

Work Integration Social Enterprises and the Labour Market Integration of Foreign-Born Women: Policy Recommendations

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Work Integration Social Enterprises (WISEs) are organisations whose purpose is to create employment opportunities for individuals facing barriers to entering the regular labour market. WISEs combine business activities with work integration measures and often operate within the framework of the social economy. They typically have multiple sources of revenue. On the one hand, they generate income through the sale of goods and services to the public sector, private companies and individuals. On the other hand, they provide work integration services—such as work training and vocational rehabilitation—on behalf of public actors who finance placements for individuals in need of such support.

Research on WISEs shows that they often strive to adopt a holistic perspective on the individual that goes beyond focusing “only” on employment, in ways that many other labour market actors do not have the opportunity or mandate to do (Hedin et al. 2015). Many WISEs demonstrate positive outcomes in helping individuals move closer to the labour market, although this process is also time- and resource-intensive and requires long-term commitment.

Swedish WISEs face several challenges. One major issue concerns sustainable long-term business models and access to stable funding. WISEs are often dependent on strong and lasting relationships with public actors for procurement and placement of participants in work training—something that is often lacking (Ek Österberg et al. 2021; Zapata et al. 2025). Another challenge involves adapting and developing methods to better serve foreign-born women. This group is often deprioritised in labour market initiatives in favour of groups considered closer to employment and therefore

seen as more “efficient” to invest in. Even within many Swedish WISEs, foreign-born women have so far been an overlooked group (Björkenstock 2024).

In the research project Women for Integration: Co-creating an Inclusive Working Life in Social Enterprises, researchers, together with WISEs, have explored how to develop methods for labour market integration based on a holistic view of the individual, specifically targeting foreign-born women. The project has also examined how these methods can be scaled and disseminated. This policy brief provides a short background to the policy area of integration, followed by three key observations from the research project, and concludes with recommendations for WISEs and policymakers.

The Policy Area of Integration – Changing National Policy and Increased Local Responsibility

Foreign-born individuals in Sweden generally experience higher unemployment, poorer working conditions, and are more likely to hold lower-skilled jobs than native-born individuals (Berglund et al. 2025; Andersson Joona & Josefsson 2025). Research shows that this is due to several factors: mismatches between education and labour market needs (Bevelander & Irastorza 2014), language barriers, lack of social capital and networks (Håkansson & Tovatt 2017), a highly regulated and high-skilled labour market (Asplund et al. 2017), and labour market discrimination (Berglund et al. 2025), among others.

These barriers affect individuals differently depending on education, work experience, ethnicity, gender, and length of stay in the country (Dumont et al. 2016).

Among women born outside Europe, nearly one in three is outside the labour market (Statistics Sweden, 2023).

National activation programmes have often been criticised for being too general and for overlooking the barriers many foreign-born women face, such as family responsibilities, personal trauma, low literacy, and housing and financial difficulties (Bucken-Knapp et al. 2020; Schierenbeck & Spehar 2021; Norbäck & Zapata Campos 2023). These challenges are largely left to municipalities to manage. As a result, many municipalities have developed their own initiatives and partnerships, often in collaboration with civil society, the private sector, and academia. At the same time, citizen-driven initiatives have contributed to alternative forms of labour market integration, including social enterprises and cooperatives.

Since 2015, increasingly restrictive migration policies and stricter border controls have led to a sharp decline in the number of new arrivals of migrants to Sweden. At the same time, integration efforts continue locally, but under increasingly strained conditions. While the “work-first” principle remains dominant in national policy, there has been a growing emphasis on individual responsibility to “integrate.” Meanwhile, national agencies—particularly the Public Employment Service—have withdrawn from the local level. In summary, the policy area of integration has been significantly reduced, and integration is now largely shaped locally through collaboration between municipalities and other actors.

WISEs in Sweden – Great Potential but Limited Institutional Support

Despite their potential, knowledge about WISEs in Sweden—like social enterprises in general—remains relatively underdeveloped compared to other European countries, and their conditions are characterised by limited and uncertain funding (Zapata et al. 2025). In several other European countries, the social economy is an established and institutionally embedded part of societal infrastructure, with clear support structures at national and regional levels (Karré 2021).

In Sweden, however, WISEs face several structural challenges. These include limited awareness and understanding of their activities and societal contributions in both public and private sectors; short-term and fragmented funding mechanisms, including project funding and compensation for work training placements; and weak or uneven local and regional anchoring. In addition, there are gaps in access to business development expertise and long-term operational support.

This context creates conditions marked by uncertainty, fragmentation, and varying levels of institutional support. To illustrate how these conditions affect relationships,

internal organisation, and knowledge development, three interrelated observations are presented below.

WISEs and Municipalities – Co-creators of Integration, Despite the System, Not Because of It

In several municipalities, WISEs play an important role in local integration efforts. As noted earlier, they combine business activities with a clear social mission: to create employment and participation for individuals facing significant labour market barriers.

A particularly vulnerable group—central in our studies—is foreign-born women with low education and limited work experience. For this group, generic education and labour market programmes have proven ineffective, and in some cases even counterproductive. Such measures risk undermining individual agency by creating passivity and silence, where a control-oriented governance logic takes precedence over empowerment.

WISEs often work with individuals who “fall between the cracks” and rarely become employable within the framework of short, standardised programmes. Our studies show that WISEs frequently succeed in creating meaningful employment and developing methods tailored to individuals’ actual life conditions.

By adopting a “life-first” perspective grounded in a logic of care—rather than a “work-first” perspective based on market logic—these methods have emancipatory potential. They make visible and mobilise women’s and migrants’ resources, such as language, culture, and local knowledge. WISEs often create safe learning environments where participants dare to fail in both work and language learning. This sense of safety is crucial for language acquisition and can be strengthened when supervisors share similar migration backgrounds, fostering belonging and identity.

WISEs also shift the focus from individual to collective agency, where women themselves organise their workplaces. Through their business model and training methods, WISEs transform previously invisible and unpaid domestic skills—such as cleaning, cooking, and sewing—into marketable professional competencies.

Organisation and Relationships within WISEs – Methods and Challenges

WISEs adapt tasks and support to individuals’ varying needs and conditions. They apply a more integrated and long-term perspective on labour market integration, emphasising social sustainability, stability, and gradual labour market entry.

Trust-based relationships between participants and supervisors are central, as is the creation of stable and

inclusive environments where individuals can develop at their own pace.

However, a key reason for the uncertain situation of many WISEs in Sweden is the lack of clear and consistent institutional support. Fluctuations in the number of participant placements from municipalities and the Public Employment Service create uncertainty regarding revenue and operational scale. This makes long-term planning and capacity building difficult.

This short-termism contrasts sharply with WISEs' long-term, relationship-based approach. Irregular participant inflows can force organisations to adapt in ways that reduce their ability to tailor support to specific target groups.

For foreign-born women with limited Swedish language skills, structured and resource-intensive language training in a safe environment is particularly important. If language training is to be integrated into work-based initiatives, both time and staffing are required. Highly heterogeneous participant groups can limit the ability to provide adequate language support.

Our research shows that WISEs with a stable and relatively large inflow of foreign-born women are better able to develop and maintain specialised competence, which in turn improves the quality of their interventions.

WISEs – Arenas for Knowledge, Learning and Collaboration

In collaborative governance models, networks play a crucial role in knowledge sharing, experimentation with new organisational forms, and learning across local contexts. Networks develop over time through both formal and informal collaboration and may be initiated by public authorities or interest organisations.

Within these networks, dialogue focuses on developing solutions to complex problems, with collective learning and experience-sharing as key elements. They also serve as platforms for initiating and strengthening collaboration between actors.

The strength of networks lies in their flexibility and adaptability. They are important both during periods of growth and during times of cutbacks. In such periods, networks help manage transitions, preserve and develop knowledge, maintain quality despite limited resources, and prepare for future increases in demand.

However, networks are resource-intensive and require ongoing maintenance. When the number of asylum seekers decreased and the target group shrank, networks weakened and resources were reduced.

Such changes can create disproportionate negative effects, making organisations more fragile.

A smaller target group does not necessarily mean reduced needs or lower costs. On the contrary, it often increases the need for innovation and bricolage—the ability to creatively combine and reuse existing resources. This often relies heavily on individual commitment, creating a risk of over-dependence on key individuals.

Policy recommendations

Based on the findings presented, the following recommendations are proposed:

- **Establish long-term and stable collaboration with WISEs**

Municipalities and other public actors should actively maintain and stabilise their relationships with WISEs. Stability in relationships, funding, and assignments is essential for WISEs to plan, build capacity, and develop sustainable work integration initiatives. Public actors should act as long-term, predictable partners rather than relying on short-term or project-based collaboration.

- **Develop target group-specific expertise within WISEs**

WISEs should continue to develop and deepen their expertise regarding their target groups. It is particularly important to integrate language training and work practice into daily operations and to design interventions based on a deep understanding of participants' real-life conditions, resources, and constraints. This strengthens both quality and long-term sustainability.

- **Strengthen networks for learning and capacity building**

Networks between WISEs, municipalities, and other actors should be given a more central and long-term role. They are key arenas for knowledge sharing, experience exchange, and collective learning—especially in times of uncertainty or cutbacks. Investing in and maintaining network structures is a strategic prerequisite for capacity building and innovation.

- **Recognise WISEs as strategic partners in integration policy**

Policymakers need to more clearly recognise WISEs as key actors in labour market integration. Rather than treating them as peripheral or temporary elements of the welfare system, they should be seen as co-creating partners in the development of integration policy. This includes involving WISEs in policy development, public procurement, and long-term planning.

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