



# **The Work Integration Social Enterprises as “Learning Organizations”: In the quest for a new local governance in order to build another model of local sustainable development**

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CIRIEC STUDIES SERIES 1



CHAPTER 2

**THE WORK INTEGRATION SOCIAL  
ENTERPRISES AS “LEARNING  
ORGANIZATIONS”:  
IN THE QUEST FOR A NEW LOCAL  
GOVERNANCE IN ORDER TO BUILD  
ANOTHER MODEL OF LOCAL  
SUSTAINABLE DEVELOPMENT?**

Pascal Glémain

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## **The Work Integration Social Enterprises as “Learning Organizations”: In the quest for a new local governance in order to build another model of local sustainable development? / Chapter 2**

Pascal GLÉMAIN\*

### **Résumé**

Le modèle de développement durable implique un soutien politique des collectivités locales aux acteurs de la dynamique territoriale portée, entre autres, par des organisations d'économie sociale et solidaire porteuses d'un potentiel de transformation. Dans ce cadre, les entreprises sociales apprenantes, intervenant dans le champ de l'insertion par l'économie, apparaissent comme des organisations au cœur des dispositifs d'aménagement du territoire et de processus de développement local dans le cadre d'un dialogue « entreprise-territoire » autant descendant qu'ascendant, au moyen de la mise en situation d'apprentissage par le travail. Pour le démontrer, nous nous appuyons sur le cas des ateliers et chantiers d'insertion (ACI) portés par les établissements du réseau français Chantier école. Une partie importante de cette contribution est issue d'un document de travail au sein du programme ICSEM-SOCENT du réseau EMES.

**Mots-clés :** entreprise sociale; organisation apprenante; insertion; développement durable local

### **Abstract**

The model of sustainable development implies political support from local authorities to the actors of this territorial dynamic which is sustained by the social and solidarity economy's organizations and this, whether is their potential of transformation in the economic, social and environmental level. In this context, social enterprises as learning organizations involved in the field of integration through economic appear like “firms” at the heart of the features of development of the territory and local development process, in the way of a dialogue “company-territory” as descending as ascending in servicing employment through learning processes with work. To demonstrate this, we rely on the case of “*ateliers et chantiers d'insertion*” (ACI),

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which are sustained by the institutions of the French network *Chantier école*. A large part of this contribution comes from a working paper out of the research program ICSEM-SOCENT into the European network EMES.

**Keywords:** social enterprise; learning organization; integration; local sustainable development

**JEL-Codes:** A13, D23, L31, M13

“Knowledge is the fundamental resource in our contemporary economy and learning is the most important process”: here is the sentence, which was written by Lundvall and Johnson (1994, p. 24) in their research paper about the learning economy model. In others words, we understand that both “knowledge” and “learning process” are the new common goods to achieve a local sustainable development model. Indeed, it seems to depend on the capability to act quickly, on the capability to get social tools at the good time, and, on the ability to find the fair partnership in order to build the best way towards a social sustainable local development model. Could we consider Social and Solidarity Economy (SSE) as a “learning laboratory” to imagine another payoff to find not only some local solutions for the social integration process but, the potential to create or to sustain local employment with the Work Integration Social Enterprises as Learning Organizations (WISELOs) too? Moreover, those WISELOs seem to be only a theoretical concept if the local public administration would not sustain them. But, what does mean “local political sustain” for social enterprises?

Indeed, we often call those Work Integration Social Enterprises (WISEs) in general as “territorialized organizations”. But, inspiring by Fraisse (2007, p. 5), we can say that: “the local impact of social and solidarity politics on the territory was not as trivial as we think about that, because not only the plurality of the local initiatives exist, but because the local politics approach can be characterized by its youth”. Could we consider that these WISEs would become “common goods” in favor with a local sustainable development target, through their capabilities to produce social and local payoffs as “Learning organizations”?

“The standard paradigm may be recognised in that wherever rules and organisations may be detected, there is no longer any individual or collective learning – it would be to no purpose. This observation leads by antithesis to a conjecture. The way ahead for research into a non-standard paradigm is clear: wherever there is no longer any individual or collective learning, there will no longer be any rules or organisation – they would be to no purpose” (Favereau, 2004, p. 147). This sentence, by Favereau, brings out how the idea of collective learning does not figure within standard economic theories (internal labor markets, the theory of economic regulation, and the theory of social justice), emphasizing the need to conduct research into “learning organizations” in the wake that carried out by Argyris and Schön (1978), for whom:

Organisational learning occur[s] when individuals, acting from their own images and [cognitive] maps, detect a mismatch of outcomes to expectation which confirms or disconfirms organisational theory-in-use. In the case of disconfirmation, individuals move from error detection to error correction. Error correction takes the form of enquiry. The learning agents must discover the sources of error – that is, they must attribute error to strategies and assumptions in existing theory-in-use.<sup>1</sup> They must invent new strategies, based on new assumptions, in order to correct error. They must produce new strategies. And they must evaluate and generalise the results of that new action. But in order for organisational learning to occur, learning agents' discoveries, inventions, and evaluations must be embedded in organisational memory. They must be included in the individual images and the shared maps of organisational theory-in-use from which members will subsequently act. If this encoding does not occur, individuals will have learned but the organisation will not have done so.

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<sup>1</sup> Argyris and Schön make a distinction between “theory-in use”, and “espoused theory”. “Espoused theory” is to be found in official documents, which are regulation and control instruments (Bernoux, 2009).

This theoretical approach of “learning” for local development is based on managing and appropriating error in order to establish strategic interaction between “individual learning” and “organizational learning”. This leads to the following question: do learning processes relate solely to the error management within an organization, and to the relationship organizations entertain with their environments (social, cultural and political)? Or may these individual and organizational learning processes be envisaged in a different way, in particular with regard to social and solidarity economy organizations engaged less in error management than in managing social experimentation for general interest across a localized territory? In other words, can we consider Social and Solidarity Economy (SSE) organizations as “archetypal collective of learning organisations” (Favereau, 2004, p. 52) for a local and social sustainable development model in which a cognitive project is focusing on the external environment, combined with another one which is focusing on their internal environment in the name of local experimentation and societal innovations?

In order to answers to this research question, we proceed in two parts. In first one, we try to define the WISELOs in the French context of a “new” social sustainable local development model. In the second one, we try to develop a theoretical approach of the WISELOs ideal-type hypothesis which could be discussed through the theory of “convivial management tools”.

# **1. “Learning organization”: a new organizational model of social enterprise in servicing a local sustainable development?**

Comeau *et al.* (2001) consider that social economy can be considered as a “social innovation laboratory”, which try to find new collective payoffs to individual unemployment problem. But, can we accept this Canadian result for the French case, in the holistic methodologic approach which is ours? According to Donzelot (1994), “social” appears like a needed invention in order to manage a collective democratic model of society. “Social” is not for him and us a frontier which builds a wall between those people who believe that the Market regulation is first, and those who believe first in the State regulation. Indeed, “Social” must be considered as a common convivial tool between the citizens and the politicians, which is invested by social and solidarity-based organizations. In other words, a “common convivial tool” can be defined as a convivial management tool managing and servicing a social target: employment access, social housing access, mobility access, for example. Tool becomes a “management tool” under its investment in specific activities (Canet, 2013, p. 3). Thus, we can consider “common convivial tool” as “social management tool”, both social instrument and social means, because its investment is in social utility activities for a local sustainable development model. In other words, we are in front of an organizational learning process which tries to make, in a strategic interaction, several partnerships. Therefore, if we consider the contemporary stakeholders or multi-stake holders theory (Lapoutte, 2017)<sup>2</sup>, we must not forget the

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<sup>2</sup> You can read with high interest her chapter in this collective book.

Penrose's research papers (1959) which define "enterprise" as a "cohesive institution" which tries to develop both the creation and the development of the learning organizations. That is why, it's easier to understand the nature of the firm and the managers' function (Pitelis & Wahl, 1998, p. 259). So, we think that the idea of a "learning organization" is intimately linked to an implicit criticism of traditional forms of organizational management (Senge, 1990) dominated by the hierarchical line of command, the sheer weight of procedures and rules, the separating out of responsibility, and the dichotomy between places where things are designed and those where they are implemented. These various elements were viewed as leading to a set of "dysfunctions" – or even errors – said to act as a brake on businesses' ability to adapt and develop within the new competitive environment of the "knowledge-based society". The Learning process is becoming a key strategic importance for management, in particular in the social and solidarity economy where social enterprise, under the French associative legal status<sup>3</sup>, needs to make the shift of its organizational strategy from its own global associative project towards an answer at the public supply side new policy which takes place through the form of a public purchase or a public services delegation in the target of a local model of development. Whilst the idea of the "learning organization" presents an undeniable heuristic interest in particular in the social and solidarity economy, it nevertheless gives us a set of theoretical and operational difficulties. Senge (1990) defines "learning organizations" on the basis of five fundamental principles:

- the presence of employees in a permanent dynamic of self-learning in order to support the individual's personal and professional development;
- the ability of the organization to adapt its behavior and to generate itself new knowledge by regularly testing its mental models and dominant frameworks of interpretation;
- building up espoused shared norms rooted in a strategic vision;
- team learning;
- developing systems thinking, in which problems are tackled as a whole and in their multiple interrelationships.

Thus, according to Senge: A learning organisation places perpetual learning at the heart of its values and operational processes. It makes intentional use of learning processes at individual, team/unit, and hierarchical levels, as well as with the outside, in order to permanently transform the organisation for the ever greater satisfaction of all stakeholders, and of local citizens. Grimand (1999, p. 5) detects many flaws which "leave him doubtful". His major criticism can be translated in the following question: what are the mechanisms of transfer between individual learning and organizational learning? In order to remove this theoretical "black hole", we need to be able to bring out the strategic interaction between the individuals, the public authorities and the social enterprise (stakeholders) in this collective learning process.

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<sup>3</sup> It is worth pointing out once again that most common legal status for organizations as work integration social enterprises in France, is that of an association relating to the social and solidarity economy (as an accredited "ESUS" (social enterprise with a social utility) association).

In order to bring out a partial answer, we have selected the following theoretical sources (Table 1):

**Table 1 - Management Practice Theories and their main authors**

| <b>Management practice</b>                                                                                                                                                                                               | <b>Authors</b>                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Creating a strategic vision, a stimulating ideal-type, based on formulating clear, shared objectives.                                                                                                                    | Senge (1990), Handy (1995)                            |
| A high degree of participation by members of the organization, and strategic learning processes open to experimentation (learning by doing).                                                                             | Zarifian (1988), Revans (1983), Handy (1978)          |
| Developing information and supervision systems aiming to provide permanent assessment of organizational performance.<br>Implementing measures (feedback, progress groups, etc.) to standardize and disseminate learning. | Starkey (1998), Watkins & Marsick (1993)              |
| Collective learning with “relay actors” disseminating new ideas across the organization.<br>Processes of socialization and social interaction between individuals enabling “communities of practice” to emerge.          | Watkins & Marsick (1993), Senge (1990), Duguid (1991) |
| An opportunity for employees to develop internal and external professional networks.                                                                                                                                     | Kops (1997)                                           |

Source: inspired by Grimand (1999, p. 6).

Through these scientific papers and according to Bernoux (2009, p. 237), we can point out that: “there is a collective dimension to learning, which presupposes not only the acquisition of new knowledge by construction, but also the integration of social representations within the learning model”. Moscovici (1979) defines social representations as “the way in which individuals theorise and talk about the experiences they are familiar with, and, furthermore, the way in which the theories thereby formulated lead them to construct reality and, ultimately, to determine their own behaviour”.

But, this definition makes sense, if and only, if the collective learning process is “located”, i.e. “place planning” under the local public policies of the local development. Indeed, the territory is a “social building”, which is sustained by local public policies with local socio-economic projects. It means that the public policies, about social and solidarity economy, are a forward project for all local initiatives towards “another local development” (Fraisie, 2007, p. 3). This approach wants to consider that: social and solidarity economy must be considered as a particular case of a “local policy tool as learning tool” for a social and territorialized innovation. Therefore, we can accept the following definition: “social economy is the science which study general rules of production, of allotment, of trade and consumption, in their interactions with the social order” (Fallon, 1924, p. 3). Are we thus in a position to model social enterprises in France as learning organisations, in interaction with the local public institutions?

## 2. Modelling social enterprises as learning organizations – the case of the Work Integration Social Enterprises (WISEs) in France

The “Work Integration Social Enterprises” (WISEs), in France, are always faced with political and economic change because, they must respond not only to dictates of the local or central public administration to create jobs for people who are excluded from the labor market. But, they are organizations which try to specify the opportunities to articulate individual abilities and learning organizational processes to build capabilities. Thus, with Bernoux (2009, p. 217), the French WISEs could be viewed like “places for learning how to cooperate” into the organization itself, and between the organization and its economic, social, cultural, and political universes. Work Integration Social Enterprises (WISEs) (Table 2) have to work with the local public government which is in charge of the local quantitative employment policy. While, WISE as “learning organizations” (WISELOs) are operating in the social integration target in a “learning-by-doing” process, instead of the unique “learning-by-learning” process which is preferred by the public local government only to make the stock of learnings and the stock of “knowing to do” grow.

**Table 2 - Classification of work integration social enterprises in France**

| Social enterprises                                    | Integration enterprises                                                                                                                                                                               | Intermediary associations                                                                                                         | Temporary employment enterprises for integration (TEEIs)                                                                                                                                        | GEIQ, Employers groups for integration and qualifications                                                                                               |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Social and professional integration objectives</b> | Socialization, learning practical knowledge and/or acquiring professional qualifications, access to job market                                                                                        | Dignity from work and welfare cover, creating new activities, youth training                                                      | Immersion via social temporary work in business ventures, socialization and acquisition of practical knowledge                                                                                  | Work-based training in business ventures, continuity between training course and work integration                                                       |
| <b>Types of job</b>                                   | Fixed-term training jobs (16 to 18 months)                                                                                                                                                            | Precarious employment on placements                                                                                               | Temporary employment                                                                                                                                                                            | Work-study contracts of up to 18 months                                                                                                                 |
| <b>Importance attached to training</b>                | “On-the-job” training; theoretical training in some instances                                                                                                                                         | Training schemes, training programs for neighborhood service activities                                                           | In-job tutoring                                                                                                                                                                                 | Alternating periods of training and employment                                                                                                          |
| <b>Types of employee recruited</b>                    | Young people in difficulty, long-term unemployed, rSa recipients <sup>4</sup>                                                                                                                         | Young people in difficulty, long-term unemployed, rSa recipients                                                                  | Young people in difficulty, long-term unemployed, rSa recipients                                                                                                                                | Young people in difficulty, long-term unemployed, rSa recipients                                                                                        |
| <b>Types of resource</b>                              | Subsidies for integration job, exemption from employer social security contributions, supplementary social action subsidies, local authority subsidies, market resources (sale of goods and services) | Exemption from employer social security, funding for job creation, market resources (individuals, enterprises, local authorities) | Public financing for supporting and supervising positions, exemption from employer social security contributions for integration positions, market resources via the sale of temporary missions | Partial financing of additional social cost for support, public subsidies for job creation, resources from the sale and management of jobs and training |

Source: Eme and Gardin, 2001. CRIDA-EMES report, p. 8.

<sup>4</sup> We have updated the original table by replacing the RMI with the rSa. The *Revenu Social d'Activité* (rSa, social income for work) was introduced in the 2000s by M. Hirsch to replace the *Revenu Minimum d'Insertion* (RMI, minimum income for integration) brought in by M. Rocard in the 1980s.

Applied to our “Work Integration Social Enterprises as Learning Organizations” WISELOs’ model, the idea of an espoused theory borrowed from Argyris and Schön (1978), appears in the social and professional integration targets. It is set out in the public contracts concluded between the local government and the WISELOs to struggle against professional “AND” social exclusion. Thus, WISELOs which are sustained by local public administration can provide “on-the-job training” and “in-job tutoring” develop permanent processes by conducting various modes of learning, amounting to unusual forms of organizational knowledge. In other terms, the WISELOs’ learning process is how to adapt and experiment both people and organization in a status of a permanent strategic territorialized interaction. Consequently to place people in work situations or on training schemes, does not so much trigger individual learning than cooperative learning system between the WISELOs, the local public government, and their social and economic environment. Bernoux (2009, p. 227) argues that it is the capacity to bargain that emerges as a collective, organizational learning process that thanks to its permanence becomes common knowledge. This partially brings into question the approach adopted by Midler (1991, p. 4): “the idea of learning instead places the emphasis on the confusion and uncertainty of the objectives and representations that actors draw upon in practice, and on the collective nature of the formation of these representations”. The management practices put emphasis on the pre-eminence of either individual learning or organizational learning. But, the two, in fact, occur in tandem within WISELOs. Furthermore, the methodological individualism of Bernoux’s Sociology of organisations – just like Eme and Gardin’s characterisation of WISEs – is to “take off” these social organizations from their territory. Yet one of the aim missions of the WISELOs is precisely territorial development and social sustainable local development, in articulation with the local government and the local market-based firms.

The EMES network, under Defourny’s and Nyssens’ approach, defines “social enterprise” through three dimensions: economic, social and governance. But, it has never been apprehended with their territorial dimension! Yet, we consider that it is as a fundamental characteristic of the French WISELOs firstly, in their territorial project that the stakeholders try to carry out and corresponding to a process of organizational learning to achieve a social local sustainable model of development, and secondly, a territory of projects (individual socio-economic learning processes) within a single coordination body operating on a local scale and placing people in work situations in order to further the socio-economic integration of the beneficiaries. This leads us to re-examine the interaction between local systems of production and the learning region (Maillat & Kebir, 1999, p. 430): “Given the importance that immaterial resources have nowadays in development dynamics, the accent is placed less on naturally occurring resources than on resources that are built up (skills, know-how, and qualifications, together with ways of doing and acting)”.

These “building resources” are perpetually created and updated, presupposing a truly interactive dynamic between individual learning and organizational learning, which

corresponds to the situation of WISELOs in France. Hence as argued by Lundvall and Johnson (1994, p. 24), “knowledge is the fundamental resource in our contemporary economy, and learning is the most important process”, for they:

- develop an ability to react rapidly;
- make it possible to have the “right” resources and use them at the right moment;
- make it easier to find competent partners as rapidly as possible.

Consequently, in accordance with our thesis presented and espousing the EMES network approach to find an ideal-type of WISELOs, we define in general “the social enterprise as a learning organisation” (SELO). The EMES network advocates conceptualizing social enterprises by looking for an ideal-type of social enterprise in the Weberian meaning of the term i.e. “an abstract model that synthesises the main characteristics of the new form of partnership that may be observed within the social and solidarity economy” (Defourny & Nyssens, 2012, p. 19). It is here worth pointing out that for Weber an ideal-type (1920 and 1922) is not just a set of integrated concepts that are indispensable for apprehending reality, but also a “guide for drawing up hypotheses” (Boudon *et al.*, 1993, p. 231). We wish to take the hypothesis formulated by the international EMES network in order to argue for our thesis postulating the theoretical existence of an ideal-type of a work integration social enterprise as a learning organisation (WISELO) within the family of work integration social enterprises (or WISEs). The most recent scientific approach of the EMES indicators “reorganizes” them into three groups (instead of two), with indicators relating to the economic and social dimensions now supplemented by indicators relating to the governance structure (Table 3).

**Table 3 - The EMES approach of Social Enterprise in the EU**

| Indicators relating to the economic dimension                                                                                                                                                 | Indicators relating to the social dimension                                                                                                                                                   | Indicators relating to the governance structure                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Continuous activity producing goods and services</li> <li>- Significant levels of risk-taking</li> <li>- Minimal level of paid employment</li> </ul> | <ul style="list-style-type: none"> <li>- Explicit objective of serving the community</li> <li>- Initiative emanating from a citizen group</li> <li>- Limits on profit distribution</li> </ul> | <ul style="list-style-type: none"> <li>- High degree of autonomy</li> <li>- Decision-making power not dependent upon share ownership</li> <li>- Participatory stakeholder dynamic</li> </ul> |

Source: inspired by Defourny and Nyssens (2010).

The indicators relating to the economic dimension characterize the enterprise in tune with standard economic theory, but the social and governance dimension indicators turn it into a “social enterprise” distinct from commercial ventures – which as we have seen are “eligible” in France for ESUS status – because commercial enterprise primarily meet needs expressed by clients on a given market, and only secondarily direct their efforts to activities of general utility. This new group of EMES indicators brings to the fore the “powerful collective nature” of social enterprises in comparison to standard business firms. In other words, under the EMES ideal-type characterization, “social enterprises” are differentiated on the basis of their

commitment and involvement in serving an autonomous entrepreneurial collective body that is not regulated by shareholding. The governance structure indicators thereby place social enterprises within a form of corporate social responsibility (CSR) applied to the SSE, where governance is combined with two other non-financial indicators, namely the environmental and social dimensions. The “social dimension” is present because the sustainable development model targets pursued by “business ventures” in these early years of the twenty-first century, mean that: they are “key societal actors, whose management depends on values acceptable to those in the social environment” (Capron & Quairel-Lanoizelée, 2004). In terms of the social objectives of “responsible” commercial enterprises, this leads to their, adopting codes of behavior, social norms and accreditations, and social reporting and scoring systems as part of their management practices. “Social enterprises” as conceived in line with the social indicators laid down by EMES are explicitly at the service of the local scale. But, WISELOs as actors for local territorial development, must be envisaged in turn as a social construct. Indeed, as Pecqueur (1989, p. 19) observes: “Local development phenomena are a function of localised groups’ ability to adapt to the constraints imposed by internationalized competition, on the basis of their own specific potential for organisation. What may thus be observed are highly localised regulations presiding over the standardisation of behaviour, triggered by the globalisation of trade, and delivering more intense forms of asset development?” The hypothesis put forward here is that the social enterprise as learning organization responds to the territory more than it does to the locality for, as Pecqueur (1989, p. 18) points out: “the word territory accounts more accurately for the phenomenon of cultural unity and collective adaptation currently experienced by certain human communities”. The territory is neither neutral nor passive, but rather the space for political creation and social experimentation in which the social enterprise as learning organization provides a fixed point in a situated process of collective learning. Furthermore, for Favereau (2004, p. 150), “collective learning is at least partially related to the collective body's choice of the level at which to produce a common good”. Hence the indicators for social enterprise as learning organizations may be presented as follows, with a new “territorial” dimension with its own indicators (Table 4):

**Table 4 - The Territorial dimension added to the EMES’ conceptual approach**

| Indicators relating to the economic dimension                                                                                                                                                 | Indicators relating to the social dimension                                                                                                                                                   | Indicators relating to the governance structure                                                                                                                                              | Indicators relating to the territorial dimension                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>- Continuous activity producing goods and services</li> <li>- Significant levels of risk-taking</li> <li>- Minimal level of paid employment</li> </ul> | <ul style="list-style-type: none"> <li>- Explicit objective of serving the community</li> <li>- Initiative emanating from a citizen group</li> <li>- Limits on profit distribution</li> </ul> | <ul style="list-style-type: none"> <li>- High degree of autonomy</li> <li>- Decision-making power not dependent upon share ownership</li> <li>- Participatory stakeholder dynamic</li> </ul> | <ul style="list-style-type: none"> <li>- Situated process of collective learning</li> <li>- Ability to adapt to the local political and socio-economic environment (expanded territorial social dialogue)</li> <li>- Capacity for “territorial entrepreneurship” (creative solidarity economy)</li> </ul> |

Source: Glémain *et al.*, 2016.

The new “territorial dimension” that we have introduced here, is based on the idea of an expanded social territorialized dialogue. This consists in taking into account the capacity of a WISELOs to build up the right sort of relationships between economic actors, social and political partners at the local scale, so as to draw up and share the information required for social innovation by experimenting with proposals for work-based and job-based learning, and for social integration process. Hence “territorial entrepreneurship” is a matter of adopting an entrepreneurial approach to a “mesosystem” (Pecqueur & Zimmermann, 2004) endowed with its own characteristics and autonomy. The social enterprise as learning organization becomes a local management tool for this mesosystem, by coordinating effectively the supply and demand of work placements (work-based learning) with local public authorities which cooperate with the WISELOs, and the social investment in favor with the local sustainable development. Thus, WISELOs are the product of a dual process of institutionalization:

- a process engendered by the social dialogue between public authorities, civil-society actors, and professional social workers, leading to a modification in the rationales for apprehending social issues relating to unemployment;
- a process of support for initiatives carried out by commercial or associative actors, mainly with the support of local public actors, where these initiatives are subsequently consolidated by the making of new laws and regulations.

Those enterprises are today confronted with mechanisms restricting public funding, together with the need to bring their procedures into line with norms and to “proceduralize” their activities. Within this context the concept of the “social enterprise as learning organization” strikes us as pertinent for the situation in France. Nevertheless, the ways in which it is put into operation are far from fixed. This appellation is indicative of the need to associate more closely a WISELO with its training activities targeting people in difficulty, so as to generate new local synergies for improving the training process to sustain local social development.

Nowadays “learning” is recognized as a societal payoff. The result of learning is central to several of society's institutions, and specifically into “business firms” or “for-profit” organizations. Midler (1991, p. 12) argues that, in theory, there are two ways of understanding an organization as a place of learning. The first one is keeping the normative or visionary current seeking in management science to reveal new theoretical types of organization, towards which enterprises need to tend. The second one is more sociological. The enterprise is considered like a place of negotiation between actors, whatever they are: public, not-for-profit, and for-profit. According with Bernoux (2009, p. 220), we agree with the following approach which takes “social enterprise” as a “place for learning cooperation” towards a general interest target: a kind of local “common goods” for a new way of local development, more “sustainable”. Therefore, we are in face with a territorialized governance which is trying to draw the frontier between the market and the collective goods, through a public action (Brodhag, 2002, p. 50) which is conducted in a local partnership between the local public economy and the local WISELOs. “Learning” must be

understood as a socio-cultural and local phenomenon, and may thus be seen as heavily dependent on the nature of social localized relationships. It is thus intimately linked to the various social and language processes arising as part of the common activity, and in particular the operations of interpretation and communication between actors. “Organizational Learning” requires the sharing of experience, inter-comprehension, and the interpretation of jointly encountered situations between stakeholders, in order to know how to cooperate.

Our current scientific approach is based on a partnership with the French network *Chantier école*. That is why we are in a scientific back and forward approach from theory towards fieldwork. Our scientific posture is a research-intervention method to examine concepts in the “light of facts”, in order to conceptualize the WISELOs and to help social enterprise to adapt itself at the socio-economic and political shifts. We draw a first analysis with the case of the “*Association Cantonale des Chômeurs des Environs de Savenay*”<sup>5</sup> (ACCES) that was founded in 1987. The case analysis offers us the possibility to develop some hypothesis about our WISELOs theoretical model under the “light of facts”.

The French association “ACCES” has been set up by a social movement which wants to fight against local unemployment in a rural area. Under this challenge, a social workers movement (the Saint-Nazaire shipbuilding yards) and a social agricultural movement (with much livestock farming and market gardening) decided to struggle together. In the late 1990s the “Loire-Atlantique” General Council decided to support all social innovative associations to tackle local unemployment. In 1996, ACCES decided to join with REAGIS, an association from the neighboring *canton* of Pontchâteau working in the same cooperative spirit to “unite their forces to work for a common purpose in order to improve together the living conditions for each and every person” (Lasserre, 1959, p. 13-14). ACCES-REAGIS merged in 1998, laying down the following three strong guiding principles in their statutes:

- to set up work integration schemes as a stakeholder in developing local economic activity (in accordance with the principles of collaboration, mutualization, and cooperation);
- to develop local economic activity in order to meet situated needs identified as part of a broad consultation with the local social and economic fabric (territorialized business opportunities);
- to work for a local development model that was socially sustainable and environmentally responsible in order to create lasting not-for-profit employment.

The “Territorial dimension” of our WISELOs’ model takes on its full meaning here, because it is a challenge of “conducting local development via socially beneficial activities to create jobs” (ACCES-REAGIS, 2013). Two remarks need to be made here that confirm our hypothesis of the territorialized social enterprise as learning organization. Firstly, many studies of Social Enterprises have hitherto neglected this specific relationship with the territory – which goes beyond the simple fact of being

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<sup>5</sup> Local Unemployment Association which is set up near the middle town of Savenay, in the west of France.

anchored there – that is characteristic of situated WISEs linking up beneficiaries, the organizations in which they are placed and their territory. Secondly, the study of ACCES-REAGIS provides a way of analyzing not only a model of learning whose objective is primarily that of “work-based training” in which it is similar to the model of *enterprises as professional learning organizations* (EAPs or Professional Training Enterprises), introduced in Belgium in 1987 (Nyssens & Grégoire, 2003), but a social common convivial tool to achieve a post-industrial local model of society too. If ACCES-REAGIS does not focus solely on 18- to 25-years-old, even though some of its beneficiaries are coming from this age group, it is similar in profile to the Belgian work integration social enterprise, defined by Nyssens and Grégoire (2003, p. 3) as a “model of a social enterprise based on an initiative emanating from a group of individuals that includes an expanded [social] service dimension and openness to the local community, whilst emphasising a high degree of autonomy and risk-taking associated with continuous production activity”. To characterize ACCES-REAGIS as a WISELOs, we can consider the learning by learning process through the professional degree certificate “multi-functions employee” (Professional Qualification Certificate), which is given by the French Network *Chantier école*. This Professional Qualification Certificate is setting on a pedagogic-tool complex, such as: follow’s manual, learning guide, personal professional specifications, certificate of experiences. ACCES-REAGIS is trying to help not only beneficiaries themselves but also itself as a WISELO model by enabling excluded people to return to a work-based training in order to return to the labor market (CEDEFOP, 2013), and a solidarity business model by integrating skills to build a local safe society without high unemployment and social exclusion. The solidarity skills are understood, here, as a combination between knowing how to act in a concrete situation and an ability to draw on more abstract resources (Dietrich, 2010). Those specific skills constitute a territorialized social tools construct, and may be a subject of provisional dispute and compromise within enterprises as to how to define and recognize them (Dietrich, 1997; Scouarnec, 2000; Segrestin, 2004). But it is harder to pin down the definition of skills at the scale of a territory, for these are no longer defined solely by social enterprises but also by public actors wishing to place the long-term unemployed on such schemes. Thus for Sue (1994) the shift from a society dominated by work to a “society of freed time”<sup>6</sup> modifies the nature and forms of skill acquisition, together with how skills are used. Skills develop themselves outside the professional field, breaking free of the training system and standard professional classifications. The following table presents a synthetic overview of the two aspects of skills as identified within territorialized forward planning for employment and skills (Table 5):<sup>7</sup>

<sup>6</sup> Here it is a matter of defining the leisure class in contradistinction to the society of work, as Thorstein Veblen did in 1899, where work is both a source of social status (recognition) and socio-economic integration.

<sup>7</sup> In the words Dejoux (2008: 60) a GPEC is an “HRM measure, with a legal framework, that pursues three complementary approaches: linking up HR needs to business strategy, anticipating needs for jobs and skills and comparing these to current human resources, and conducting dialogue with social partners on the means to be implemented (training, skill assessments, professional mobility, validation of prior learning) in order to collectively support the development of the skills needed to secure lasting employment and the company's survival, the aim being to succeed in coming to an agreement”. We hold the territorialized GPEC (GPECT) to be

**Table 5 - Towards a territorial human resource management**

|                                              | <b>Skills strictly defined</b>                                                                                                       | <b>Skills broadly defined</b>                                                                              |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Underpinning rationale</b>                | GPECT based on a prescript rationale                                                                                                 | GPECT based on a social rationale                                                                          |
| <b>Sphere in which skills are meaningful</b> | Skills relate solely to the world of work                                                                                            | Skills also relate to daily experience outside work in a local area                                        |
| <b>Skill areas</b>                           | Solely professional areas                                                                                                            | Solely non-professional areas (family, friends, associations, personal)                                    |
| <b>Valorization of skills</b>                | Easy, as socially validated by the professional sphere (certificates, diplomas, validation of prior learning, organizational career) | Difficult, as not recognized by the professional sphere (skill portfolios, assimilation-based recruitment) |
| <b>Spheres concerned</b>                     | Primary and secondary job markets                                                                                                    | Work integration sector                                                                                    |

Source: Glémain *et al.*, 2016.

In the WISELO model in general and for ACCES-REAGIS in particular, the recognition of a skill takes into account not only the professional field but also the field outside work (social and personal experience), viewed as a biography of opportunities for learning and skill acquisition. This recognition also requires a certain degree of reflexivity on the part of the individual, in which they transform events into experiences, and into instances of learning. Whilst “under French law”, as Guittou (2008, p. 23), “employment policy is not designed to be decentralised, but territorialized, that is to say drawn up and run by the central level yet implemented in devolved manner by the local public employment service,” further work needs to be done on territorialization as a process. In other words, WISELOs is becoming both a social innovation territory and a learning space, in partnership with the public local administration and their employment and social development policies.

## Conclusion

At the end of this chapter, we have shown how is important the territorial dimension for characterizing social enterprises, such as “work integration social enterprise as learning organizations” (WISELOs), in France. We have started bringing out the characteristics of social enterprises, particularly the work integration social enterprises as learning organizations, by adding the learning dimension to the WISEs, thereby consolidating the strength of the collective body structuring these particular social enterprises, as well as fostering the convergence of individual projects towards a shared territorialized project to deliver socially sustainable local development. Our aim in this research, rooted in the activity of stakeholders in the field, has been to go beyond the classic conceptual dichotomy between the social organization of work (formal structures and professional and group identities) and the personal activity of the trainer/support provider. Somewhere between these two dimensions lies the “work conducted by professional collective bodies to reorganise the task, in which the organising work of the collective body recreates the organisation of

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an expanded territorial social dialogue to support employment policy at the local level, in favor of an alternative form of development that is economically viable and socially sustainable.

work” (Clot, 2005) – where the idea of learning can bring into questions this work of re-organisation. The idea of learning is an artefact that needs to be interpreted by the individual as a situated social, collective, and interactional process (Vygotski, 1930, 1985)<sup>8</sup>. In other words, we have to study, in details, the different accompaniment models of work social integration, in order to understand their true social and territorial investing process?

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<sup>8</sup> “The Instrumental Method in Psychology”, paper given at the Krupskaya Academy of Communist Education.

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