

ERfA – Experience for All: Sewing Workshop

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Table of contents

1	The initiative and its organizers	4
2	Basic information on the (local) context and the emerging problems	5
2.1	Welfare policies during the crisis	5
2.2	Ethnic selectivity of unemployment.....	6
2.3	Integration policy	7
2.4	Social investment and active labor market policies.....	8
2.5	Socioeconomic enterprises and non-profit employment projects	9
2.6	The local situation in Graz and barriers to successful labor market integration	10
3	Genesis of the initiative.....	11
4	The activities and organization	12
5	The innovative dimension of the initiative.....	15
5.1	Content dimension	15
5.2	Process dimension.....	16
5.3	Empowerment dimension	17
6	Institutional mapping and governance relations	18
7	Governance challenges	20
7.1	Mainstreaming social innovation	20
7.2	Governing welfare mix – avoiding fragmentation	21
7.3	Governing welfare mix – developing a participatory governance style.....	21
7.4	Equality and diversity	22
7.5	Uneven access	22
7.6	Avoiding responsibility	22
7.7	Managing intra-organizational tensions	23
7.8	Enabling legal framework.....	24
	References.....	26

1 The initiative and its organizers

The non-profit employment project *Nähwerkstatt (Sewing Workshop)*, was started in Graz, Austria's second largest city, as a collaboration between the associations *ERfA (ERfAhrung für Alle)* meaning experience for all, and *SOMM (Selbstorganisation von und für Migrantinnen und Musliminnen)*, a self-organized association of immigrant and Muslim women. It aims at contributing to the social inclusion of (immigrant) women, who might otherwise remain unemployed, via their participation in the particularly low-threshold *Nähwerkstatt*, an initiative on the third labor market¹. The project aims at offering access to the second and first labor market for these women. In its first year it was ESF-funded and has since undergone several changes in terms of involved actors, organizational structure, the target group and source of funding. Today it is funded by the *Sozialamt* Graz, the city's social welfare office.

On behalf of the Public Employment Service Styria, the City of Graz and the Province of Styria, *ERfA* was in charge of different projects in the second and third labor market, addressing different target groups, who face barriers to employment. The association dates back to 1997, when it focused on mediating between older, experienced unemployed people, who had lost their jobs due to their high labor costs, and start-up enterprises with little capital but in need of expertise. In 2003, when this line of work was taken over by public institutions, the association turned towards finding employment opportunities for a group of Punks. Businesses around the main square in Graz complained about them. This led to *ERfA*'s current structure and focus which covers more dimensions than only labor market integration. Alongside of socio-pedagogical counseling, the association offers transit employment in traditional fields of the second labor market such as the maintenance of public green spaces, transport and cleaning services, as well as catering and repair services. With the *Nähwerkstatt* *ERfA* moved into more innovative fields of employment for particularly vulnerable groups. This required the collaboration with *SOMM*.

SOMM arose due to specific problems that emerged in a EU funded project on social and health services for immigrant and Muslim women. The project team realized the scope of the problems these women face and the necessity to continue the work with this target group even after the project ended in 2007. *SOMM* was explicitly created as a self-organized association of the target group to foster self-help and self-representation. The association supports the social participation of immigrant and Muslim women and the access to educational and working opportunities. In order to support equality, participation and integration these women have organized themselves to bring attention to the formal and informal qualifications and competences of immigrant women. The organization offers information and support in access to the social services, legal questions, opportunities on the labor market and of further education, communication problems in schools or other public institutions, as well as domestic issues. Offers include for instance the *intercultural escort and visit service RAHMA*, with *SOMM* staff escorting women to doctors' appointments

¹ The third labor market consists of subsidized jobs like the second labor market, but offers hourly employment for particularly vulnerable target groups and people facing intersectional barriers, i.e. people who are discriminated against for multiple reasons, such as immigrant women. The difference to the second labor market lies in the level of low-threshold access to the employment and the number of working hours.

or hospitals, or the *Window into Tomorrow*, a leisure time program for girls, as well as German basic language courses and communication trainings, and workshops on various topics such as empowerment and anti-discrimination, health, integration, Islam etc².

2 Basic information on the (local) context and the emerging problems

ERfA Nähwerkstatt in its current form has to be understood in the context of rising efforts at activation as a response to the economic crisis and has been shaped by local austerity policies. This chapter introduces the policy context and gives insight into the problems the target group of the *Nähwerkstatt* faces regarding the accessibility of the Austrian labor market.

2.1 Welfare policies during the crisis

The conservative-corporatist Austrian welfare regime is based on social insurance as the predominant form of social protection. Its success is built on two factors, a well-functioning labor market and full-time employment. But this traditional labor market model is eroding, while deregulation and flexibility are increasing (Heitzmann, Österle 2009: 45). Austria is no exception to the European trend of welfare state retrenchment (ibid: 31). The crisis after 2008 deeply shook the economy, especially the banking sector, and when measures to support it coincided with a drop in exports and a decline in tax revenues, public debts increased sharply. Given the policy shift towards budget consolidation, austerity packages have been implemented. Yet unemployment could be kept low via massive interventions of active labor market policies (Österle, Heitzmann 2015: 1, 6). The most important instrument in this regard was the facilitation of short-time work; additionally it has become easier to go on educational leave. Also, Austria's corporatist governance system has helped to keep labor costs low, as the annual wage bargaining processes between the social partners helped to keep wage rises moderate during the crisis (ibid). Moderate unemployment figures are also due to a rise of atypically employed persons: in 2011, 31 percent of the population were atypically employed (49 of female and 12 percent of male employees) (ibid: 9f).

In 2012, the at-risk-of poverty rate was 14.4 percent (compared to 17 percent in EU28), affecting 1.2 million people. This constitutes an increase of one percentage point since 2008, while the composition of the income poor has remained the same. It affects people living in households with at least one member with a non-Austrian citizenship (31%), people in households with a (long-term) unemployed member (40%), single women without pension income (29%) as well as with pension income (24%), and people living in single-parent households (39%) or in households with three or more dependent children (25%) (Statistik Austria 2013). One major policy shift regarding social inclusion and poverty took place in the field of social assistance: in 2010 and 2011 the nine federal provinces introduced a minimum income scheme (*Bedarfsorientierte Mindestsicherung, BMS*), which largely replaced the social assistance scheme that had been in

² For this case study, four interviews with six interviewees were conducted: a social pedagogue as well as a sociologist and managing director of *ERfA*; a social worker who is also a project developer and coordinator of *SOMM*; two administrators from the *Sozialamt*, namely of the section for labor and housing as well as of the newly created unit for labor and employment; and finally, with a young local politician.

place since the 1970s. The main difference lies in the harmonization of benefit levels (which can be increased but not lowered by the provinces). Additionally, the recipients of *BMS* are included in sickness insurance. Especially relevant to this case study is the commitment to activation, which went hand in hand with this policy shift towards the minimum income scheme and the crisis in general (Österle, Heitzmann 2015: 16f). Spending for active labor market policies as proportion of total labor market expenditure rose by 12 percentage points between 2011 and 2012 to reach a share of 34% in 2012. The co-financing of the ESF has strengthened this development. Overall, activation of the unemployed workforce as well as of recipients of the *BMS* has become a more prominent approach. (ibid: 9f) Activation policies, however, have a long history in Austria. In the early 1980s, during the social democratic government, Social Minister Dallinger elaborated a national strategy of social innovation which systematically integrated social and economic concerns. Therefore, the social economy was understood in a broad and multi-dimensional sense. As a result access to public resources for marginalized groups was increased. However, with the commodification of social policies over the last years, policies increasingly focused merely on activation and job creation at the expense of innovations in the social or cultural spheres. (Novy et al. 2009: 136ff)

2.2 Ethnic selectivity of unemployment

In 2013, Austria had 8.5 million inhabitants, with a working age population (15-64 years) of 4.1 million. The employment rate was 72.3 percent and registered unemployment was 4.9 percent, affecting 287,207 people. The overall unemployment rate was equal for women and men, but youth unemployment (42 thousand people or 9.2 percent) as well as unemployment of the elderly (8.2 percent) affected women more strongly (9.4 vs. 8.9 percent and 9.2 vs. 6.8 percent respectively) (BMASK 2014b: 3). The average duration of unemployment was 97 days (BMASK 2014a: 50).

Since 2009, when unemployment reached 4.8 percent compared to 3.8 the year before (Wirtschaftskammer Österreich 2014: 12), 110,000 new jobs had been created by 2013. At the same time however, the trends of increasing female labor market participation and older employees retiring later in their lives continued, so demand was not met. The unfavorable economic situation in Austria's trade partner countries, most of all Germany, aggravated the labor market problems. (BMASK 2013b: 3). Yet, compared with the EU average, Austria has been doing well. In 2012, at 4.3 percent, it had the lowest unemployment rate of the EU27 (10.5 percent) and the fifth highest employment rate after the Netherlands, Sweden, Germany and Denmark (72.5 percent vs. 64.1 for EU27). (ibid)

In 2013, one out of seven people living in Austria were foreign born (immigrants of the first generation) and close to a fifth of the total population (19.4 percent) had migratory background (immigrants of first and second generation) (Statistik Austria 2014). Clearly, although this is not admitted officially, Austria is a country of immigration. Austria's immigrant population is predominantly from former Yugoslavia or Turkish due to labor migration in the second half of the 20th century, as well as refugee flows after the Yugoslav wars. In recent years the profile of the country's minority groups has become more diverse, and just under 50 percent of all immigrants come from lower income-countries (Krause, Liebig 2011: 19). The number of foreign workers has been increasing steadily since 1990 and has reached 556 thousand in 2013 (out of 3.48 million total workers), it is expected to increase to 615 thousand in 2015 (Wirtschaftskammer Österreich 2014: 11). Overall, the labor market outcomes of immigrants lag significantly behind those of the native-born. The differences are particularly large for women, for whom differences in employment rates exceed ten percentage points (ibid). The unemployment rates of people with migratory background are

not particularly higher than in other OECD countries. However, in the context of the overall low unemployment in Austria, the incidence of unemployment (see Table 1) is about 2.5 times higher among immigrants than among the native-born. There is a strong difference in the labor market performance of the different immigrant groups. The employment rates of women from the successor countries of former Yugoslavia are just slightly lower than those of native-born Austrian women, although a gap has appeared over recent years. In contrast, differences are large and longstanding for immigrant women from Turkey (ibid).

Table 1: Unemployment Rates for Immigrants and Natives in Austria, 2008/09 average, %

	Native born	Foreign born	Foreign born from a lower income country	Difference Fb-Nb in %-points
Male	3.4	9.0	11.6	5.6
Female	3.7	8.0	10.3	4.3

Source: Krause, Liebig 2011: 20

The most important cash benefits in the event of unemployment are unemployment benefits (*Arbeitslosengeld*) and unemployment assistance (*Notstandshilfe*). There is a ceiling on the amount of cash benefits disbursed, and unemployment benefits are paid for a limited period of time and are followed by unemployment assistance. Assistance is reduced if the individual has other income (and so is the minimum based income). Access depends on a minimum period of insurance, the capability to work, and the willingness to work in a reasonably suitable job. The means-tested minimum income scheme, which has replaced former social assistance benefits, is available to those in need who have no access to unemployment insurance benefits. (BMASK 2014a: 50)

2.3 Integration policy

In Austria, the overall framework for integration is rather poorly developed (Krause, Liebig 2011: 35ff). Measures to keep newly arriving immigrants from lower-income countries out of the labor market were introduced during the early and mid-1990s and have caused the poor labor market outcomes of immigrants. These measures have largely been removed, but a coherent national integration framework is still not in place. Additionally, immigrants' educational attainment in their country of origin is often discounted on the Austrian labor market, which places a strong importance on formal qualifications while accreditation processes remains difficult. Austria therefore has one of the highest incidences of over-qualified immigrants within the OECD (Krause, Liebig 2011).

The only structured integration program for new arrivals at the federal level is language training. In a context of increasing unemployment and a political shift to the right, immigration policies have become more restrictive with an increasing emphasis on mandatory language courses. Such programs have increased significantly, largely financed by the Public Employment Service, although they have rarely been effective in fostering labor market integration (Krause, Liebig 2011: 5; 57). Other measures rely on non-governmental organizations at the sub-national level and efforts are often small-scale and project-based (ibid). Yet,

various approaches to social inclusion in general are often limited to pilot cases rather than general programs, most of all due to a lack of funding. This leads to a gap between good local practice examples and countrywide provision. It has so far not been possible to strike a balance between stability in funding and flexibility with regard to content and target groups (Heitzmann, Österle 2009: 41ff; Biffl et al. 2012: 225). A study of the OECD (Krause, Liebig 2011) criticizes the lack of effective policy coordination at the federal level and advises to improve the framework conditions for a coherent and effective integration policy. Focus needs to be laid on pre-school education, measures to increase the numbers of children of immigrants in vocational colleges, apprenticeships and the public sector, and pro-active anti-discrimination and diversity measures for those with higher educational degrees need to be taken. Furthermore, exchange of experiences and information needs to be fostered and the research and evaluation deficit tackled (Biffl et al. 2012: 225).

2.4 Social investment and active labor market policies

Labor market policy is a federal responsibility in Austria and it is implemented by the Public Employment Service (*Arbeitsmarktservice, AMS*), a three-tiered organization with a federal office, nine provincial ones and 99 regional offices. This makes unemployment insurance the only branch of social insurance not organized under the Main Association of Austrian Social Security Institutions. Its policy objectives are developed jointly between the Public Employment Service and the Federal Ministry of Labor, Social Affairs and Consumer Protection (*BMASK – short: Ministry of Labor*). The social partners play a major role in designing labor market policies and in the supervision of the service (Heitzmann, Österle 2009: 39f; Bock-Schappelwein et al. 2014: 12)

While social investment as well as social innovation are concepts that feature prominently within EU discourse, they do not feature prominently in the policy discourse of political elites and the administration in Austria (Heitzmann, Wukovitsch 2015: 6). With respect to total expenditure, compensatory social policies (old age and survivors, passive labor market policies) outweigh social investment policies (family, active labor market and education policies) and the gap has been increasing since 1990. This, however, is to be seen in the light of Austria's pioneering role in terms of activation policies during the 1980s as mentioned in section 2.1. Furthermore, the growth rate of the latter almost doubled since then, indicating an increasing relevance of social investment measures in Austria. Thereof, education expenditures are the largest share, while expenditures for active labor market policies are comparatively low. Overall, Austria continues to follow rather traditional welfare policies (*ibid*).

Nonetheless, active labor market policies have become quite prominent since the 1990s, not least in order to access EU structural funds. The intention is to improve and prolong employability and increase activity rates (Heitzmann, Österle 2009: 39f). In 2010, Austria spent 1.19 percent of GDP on active labor market policies, third place in the OECD after the Netherlands and Denmark (BMASK 2013a: 5). As Table 2 shows, in 2011, 28 percent of total labor market expenditure was spent in the field of active labor market policies, while the large majority at 64.6 percent remained earmarked for passive labor market policies. By 2012, the share of the former had already risen to 35.6 percent (approximately € 2.1 million), an increase of 13.6 percent since 2002. (BMASK 2013b).

Table 2: Labor Market Expenditures, Austria 2011, 1000€ & %

Public Employment Service	448.89	7.3
Active Labor Market Policies	1,712.84	28.0
Employment	377.30	6.2
Socioeconomic Enterprises	96.40	1.6
Non-Profit Employment Projects	44.60	0.7
Qualification	1,250.45	20.5
Support	85.09	1.4
Passive Labor Market Policies	3,952.15	64.6
Total Labor Market Expenditures	6,113.88	100.0

Source: Bock-Schappelwein et al. 2014: 71.

Active labor market policies include three areas as Table 2 depicts: the focus is laid on qualification (20.5 percent of total labor market expenditures in 2011), followed by the categories employment (6.2 percent) and support (1.4 percent). The field of employment has five subcategories, one of which is public and non-profit employment (*Öffentliche und Gemeinnützige Beschäftigung*); this area includes the policy instruments socioeconomic enterprise (*Sozioökonomische Betriebe, SÖB*) and non-profit employment project (*Gemeinnützige Beschäftigungsprojekte, GBP*). The ERfA Nähwerkstatt falls into this category. Together, these two instruments were funded with 2.3 percent of total labor market expenditures in 2011.

In 2012, active labor market measures reached more than 397,000 people, of whom 202,000 were women: 82.5 percent in the area qualification, 18.7 with employment measures, and 24.8 percent within the support category (BMASK 2013b).

2.5 Socioeconomic enterprises and non-profit employment projects

Socioeconomic enterprises and non-profit employment projects have been established in the early 1980s as innovative instruments of active labor market policy. They offer subsidized jobs on the second and third labor market and are intended to be a bridge to the first (i.e. non-subsidized) labor market for people who may remain unemployed otherwise. They are targeted at people with intersectional barriers and long-term unemployed and organized around two groups of personnel: key employees, who stay long-term such as the social workers and administrative staff, and transit employees, i.e. the target group. Their main difference is that socioeconomic enterprises are required to earn 20 percent of their revenues via the market, while non-profit employment projects can be fully subsidized by state institutions. Jobs are offered in the fields of green space cultivation, textiles, cleaning services, transport and house moving, junk goods and repair services, metal and wood processing, domestic services as well as personnel leasing (Lechner et al. 2000) They are, as already seen above, a rather small category of all labor market instruments in Austria, and together account for approximately 5 percent of all subsidized cases (BMASK 2013a: 39). Evaluations show that especially women, elderly and disabled people profit from these measures (ibid; BMASK 2013a: 39).

In 2010, the Public Employment Service subsidized 112 non-profit employment projects and 77 socioeconomic enterprises with approximately 20,000 employees. Socioeconomic enterprises are largely a Viennese phenomenon: 72.3 percent of all subsidized cases in 2011 were in the capital, followed by Lower

Austria (9.6 percent) and Upper Austria (8.1 percent); there were no socioeconomic enterprises in Vorarlberg that year. 5,043 cases were subsidized in 2011. The average participation duration was 82 days, and average expenditure was € 4,500 per case. Participants were largely between 25 and 45 years old (46 percent; 15 percent below 25 years, 39 percent above 45 years old). 78 percent of participants were long-term unemployed, and 22 percent were foreigners. The large majority (69%) had only completed compulsory schooling (18% vocational training, 2% academic education) (BMASK 2013a: 46). Non-profit employment projects are prevalent in Styria (34.6 percent), but also important in Upper Austria (21.1%), and Lower Austria (16 percent). The profile of the target group was very similar to that of socioeconomic enterprises but the average participation duration was 44 days longer and the cost per case was € 7,442. (ibid: 59) The different geographic distribution is due to differences in local contexts and strategies of the provincial and local offices of the Public Employment Service (ibid: 39).

2.6 The local situation in Graz and barriers to successful labor market integration

The governments of the province of Styria and its capital Graz have introduced some of the harshest, and most criticized austerity measures since the crisis, leaving the social budget tighter than in other provinces. In 2010, the social democratic and the conservative party formed a coalition in the so-called reform-partnership, intending to cut 25 percent of the budget and re-introducing for instance the care regress (*Pflege regress*)³. The budget for social services was cut and staff reductions followed in all areas of care and support (especially youth, women, and disabled). This led to increased competition for funding between the various social service deliverers as well as a massive grassroots movement: *Plattform25* was created in February 2011 as a loose association of Styrian organizations active in the cultural, social, educational and health fields. Currently it is comprised of 595 member organizations and thousands of individuals. Nevertheless, the government continued the austerity policies.⁴

In 2009, 16.6 percent of the immigrant population in Graz were unemployed, compared to only 6.7 percent of the native-born population. The employment gap between native-born and foreigners is therefore considerably higher in Graz than the national average (see table 1) (Biffl et al. 2012: 85). Styria was hit especially hard during the crisis due to its strong manufacturing sector, which suffered above average. Foreign workers who are overrepresented in the low-wage segments of industry and service delivery were especially affected. (ibid)

Experimental labor market policy was introduced in 1983/84 in Styria with a view to integrate the long-term unemployed. During the 1990s many projects were maintained, although this often resulted in a perpetuation of precarious working environments (ibid: 225). Today, immigrants face various hurdles to labor market integration. Biffl et al. (2012) evaluated eight Styrian ESF-funded projects for labor market activation and clustered the barriers along the lines of individual and structural barriers as well as those to

³ The care regress compels relatives of people in care to pay part of their income for these services if the person requiring care cannot afford it. In 2014, prior to the abolishment, this affected 6,200 Styrians. Payments were tiered: children paid four to ten percent of their income for their parents in care, whereas parents paid nine to fifteen percent if their children required care services. Nominally this held for an income above € 1,500, but Christmas and holiday pay were included in the calculation, so de facto people with a salary of only € 1,300 per month were made liable to recourse (Kurier, 29.4.2014). In 2014, the care regress has been abolished, given the strong pressure from below.

⁴ At the regional elections in May 2015 the coalising parties ÖVP and SPÖ both lost around 9 percent of votes, while the rightwing, xenophobic FPÖ could instrumentalize social discontent and gained more than 16 percent. <http://derstandard.at/2000016713703/FPOe-bei-pessimistischen-Steirern-am-staerksten?ref=rec>

do with project work. Individual barriers are generally multi-factorial and intersectional and can only partly be explained by referring to the migration experience. They include care responsibilities and immobility, which can be due to their limited system knowledge, given that social services such as daycare are often organized informally. These two limitations are especially faced by women. Especially mental health is often a barrier after traumatic experiences of migration or due to the strain of long-term unemployment. Lack of German skills and insufficient education are also barriers, although the latter is often a matter of ability to produce the required formal documents: they are often not available, e.g. because they were lost during the flight in the case of asylum seekers and refugees. Lack of work experience in Austria and the already mentioned lack of system knowledge are further individual barriers. These have to do with the immigrant's status of residence and therefore their access to the labor market (Biffel et al. 2012: 55-75).

The main structural, system-wide barriers are the labor market and economic structure, economic development trajectories, infrastructure, division of labor and gender roles, rather assimilation-focused societal and cultural values of the mainstream society, and finally an education system with a strong tendency of social inheritance of educational attainment. There is also a lack of German communication courses, lack of information on accreditation of foreign educational achievements, and ambiguities in the private sector between diversity management to foster integration on the one hand and prejudice and discrimination on the other. Regarding funding structures, a barrier is the "project culture" which complicates long-term planning and the precarious work conditions for key employees, as well as target setting by funding institutions. Barriers regarding the Public Employment System are the lack of offers to foster qualifications beyond the scope of the minimum language skills, especially the lack of opportunities for people with higher education. (Biffel et al. 2012: 84-105)

3 Genesis of the initiative

The *Nähwerkstatt* was created in response to the ESF funding opportunity, particularly the ESF area 3b, which promotes social enterprises and the employment of people who might otherwise remain unemployed. In the funding period 2010 to 2011 eight projects in this field were funded by the ESF in Styria (Biffel et al. 2012). The first step was taken by *ERfA*. It was the second time that the association applied for ESF funding and the innovative dimension of the initiative responded directly to the ESF call, which promoted experimentation, a focus on women and the target groups' resources. In the context of this call the *ERfA* team wanted to target the most vulnerable group and in order to reach this group *ERfA* relied on years of experience with diverse target groups and on established networks with other civil society organizations, which were accessed by the team members. Particularly fruitful was one of the social workers' informal connections to one of the women of *SOMM*. Therefore, the two associations decided to collaborate on this project.

The concept for the *Nähwerkstatt* was hence elaborated by *ERfA* and *SOMM*, as their resources could best match the requirements of the ESF call. *ERfA* had years of experience in low-threshold employment initiatives for target groups who face severe barriers to the labor market. *SOMM* had experience with working with immigrant women as one of the most vulnerable target groups and in adult education and functional alphabetization in general. In fact, *SOMM* already had implemented sewing workshops as part of a basic

education program, since such a pragmatic approach allows for a creative, playful and especially low-threshold approach to Math and alphabetization in German. The synergy of the project consisted in utilizing each other's resources so that both organizations could benefit: *ERfA* was able to widen its target group and gain access to immigrant, Muslim women while *SOMM* benefitted as they could now offer follow-up trajectories to their basic education courses. *Nähwerkstatt* offers entrance opportunities into the third, second and potentially first labor market for their target group. Since *SOMM* already had experience with sewing projects, they contributed key employees with the respective know-how and also the necessary language skills to work with the target group, while *ERfA* was in charge of obtaining the funding.

In the first year, *Nähwerkstatt* was a collaboration between *SOMM* and *ERfA*, with sewing groups placed in both associations (details are given in chapter 4). Funding largely stemmed from the ESF, but the *Sozialamt* was already a co-financer, together with other city institutions (the Department of Housing and the Department of Integration) and the Province of Styria. When the ESF funding was over, *ERfA* reapplied without *SOMM* as a single organization with the ESF for the following period. However, it did not obtain funding as the ESF focused on funding collaborative projects. Nonetheless, the initiative could be continued because the *Sozialamt*, the city's social welfare office, took over funding. However, due to the massive welfare state retrenchment in Graz following a cut of the budget by 20 percent, the *Nähwerkstatt's* scope had to be reduced and some qualitative changes had to be made. The initiative was first started as a non-profit employment project but had now been turned into a socioeconomic enterprise, meaning at least 20 percent of its revenues have to come from income generated via the market. From this moment onwards, the *Nähwerkstatt* could not keep a beginner's group any longer, losing much of the low-threshold aspect that had characterized the project during the collaboration with *SOMM* (details are presented in the following chapter).

Since 2012, when the *Sozialamt* became the sole funding source for the *Nähwerkstatt*, the initiative's focus, approach and target group has not changed much anymore. Besides the annual insecurity whether funding will be provided for another year, the *Nähwerkstatt* seems well mainstreamed within *ERfA* (see chapter seven, governance challenge 1). Changes have however been implemented within the *Sozialamt*, which is likely to have some impact on its funded projects in the future (see chapter 6). In 2014 a new unit has been created within the *Sozialamt*, which is now in charge of employment projects such as the *ERfA Nähwerkstatt* – the Department for Labor and Employment (the *Referat für Arbeit und Beschäftigung*). The creation of this unit within the *Sozialamt* indicates the rising political interest in and importance of such initiatives on the local level.

4 The activities and organization

The targets pursued with the *Nähwerkstatt* are multiple. A key goal of *ERfA* projects including the *Nähwerkstatt* is the transfer of vocational know-how and competences which may help the target group enter the second and ultimately first labor market. With the *Nähwerkstatt* in particular, attention was paid to offering a very low-threshold employment opportunity that reflects the vocational wishes, resources and talents, as well as possibilities (e.g. in terms of care responsibilities) of the target group. Additionally, the project implementing team's ambitions included alphabetization in German and Mathematics via a creative and pragmatic approach as well as the consolidation of German language skills through the use

of the technical language needed in the sewing room. Furthermore, the initiative aims at improving overall social participation and integration of the target group as well as their individual empowerment: the women should not only gain experiences on the Austrian labor market but benefit from a stabilization of their living situation, so the project was accompanied by counselling and social work, as are all other *ERfA* projects. Herin lies *ERfA*'s second major goal, besides offering low-threshold access on the second and third labor market: the provision of social work via networked case management, meaning a supra-institutional exchange between the different social workers working with the same individual (Biffel et al 2012: 134ff). With this networked case management *ERfA* intended to gain better access to the target group, explore barriers to labor market integration for the target group further, gain information on respective social and counselling services in Graz and exchange experiences of the work with the target group, as well as fathom the kinds of labor market projects that would best reach the most vulnerable target groups. These goals were reached in the case of the *Nähwerkstatt* through the collaboration with *SOMM*. Besides *SOMM*, other network partners in this regard include social service and counselling institutions for immigrants in Graz, the city's Department of Integration, as well as the Immigrants' Council, the political lobbying institution for immigrants in Graz (ibid).

The *Nähwerkstatt* itself has undergone quite a few changes since its beginning in December 2010. While it was not new to *SOMM*, it was introduced as a new area of low-threshold employment within *ERfA*. In the beginning, the project consisted of three parallel working groups: a beginners' group at *SOMM*'s location that started in December 2010, another beginners' and one advanced group at *ERfA* starting in January 2011. These groups worked parallel until June, while during July and August the workshop was closed in order to respond to the women's care responsibilities during their children's summer break from school. In the fall, the beginners group was continued at *SOMM*, while *ERfA* now accommodated an advanced as well as a professional group until the end of the ESF funding in December 2011 (*ERfA* 2012). The women founded the label *frei_stil* (free style) and the unique, handsewn pieces were and continue to be sold in a shop at *ERfA*'s location. The women can work a maximum of 3.5 hours per day and 50 hours per month, they earn 6 Euros per hour and are paid in cash each day. The employment covers accident insurance (*ERfA* 2013).

During this first year, 47 women participated (34 entered the project, 13 participated in a trial day), they were largely from northern Africa, especially Egypt, as well as from Turkey, Chechenya, Afghanistan and the Sudan. A key requirement for the participation is that the women need to have legal access to the labor market in Austria. Nine of these 47 women had a university degree from their countries of emigration and 14 had finalized a professional education (nine were already tailors). 19 of them had no previous working experience in Austria and 44 had child-care responsibilities. Overall they worked more than 4,300 hours and collectively earned about 26,000 Euros. Reasons for early termination included compulsory courses prescribed by the Public Employment Service, pregnancy and maternity leave, as well as resumption of work on the first labor market. During the first year, six trial days were organized. On average the women had 45 minutes with a social worker or counselor per week, additional to the work instructions by the key employees during their working time. Additionally, group coachings were offered when needed, e.g. on themes such as the Austrian labor market or training for job applications. As already mentioned, the *Nähwerkstatt* also focused on improving the German skills of the target group, to facilitate the integration into the second and third labor market but also their social participation. The beginner group had 1.5 hours of German alphabetization every week, while the other two groups participated in a

three hour communication training per week organized by the association *Ikemba*. Additionally the women went on excursions, e.g. to buy fabrics where they could consolidate their German skills and knowledge of the technical language, and participated in workshops for instance on fashion drawing and design. Of course the activities also included public relations work. The *Nähwerkstatt* presented itself at the Africa Festival in June 2011, organized by the Africa center Chiala Afriquas (today's association Chiala), one of the informal network partners of *ERfA*. Another presentation as well as a fashion show was organized during the award ceremony of the Graz Women's Prize in September, where the women themselves walked the runway in their own handmade clothes and proudly presented themselves with their headscarfs. Furthermore, three open house days were organized at the workshop room and shop at *ERfA*'s location. Regarding funding, the first year of *Nähwerkstatt* was made possible largely by the ESF (area 3b), but as already stated above, three city institutions including the *Sozialamt* and the Province of Styria were co-funders. (*ERfA* 2012)

After the end of the ESF funding period in December 2011, the initiative could continue thanks to the financial contributions of the *Sozialamt*. According to the interviewees from *Sozialamt*, *ERfA* is important, and therefore funded, because it reacts to a clear need (namely minimum protection), while contributing to the women's employability and integration in the labor market, and at the same time empowering them in the sense that they become aware of their skills and build up self-confidence. As already mentioned above, the ending of ESF funding and the shift to other sources of funding caused a number of organizational changes. With the cooperation with *SOMM* ending, and the legal requirements of a socio-economic enterprise to earn at least 20 percent of the initiative's resources via the market, the beginners group had to be dropped. This meant the initiative lost an important aspect of low-threshold access for women who are particularly vulnerable. Additionally, although on the positive side, changes were made in the target group. From 2012 onwards the initiative was open to women without migratory background. This was seen by all interviewees as a positive step towards strengthening the social ties of the immigrant and Muslim women and towards building social cohesion. Overall, the strengthening of social ties within and outside of the women's community was an additional focus of the project team from 2012 onwards.

That year 28 women participated, indicating the drop in the initiative's scope (from 47 participants the prior year). Five of them did not have migratory background. Two of the women had a university degree, ten had undergone vocational training (seven of whom were trained as tailors) and 13 had no prior experience on the Austrian labor market. In 2012 only 61 percent of the women had child-care responsibilities (compared with 94 percent the year before). (*ERfA* 2013) The social-pedagogical support services and additional workshops and excursions were kept in more or less the same scope, but the German language courses were discontinued. The focus on PR work, seen as lobbying for the target group, was strengthened: the *Nähwerkstatt* got its own website (<http://freistil.amsonnendeck.at>), eight open house days were organized and the initiative featured in a couple of local newspapers. Another focus was laid on engaging with notions of identity and the team wanted to make political statements, for instance with the use of traditional Austrian fabrics combined with embroideries of Arab and Persian calligraphy or by addressing headscarfs as already done at the fashion show in 2011. The fashion show in 2012 was a highlight in the eyes of one *ERfA* interviewee: not only did the women themselves present the unique *frei_stil* pieces as they did in the previous year, but politicians were present and gave encouraging feedback. The initiative was especially esteemed by the federal minister for women's affairs and the city councillor for social and women's affairs, who heads the *Sozialamt*, as well as by the provincial governor

(*Landeshauptmann*). This feedback and the fact that some of these politicians are also customers who wear *frei_stil* fashion, shows that the initiative is well visible in Graz. *ERfA* furthermore continued to look to build links with other organizations so as to expand and to strengthen the women's social ties: close contact could be established with the sewing group *Die Laufmaschen*, an initiative of the City Department for Seniors. The focus of this cooperation was to exchange techniques, foster communication in German and strengthen the technical sewing language and of course, to expand the target group's social ties.

The following years, these foci were kept and the *Nähwerkstatt* was not further affected by dramatic changes. The goals remain the transfer of professional skills, strengthening German skills and forging social ties to foster integration and cohesion. The social-pedagogical support services were maintained and so were the workshops and excursions to familiarize the women with other institutions. *ERfA* continues to offer 12 places in the initiative, which remained open only to women with and without migratory background. There is now one sewing group and one creative/design group, while two spots are available as shop keepers. In 2013, 42 women worked with the *Nähwerkstatt*, 16 who only came for the trial day of which 7 were held and 26 women who entered the project (*ERfA* 2014). Again, the women participated in fashion shows, for instance at the Social Democratic Party's city festival in June, and collaborations with other associations were continued and expanded. In June, the cooperation with the senior sewing group *Die Laufmaschen* was expanded to include the girls of the Mafalda JAM youth center for girls with a view to create a room for exchange and dialogue between generations. Another collaboration with the *Café Palaver* of the association *Frauenservice* (women's service) was established in November in which three events were organized around the themes of fashion, women and employment.

5 The innovative dimension of the initiative

Moulaert et al. (2005; see also Oosterlynck et al. 2013a/b for the relevance for the ImPRovE project) define three dimensions of social innovation: (a) the satisfaction of basic social needs, the content dimension; (b) the transformation of social relations, or the process dimension; (c) and the empowerment and socio-political mobilization, the political dimension linking process and content dimensions.

5.1 Content dimension

The *Nähwerkstatt* clearly aims at satisfying a basic social need in the sense that it provides a level of minimum protection in the form of a small income. Preparing the women to enter the first labor market is not the primary goal. Rather, the initiative aims at offering a creative and supportive work environment where immigrant and Muslim women, one of the most vulnerable groups in Austria, can experiment and gain first experiences with working in Austria and earn their own money.

The monetary aspect allows the women to gain some independence and strengthen their self-esteem. Furthermore, the initiative brings stability into the women's lives and gives a sense of purpose. Biffel et al. (2012, 142ff) qualitatively evaluated *ERfA*'s measures during 2010 and 2011, which included the *Nähwerkstatt*'s first year (during ESF-funding). In interviews with *ERfA* employees, they found that *ERfA* employees have a number of expectations of how the initiative will better their lives, i.e. they looked to *ERfA* to satisfy a number of their needs. These included not only a) to gain experience on the Austrian labor market but also b) improve German language skills as an important factor of social integration and

participation, c) forging social ties and overcoming fears and d) getting back to leading a 'normal' life. The last one indicates that the people who work in *ERfA* projects want to work; many of the women active in the *Nähwerkstatt* hold university degrees or have completed vocational trainings. It is a desire of these women to work and gain access to the Austrian labor market. In this sense, *ERfA* and the *Nähwerkstatt* clearly satisfies a basic social need to contribute, to participate and to belong.

At the same time, the project aims at using the women's resources, skills, interests and talents while considering their individual and collective barriers, such as care responsibilities. In other words the team looks to build individualized approaches and respect the needs and wishes of the target group. Additionally, the women are free to return to *ERfA* after trial periods or internships in other facilities should they wish to do so. There is also room to interrupt the employment for instance if somebody wishes to (or is compelled to) take courses offered by the Public Employment Service.

5.2 Process dimension

Regarding the transformation of social relations, the most relevant aspect of the *Nähwerkstatt* is the team's commitment to expand and strengthen the social ties of the target group in various cooperations (as explained in chapter 4, e.g. with the senior sewing group and the youth center for girls etc.). Immigrants tend to have strong ties within their community, but weak ties with the rest of society. The latter is a strong impediment to access to relevant public institutions and the labor market. *Nähwerkstatt* tackles this problem by fostering not only bonding social capital within the ethnic community, but by bridging social capital which connects people with different social classes and ethnic backgrounds. (Lang, Novy 2014)

The 2012 decision to open the initiative to women without migratory background has the effect of strengthening social ties to women outside of their community and thereby contributes to a social mix. According to the social worker at *ERfA*, this expansion of the target group had positive effects also on the women's self-esteem, indicated for instance by an increased inclination to ask when something is unclear and also a steeper learning curve.

On the organizational level, another process innovation can be seen in the networked case-management, whereby social workers from different institutions and service providers, who provide services for the same individual client collaborate. However, according to one *ERfA* interviewee, the concept is not necessarily new. It was mainly an innovation regarding the term and the way their work was conceptualized, rather than the actual approach applied. Such pseudo-innovations are, in the eyes of the interviewee, an effect of the immense pressure to be innovative if one is to obtain EU funding. The fact appears to be, that the social workers in this field have informally worked together where it was deemed necessary also prior to the focus *ERfA* laid on this in the course of the EU funding.

On a different level, of course the product of the women's work, mostly handsewn and embroidered, modern print skirts, are a sociocultural innovation. This product innovation helps meet the requirements of earning some income via the market while at the same time can serve as a political statement and lobbying tool (for instance when politicians wear them at public events). Regarding the relations between producers and consumers, a social worker of *SOMM*, however, raised the critique that at the prices the products are sold, the women who produce them can by far not afford to buy them themselves given their limited, hourly employment. Given her background in a self-organized association by and for immigrant

women, it is understandable that she would like to see the women producing beautiful products not just for others, but also for themselves, in terms of the entire population group of immigrant, or Muslim women. On the other hand, the *ERfA* team of course is aware that their target group in the *Nähwerkstatt* does not match their target group in the shop, and to counter this, *ERfA* gives their employees the opportunity to use the work space and the sewing machines in their spare time. This does of course not reach immigrant, Muslim women as a collective, but at least the individuals, who are employed at the *Nähwerkstatt*.

5.3 Empowerment dimension

The empowerment aspect of the *Nähwerkstatt* largely regards the individual employees, rather than immigrant, Muslim women as a group. However, as already mentioned, the presentations of the *Nähwerkstatt's* approach, products, and employees at fashion shows or at events organized in collaboration with other service providers and associations, are intended to mobilize and give a voice to the entire target group.

Regarding individual empowerment, in the socio-pedagogical sense, the *ERfA* interviewee stated, that in the beginning it was not central to the project idea, which was focused on giving a low-threshold access to the labor market. Yet she found that this is the area where most progress was made: the women are more empowered due to their experience in the *Nähwerkstatt* in terms of their self-esteem and the role they take on. They claim their (figurative) space and in general are confident in their demeanour. According to the interviewees, their husbands are proud as well and the women gain confidence and their own voice in their domestic lives. This also has positive impacts on their children, as the interviewee learned from feedback from teachers. Additionally, the informal knowledge that is transferred in the *Nähwerkstatt* and via the additional workshops and excursions is an important aspect of empowerment, in terms of obtaining information on the workings of public institutions and service providers. In this sense, the women informally gain system knowledge, the lack of which is one of the biggest barriers to their social, economic and political integration (Biffl et al. 2012, 54ff, 67). Similarly, lack of basic German skills is a major barrier to integration and inclusion that is addressed by *ERfA*, although this focus was stronger during the collaboration with *SOMM*. Overall, the women gain a number of competencies via the *Nähwerkstatt*: social skills (team building and communication), methodical expertise (the know-how needed), self-competence (motivation and self-confidence) and system knowledge (e.g. labor law).

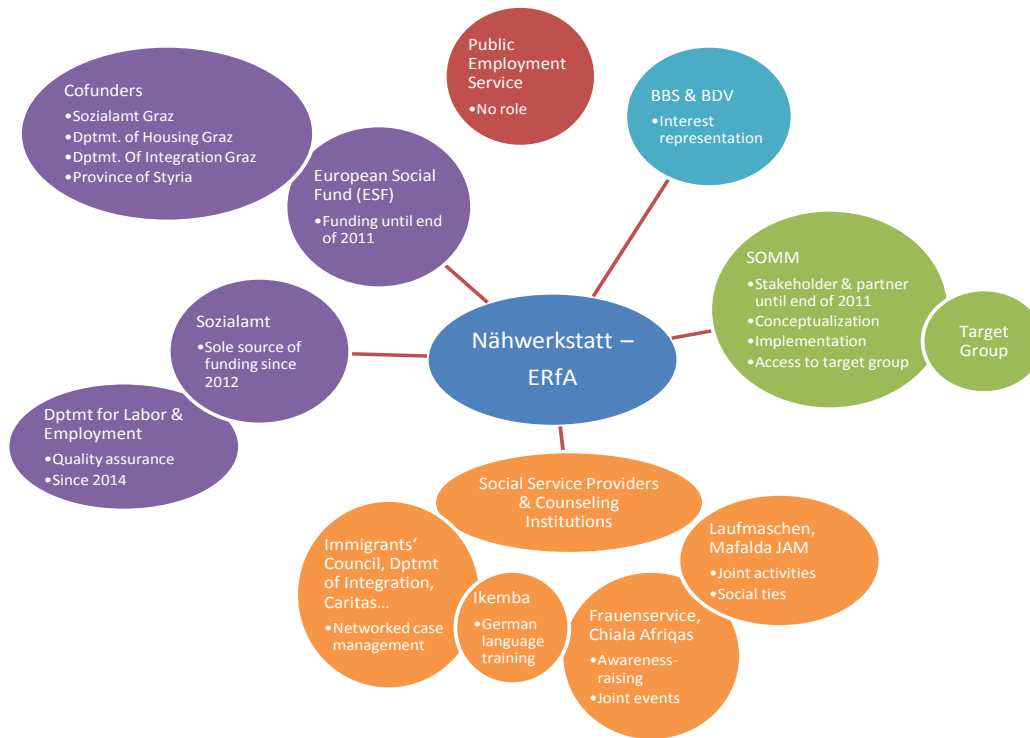
With respect to collective empowerment and structural change, the sewn products are intended to contribute to a transformation of social relations in terms of lobbying and political statements. Their presentation at fashion shows and the thematization of identity creation, as well as the PR work *ERfA* does and the ties to politicians they enjoy can all be seen as factors intended to contribute to the forging of a more inclusive society and a stronger voice for immigrant, Muslim women. The collaboration with *SOMM*, an association organized by members of the target group themselves, i.e. the epitome of collective, bottom-up empowerment, was discontinued. Nevertheless, *ERfA* is an important lobbying actor for marginalized interests, given its close ties to the *Sozialamt* and key local actors.

6 Institutional mapping and governance relations

All interviewees agreed that this policy field in Graz is relatively manageable and most service providers and relevant associations are connected at least via the informal networks of the social workers. The focus on networked case management allows *ERfA* to better reach the target group. At the beginning, the key network partner was *SOMM*, the self-organized association of and for immigrant and Muslim women (see Illustration 1). Furthermore, social service providers and counseling institutions for immigrants in Graz, the Department of Integration (Integrationsreferat), and the Immigrants' Council (*MigrantInnenbeirat*), the political lobbying institution for immigrants in Graz, were key stakeholders (Biffel et al. 2012, 134ff). More informal ties for instance to social workers of *Caritas* are oriented towards the individual client and intended to help the social worker keep a broad perspective. Networked case management entails for instance visits with other social workers or the presence at events of other service providers. On occasion, in terms of a severe case even conferences for all social workers working with the individual in question can be organized, but the focus always remains on offering individual options to make their own decisions.

In terms of increasing the visibility of the project and doing public relations work, *ERfA* has for instance forged ties and organized events with the center Chiala Afriqas as well as with the *Frauenservice*, but also benefits from ties to individual politicians. Furthermore, *ERfA* is embedded in the network *Beschäftigungsbetriebe Steiermark, BBS*, which was started as an association in 2004 and today comprises 40 socio-economic enterprises and non-profit employment projects. Some of the BBS's goals are interest representation with public institutions, joint public relations, the consolidation of the employment sector in Austrian active labor market policy, and further training. The interviewee's at *ERfA* see the benefits in being a member of this network as twofold: the project teams stays up to date on issues such as labor market policies and development, further training for key employees, and product development and quality assurance; and the network serves as political representation of the interests of the Styrian socio-economic enterprises and non-profit employment projects. Via its membership in the *BBS*, *ERfA* is furthermore indirectly a member of the *Bundesdachverband für soziale Betriebe, BDV*, a similar organization in terms of competencies and goals, but on the federal level.

Illustration 1: Relations of the ERfA Nähwerkstatt



Other ties around the *Nähwerkstatt* do not have anything to do with case management or publicity work (see chapter 4). During the first year, these include for instance the collaboration with the association *Ikemba* with regard to German training for the non-beginner groups (while the beginner group had German courses within the offers of *SOMM*). Later cooperations include the ties forged with the senior sewing group *Laufmaschen* and the girls' center *Mafalda JAM*. There is another aspect that indicates the willingness to cooperate with other service providers: Pro Mente Steiermark, a training center for mentally ill people out of work has recently also established a sewing project much like the *Nähwerkstatt*, but the *ERfA* team does not view this as competition and instead positively welcomes the initiative and looked to contact Pro Mente to establish a basis for exchange.

In the eyes of the interviewee from *SOMM*, *ERfA* utilized its ties to *SOMM* in order to better get access to the target group. There is a sentiment of having been exploited. The *SOMM* interviewee discussed the termination of the cooperation by *ERfA* in terms of the dilemma between wanting to build bridges to other institutions and the pressure these institutions can exert in terms of taking on a large workload without pay and the ease at which a small organization like *SOMM* can be dropped afterwards. The small self-organized *SOMM* sees itself at a different level compared with the larger *ERfA* that has close ties to the municipal authorities. Overall, the *SOMM* team did not feel its contribution was adequately appreciated by *ERfA*⁵. In any case, the changes that took place after the end of the ESF-funding period were not made at the request of *SOMM* – the association would have liked to continue the project. Biffl et al. (2012, 80ff) evaluated eight projects in the field of low-threshold employment funded by the ESF in Styria and found

⁵ The interviewee told for instance one anecdote, where during the first fashion show when the *ERfA* team gave a speech of thanks after presenting the initiative, *SOMM* was not mentioned.

that networking within the scope of a project was generally limited. Projects are often not sufficiently institutionalized and the limited time frame hampers the establishing of close, long-lasting ties. In Eastern Styria a networking platform was to be established in order to connect the various service providers, but with the austerity program policies were changed and the platform was never set up (ibid).

This brings us to the role of the *Sozialamt* as the funding agency. Prior to the creation of the new unit in April 2014 the role of the *Sozialamt* in the *ERfA Nähwerkstatt* was limited to providing the funding. Also, the *Sozialamt* would refer people to *ERfA*, who come to the *Sozialamt* looking for help for instance with moving if they get the minimum income that was introduced in 2010/11 (see chapter 2) and cannot afford such exceptional expenses. So people were referred to *ERfA* as customers using *ERfA*'s services in the more traditional fields of employment in the third and second sector. However, the *Sozialamt* never played a role in assigning unemployed persons to participate in an *ERfA* project, including the *Nähwerkstatt*. According to one interviewee, many clients of the *Sozialamt* would also not welcome such a referral (which is typically done by the Public Employment Service), because the extra income would reduce the minimum income support they receive. The *Sozialamt* also does not define quantitative targets for the initiatives it funds (as would also typically be done by the Public Employment System), e.g. in terms of successful entries into the first labor market of a certain share of project participants. Neither does the *Sozialamt* assert political influence in terms of content or approach on *ERfA*. However, the austerity policies in Styria caused several structural changes in the *Nähwerkstatt*. Although social budgets in general were cut by 20 percent, the funding for the *Nähwerkstatt* was taken over by the *Sozialamt* at the end of the ESF period. Nonetheless, the project had to be reduced in scope: it was no longer possible to keep a beginners' group, forfeiting much of the low-threshold quality the project had had before. With the creation of the new Department for Labour and Employment (the *Referat für Arbeit und Beschäftigung*) in April 2014 the *Sozialamt* intends to take on a more active role. The idea is to contribute to quality assurance by visiting projects and getting closer ties to implementing teams and receiving their feedback.

Finally, compared to other projects implemented in this field in Graz, it is exceptional that the Public Employment Service plays no role in the *Nähwerkstatt*. Instead of the Service assigning clients to the project, the *Nähwerkstatt* relied on its close ties to the target group due to word-of-mouth recommendations. This was successful in the sense that waiting lists to get into the project were always full, indicating the interest of the target group as well as the relevance of the project.

7 Governance challenges

This section presents the governance challenges for social innovation as elaborated by the ImPRovE team for the case of the *ERfA Nähwerkstatt* (ImPRovE Social Innovation Team 2013).

7.1 Mainstreaming social innovation

It is an important step towards mainstreaming that the socially-innovative project *Nähwerkstatt* has been institutionalized within *ERfA* and has become more of a program rather than a single temporary project. Although funding from the *Sozialamt* is only assured on a yearly basis, it seems secured also in the midterm. Both the interviewees from *ERfA* and from *Sozialamt* expect the *Nähwerkstatt* will continue to be funded, as it is rather unlikely in their experience that projects, which prove themselves in the sense that they meet a clear demand, are shut down. There are some attempts at mainstreaming beyond *ERfA*, as in the case of

Pro Mente Styria. However, neither upscaling nor further diffusion is on the agenda. Furthermore, an important component of the original project design, the idea of a project for the target group by the target group themselves, was not continued, as the cooperation with *SOMM* ended.

Barriers to mainstreaming discussed during the interviews are multifaceted. First of all, the insufficient income for key employees and the *ERfA* team threatens mainstreaming within *ERfA*. This is not *ERfA* specific of course, but rather a systemic aspect of project work. The team works in precarious conditions; the interviewees discussed the hypocrisy within which social workers work, promoting empowerment on the one hand, and being pushed into new forms of self-employment, constantly threatened by unemployment on the other hand. Besides this financial hurdle with regard to core funding, another financial barrier concerns the project funding directly: the *Nähwerkstatt* (just as similar projects in low-threshold employment) is a rather expensive project in terms of labor costs per clients. It is important that the women are not just paid a small allowance but a salary, as this impacts on their empowerment in terms of self-esteem. This is, however, a hindrance to mainstreaming the project. The high share of labor costs in the project might be one reason why these approaches are less consolidated within the Public Employment Service (which does not contribute to the *Nähwerkstatt*). In general, the political framework is certainly the biggest factor determining whether projects are mainstreamed or not. The *Nähwerkstatt* enjoys the support of public officials and the *Sozialamt* took over funding. Yet, the context of austerity policies and large budget cuts had negative impacts on the structure of the project as discussed before.

Besides financial barriers to mainstreaming, there are also societal ones. Mainstream society's perceptions of women who wear headscarfs complicates this project. Discriminations and prejudices come from different societal groups however: there is not only the problem of right-wing, populist newspaper coverage of their project inciting anti-Muslim sentiments, but also criticism from feminist groups, who oppose the wearing of headscarfs as a form of female suppression in a patriarchal context. Barriers to project participation on the part of the target group are limited to the child-care responsibilities. As the *Nähwerkstatt* is very flexible in this regard and the team makes a point of meeting the women's ideas and wishes, this hurdle could be overcome, as full waiting lists indicate. Also, initial scepticism by (male) family members was overcome quickly where it existed. On the side of the target group, there should thus be no serious obstacles to mainstreaming the approach of the *ERfA Nähwerkstatt*.

7.2 Governing welfare mix – avoiding fragmentation

As mentioned in section 6, *ERfA*'s work relies on the social workers' informal networks. The networked case management, where social workers from different institutions working with the same individual coordinate their efforts is an informal way of avoiding fragmentation. The policy field in Graz is small enough for most service providers to be at least informally connected.

7.3 Governing welfare mix – developing a participatory governance style

The *Nähwerkstatt* was developed in a participatory style, given that the project was conceptualized together with *SOMM*, an association organized by the particular target group to be reached with the *Nähwerkstatt*. The approach towards participation appears to be more pragmatic than ideological. For ESF funding, *ERfA* needed to reach a certain share of women, but traditionally, their employees were largely male, given *ERfA*'s focus on traditional areas of low-threshold employment such as transport services. In order to reach this target, they looked within their informal network and it was decided to collaborate with

SOMM as they had access to unemployed women who would fit the requirements of the ESF call. With the establishment of the *Nähwerkstatt* the female share of *ERfA*'s clientele rose from 28.6 percent in 2010 to 41.8 percent in 2011 (Biffel et al. 2012, 136).

With respect to participatory project management, *ERfA*'s *Nähwerkstatt* shows that institutionalizing participation is costly, as money is needed to accommodate different interests of a plurality of actors. There are no signs that the cooperation with *SOMM* was terminated because of unmanageable conflicts. Instead it appears that *SOMM* was simply weaker in terms of negotiating power and when funding was reduced with the change from ESF to *Sozialamt*, the project could be institutionalized with a simpler project management.

7.4 Equality and diversity

The project is targeted towards a specifically vulnerable group and aims at their social integration along multiple axes. This is a small, but important step towards equal access to public institutions and the labor market. At the same time, the project recognizes the specific needs of the target population and dedicates resources to the necessary social work to support this. This diversity-sensitive approach is, however, not limited to the recognition of difference and strengthening the self-esteem of the target group. There is also a concern to foster social cohesion by bridging social capital, which creates links between the target group and mainstream society. By selling a specific product with a cultural value and an implicit political message of tolerance, the two shop assistants have regular contact with clients from mainstream society.

7.5 Uneven access

ERfA Nähwerkstatt remains a project and has not been developed into a program. In this sense, the *Nähwerkstatt* can only accommodate a very small number of project participants. Additionally, austerity policies contribute to uneven access as the low-threshold aspect of the original project idea is complicated due to a lack of sufficient funding.

7.6 Avoiding responsibility

Although the *Sozialamt* as a municipal entity is the sole funder of the project today, all interviewees agreed that in certain respects, public institutions in a broad sense avoid their responsibilities in this policy field. The *Sozialamt* is aware that yearly funding is problematic, especially with new initiatives because new approaches require a certain observation period before problems and successes become visible. *Plattform25*, the counter austerity movement in Styria, is a bottom-up pressure group with a certain influence to hamper further project cuts for NGOs in the field of socio-cultural policies. *SOMM* is a member of *Plattform25*, while *ERfA* is not.

The interviewees of *Sozialamt* recognized a duality of project work in general: on the one hand it allows for a more context-specific approach that is more closely aligned with the target group's specificities, but on the other hand, a project is seen as a clear indication of a shortage on another level. They had a strong sense that projects cannot solve structural problems, but only be repair measures. In this respect, the *Sozialamt* would like to see changes in policies in the fields of education and integration but also economic policies to foster growth and job creation. The interviewee at *SOMM* was similarly critical of the project logic in itself. When core financing is reduced social workers work conditions generally become more precarious, which is also perceived as a lack of trust and appreciation of their work. Additionally, financing on a project basis fosters an erosion of solidarity and muzzles critical voices.

On the other hand, 'state' is a very broad category and much also depends on the individual decision maker's commitment, irrespective of bureaucratic status or party politics. Whereas the social-democratic vice mayor and city councillor for social and women's affairs has received much criticism in 2014 as she unilaterally decided to cut the budgets of long-established services for women in Graz, the provincial councillor (*Landesrätin*) for women's affairs and integration – also of the Social Democratic Party – received praise for starting a collaborative process to develop a women's strategy 2020, together with civil society organizations as well as interested individuals.

Overall however, the sentiment is that the state neglects its responsibilities with respect to entire population groups such as the unemployed as well as immigrant women, but also towards service providers. One interviewee was particularly frustrated with the inefficiency of the way social service providers can obtain funding. Especially with the various EU funds, the challenge is not that there is insufficient money available, but rather that the process of obtaining it is too big an administrative burden for small organizations and that the municipality does not offer institutional support as they do in other EU cities⁶. In Graz all the administrative work falls onto the staff of the respective organization themselves, which excludes especially the smaller associations from EU funding, given they generally lack the core financing to handle the administrative burden of applying for project funding.

7.7 Managing intra-organizational tensions

SOMM saw some tensions in the work with *ERfA*. As already explained, the women of *SOMM* felt somewhat exploited by *ERfA*'s approach, and especially by the fact that *ERfA* did not intend to carry on the collaboration with *SOMM* when it turned to the *Sozialamt* to obtain funding for the time after the ESF-funding would run out. Yet, according to the *ERfA* interviewees there were no conflicts with any of the project partners, and aside from the already mentioned newspaper article in the populist Austrian newspaper *Krone*, *ERfA* also did not have any conflicts outside of the project network. Both with politics and *ERfA*'s societal environment, they feel that their targets and approach were always appreciated. It is likely that *ERfA* never intended to build a long-lasting and close cooperation with *SOMM* and saw them as project partners only for the limited period of ESF-funding in 2011. *SOMM* might have gone into the project with different expectations. In any case, the tensions that arose were not *managed*, rather the collaboration was simply put to an end when *ERfA* negotiated with *Sozialamt* without the intention to continue with *SOMM* and then a change in funding required structural changes as well.

There is a power hierarchy between *SOMM* and *ERfA* as *ERfA*, having closer ties to the municipality managed to get continued funding even in an austerity context. It remains thus open, whether a continued cooperation with *SOMM* would have been possible, if *ERfA* had tried to enforce this with the *Sozialamt*. In any case, *SOMM* felt like it was out of their hands. Clearly, the visibility of a project partner must be ensured and power asymmetries need to be addressed for a successful and satisfying collaboration. Today the respective social workers whose close informal ties led to the cooperation in the first place continue to have those ties, while relations between the directors of the two associations appear to be more strained. Either way, *SOMM* continues to refer women to *ERfA* on occasion. The interviewee mentioned

⁶ Malmö in Sweden has a city councillor who is in charge of mediating between small organizations and large EU funds. This person is paid to research the local situation and the current demand of particular services as well as funding opportunities and takes charge of the applications to relieve institutions of their (unpaid) workloads. Additionally the city provides the pre-funding.

one recent occasion where a woman from *SOMM* found a transitional job in the second labor market with *ERfA*.

The *Sozialamt*, like *ERfA*, stated there were and are no problems. On the one hand, this is understandable given that the *Sozialamt* does not give instructions regarding the approach or set quantitative targets as the Public Employment Service would do. On the other hand, financing conditions discourage the voicing of disagreements not just with *ERfA* but with external service providers in general – given the trend to project financing rather than long-term contractually fixed core financing. In the words of one of the two interviewees from *Sozialamt*: “How could there be conflicts when the city has the possibility of simply cutting off the funding?”. In her experience, the entire field has shifted due to this. Two decades ago, associations, and especially those working with asylum seekers or in the field of integration, dared to publicly criticize service providers, public institutions, the administration and the police etc.; today, a lot of associations either fear to be or downright are muzzled, as with the case of *SOMM* and their critique on Caritas (see challenge #6). On the positive side, this is an aspect the newly established Department wants to pick up and collect feedback from the funded service providers.

7.8 Enabling legal framework

Both *ERfA* and *SOMM* see several legal barriers to a useful employment project. One grey area for *ERfA*, which mainly offers low-threshold employment in the traditional fields of the second labor market, regards employee protection laws. Similarly, also *SOMM* sees legal barriers to working with their target group: the goal of a project like *Nähwerkstatt* clearly is social integration in general rather than simply labor market integration. *ERfA Nähwerkstatt* employees can only work a maximum of 50 hours per month. Yet, an important part of the target group, namely asylum seekers, cannot access the project because they need to have legal access to the Austrian labor market, which is connected to residential status. Especially for this third labor market, access to the first labor market should not be a legal requirement. To turn the *Nähwerkstatt* into a socio-economic enterprise, which has to earn 20 percent of its revenues on the market, requires a certain stability within the project and a certain standard or quality of the product. This was one of the main reasons why the beginners group was dropped and why the women stay in this third labor market initiative for longer periods than necessary. This in turn causes a problem, as employees on the third labor market are not insured (except for accident insurance). There are three lines of critique in this argument:

- 1) against austerity measures which force non-profit employment projects to be turned into socio-economic enterprises;
- 2) against keeping employees for a long time on the precarious third labor market as the idea should be to transfer them quickly to the second labor market;
- 3) against the precarious work conditions under which the target group cannot even get supplementary insurance themselves (this is possible if income exceeds the marginal earnings threshold (*Gerüingfügigkeitsgrenze*), which is just below 400 Euros, whereas an *ERfA* employee can earn 300 Euros maximum per month).

More of an administrative barrier is the application process for project funding with the EU. This was not just mentioned by the small organization *SOMM*, but also by the larger organization *ERfA*. Hurdles include the know-how that is necessary to apply, which starts with becoming aware of the call in the first place.

This already requires networking. The application procedure itself requires many unpaid working hours and is very complicated, for instance in terms of language but also regarding the pressure to be innovative and to prove oneself in a very short amount of time. These are reasons why there are only a handful of self-organized associations like *SOMM* in the database of ESF-funded projects. Another barrier connected to project funding, also especially for smaller organizations, is the pre-funding period and the fact that the last part of the funding, which is generally approximately 10 percent, is only paid after the project is entirely finalized. A small organization like *SOMM* cannot apply for funding under such conditions without a larger partner or a bank credit. Given these multiple practical barriers to EU-funding especially for bottom-up and self-organized associations, adaptations are necessary, if bottom-up initiatives should remain actors in European projects. Additionally, participation of civil society in terms of self-organized associations during project conceptualization should become a requirement not just a possibility of EU funding.

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Interviews

- social pedagogue; sociologist & managing director (ERfA)
 - o 4 December 2014, 12h00-2h00 pm, ERfA, Karlauerstrasse 16-18, 8020 Graz
- Social worker & project developer/coordinator (SOMM)
 - o 5 December 2014, 08h30-10h00 am, SOMM, Wielandgasse 23, 8010 Graz
- Two administrators (Sozialamt / Social Security Office)
 - o 5 December 2014, 10h15-11h15 am, Sozialamt, Schmiedgasse 26, 8011 Graz
- Young Politician

- *16 January 2015, 13h00-13h30, Telephone Interview*

Feedback to draft version by interviewees

- June 2015

ImPRovE: Poverty Reduction in Europe.

Social Policy and Innovation

Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

How can social cohesion be achieved in Europe?

How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website <http://improve-research.eu>.

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