



## **Forum 7 : Paying for Productivity**



**Jim Mullan**  
Kibbleworks



**Sally Reynolds**  
CEO Social Firms UK



**Peter Stadler**  
FAF Germany



## Forum 7

# Paying for Productivity

## Experiences from Germany



[Peter.Stadler@faf-gmbh.de](mailto:Peter.Stadler@faf-gmbh.de)

Edinburgh, 3rd of  
September 2008







# Spielräume



PLANUNG UND AUSFÜHRUNG







**Gepflegte Räume sind eine Reverenz.**  
 Deshalb ist Reinigung eine Vertrauenssache.  
 Zuverlässig und gründlich erledigen wir alle

Arbeiten, die in Büro, Praxis oder privaten  
 Wohnungen anfallen. Umgehend erstellen  
 wir Ihnen ein individuelles Angebot.



Zur Anzeige wird der QuickTime™  
Dekompressor „  
benötigt.





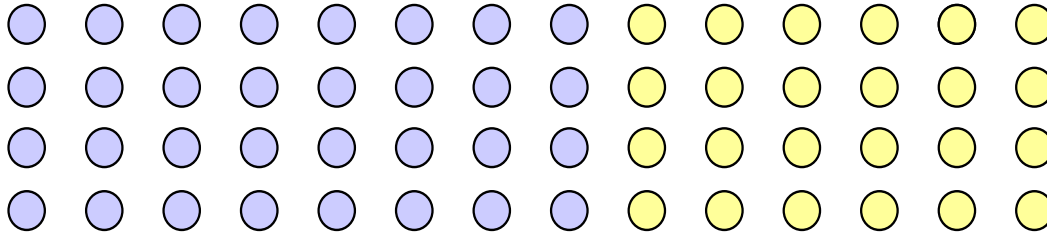








700 market oriented Social-Firms (Integrationsunternehmen)



blue: members  
yellow: associated members



**Political Lobby Organisation**

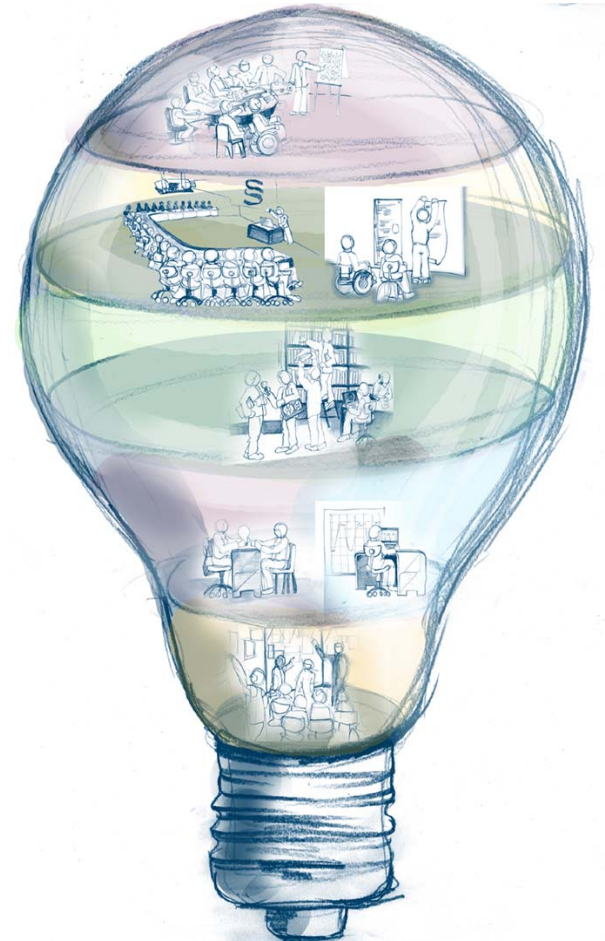


Consultance - national support structure



**FAF**  
 Fachberatung für Arbeits- und Firmenprojekte  
 gGmbH

- FAF** • SUPPORT STRUCTURE FOR SOCIAL FIRMS  
 on a national level
- FAF** • consult and evaluation for policy,  
 ministeries, public administration
- FAF** • consult for market oriented social enterprises  
 and  
 private businesses (context: work  
 integration)



## **(1) ▪ Distinction / Differentiation of labour market target groups**

**Quota system**

**Public Support for Social Firms**

The **principle**:

Every person shall have the possibility to participate in the working life.  
The German word for this is “Teilhabe” .

Participation is possible **with** a working contract and also **without** a working contract.

The **question** : (public labour administration / security system / pension insurance are differring:)

Is someone able to work (in average) **3 hours per day** in the framework / conditions of the normal labour market?

If **yes**: (someone can work 3 hours in average)

This person is part of the labour - market - policy target group. Labour administration and special placement services will help to find working places.

If there is a (regular) working contract:

When this person is a so called „**person with a disability**“, his employer (private business, social firm, also public sector) can receive **a long term public funding to compensate disadvantages and lower productivity.**

When this person is **not** a person with a **disability** but a **long term unemployed**, his employer can receive for 3 to 12 month a public funding.

If **not**: (someone is not able to work 3 hours per day in average)

This person is **NOT** part of the labour - market - policy target group - the social security system is responsible to organize the participation in the working life or this person gets pension.

When this person is a so called „person with a disability“, he has the right to work in a so called **sheltered workshop** or in some special **day-centers** for occupation (both without a working contract, most of these people receive social security money plus 100 €)

**New**: When a person is long - long - **long - term unemployed and has two or more other obstacles for job placement there is a program for 100,000 working places** - the employers receive a long-term public funding to compensate disadvantages and lower productivity. (The name of the law: SGB II - § 16 a) These persons have a working contract

**Every employer has the obligation to employ 5% or more people with a disability.**

**If you don't fulfil this obligation, you have to pay a levy between 100 € and 350 per month and per place.**

**The money is collected in a special fund, called "Ausgleichsabgabe (in English: compensation fund) It is not part of the normal state-budget, it is a special fund which only can be used to integrate persons with a disability.**

This **compensation funds** has 500,000,000 € (500 Millions of Euros) per year.

**50 Millions are given to social firms**

**80 Millions are given to placement services**

**180 Millions are give to private companies and to people with a disability**

**100 Millions is given to the labour-office-administration for short term funding and labour market policy**

**The rest is given to sheltered workshops and used for special purposes (research, information activities ...)**

### 1. Social firms are financed by

- Income from selling goods and products and services (75%)
- Public funding (max. 25 %)

### 2. The public funding of social firms ( the **THREE C's**)

**C**apital : Funding of Investment (10,000 Euros per workplace) plus additional loans

**C**ompensation of deficits and lower productivity: Long term funding (25 % of the personal costs of the persons with a severe disability)

**C**onsult: Financing of consultancy for developing and evaluation of business plans, know how transfer etc.

**The funding for social firm is 10 years old. Before the funding of investment and compensation of deficits was financed by foundations. With the implementation into the law the number of social firms increased significantly.**

**“you don’t need not to wait for laws - start with good projects and convince the public about the sustainability and long term activity and find 25% of the money from foundations and sponsors ...”**

**One reason for the funding of social firms:**

**The cost for 100% - social security for unemployed persons is much higher then the funding of 25% of his salary.**

**The costs of financing sheltered workshops is much much higher then the financing of social firms**

## Gesamtfiskalische Betrachtung einer Beschäftigung in einem nicht geförderten Unternehmen

Berechnung pro Monat und pro schwerbehinderten Beschäftigten, Steuerklasse I, in Euro

Berechnungsgrundlage	Bund	Land (RLP) / Steuermittel	Land (RLP) / Ausgleichs- abgabe	Kommunen in RLP	Rentenver- sicherung	Kranken- und Pflegever- sicherung	Arbeitslosen- versicherung	Gesamt- fiskalisch über alle Haushalte
Summen pro Monat und sbM	122,47	76,55	0,00	46,81	275,84	225,76	91,95	839,38
Summen pro Jahr und sbM	1.469,64	918,60	0,00	561,72	3.310,08	2.709,12	1.103,40	10.072,56
		Saldo pro Monat	76,55					
		Saldo pro Jahr	918,60					

## Gesamtfiskalische Betrachtung eines Platzes in einer anerkannten Werkstatt

Berechnung pro Monat und pro schwerbehinderten Beschäftigten, in Euro

Berechnungsgrundlage	Bund	Land (RLP) / Steuermittel	Land (RLP) / Ausgleichs- abgabe	Kommunen in RLP	Rentenver- sicherung	Kranken- und Pflegever- sicherung	Arbeitslosen- versicherung	Gesamt- fiskalisch über alle Haushalte
Summen pro Monat und sbM	-323,68	-628,09	0,00	-631,83	376,74	77,09	0,00	-1.129,77
Summen pro Jahr und sbM	-3.884,16	-7.537,08	0,00	-7.581,96	4.520,88	925,08	0,00	-13.557,24
		Saldo pro Monat	-628,09					
		Saldo pro Jahr	-7.537,08					

## Gesamtfiskalische Betrachtung eines Platzes in einem Integrationsprojekt

Berechnung pro Monat und pro schwerbehinderten Beschäftigten, Steuerklasse I, ohne WfbM-Empfehlung, 30 % MLA, in Euro

Berechnungsgrundlage	Bund	Land (RLP) / Steuermittel	Land (RLP) / Ausgleichs- abgabe	Kommunen in RLP	Rentenver- sicherung	Kranken- und Pflegever- sicherung	Arbeitslosen- versicherung	Gesamt- fiskalisch über alle Haushalte
Summen pro Monat und sbM	122,47	76,55	-992,33	46,81	275,84	225,76	91,95	-152,95
Summen pro Jahr und sbM	1.469,64	918,60	-11.907,96	561,72	3.310,08	2.709,12	1.103,40	-1.835,40
		Saldo pro Monat	-915,78					
		Saldo pro Jahr	-10.989,36					

## Wins and losses in a fiscal view (including income and costs for the social security system)

Fiscal view - costs per year	Sum per year
Private company - integration without subsidies	10,073
Integration into a social firm	+964
Fiscal cost - unemployment subsidy	-6,434
Fiscal cost - sheltered workshop	-13,557



**Caroline Crosse**

Executive Director, Social Firms Australia



**Pauline Graham**  
CEO Social Firms Scotland



# Discussion