the public perspective

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Can we afford not to make these long-term social investments in *new enterprises for sustainable growth and common welfare*? And what will be the price *if we do not*?

Nutek promotes sustainable economic growth throughout Sweden by contributing to the creation of new enterprises, helping existing enterprises to grow and by strengthening regional growth.

NUTEK

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