

**THE EUROPEAN EXPERIENCE WITH SOCIAL FIRMS IN THE REHABILITATION  
OF PERSONS WITH PSYCHIATRIC DISABILITIES**

Report from a Study Visit to Germany & Austria

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## **1. Goal**

The goal of this study visit was to learn about the method of using affirmative businesses (social enterprises) in the rehabilitation of persons with psychiatric disabilities.

## **2. Background**

The idea for this visit was originally proposed by Peter Stastny who had established contact with the European network of cooperatives and social firms (C.E.F.E.C.) and with the German network (F.A.F.) during earlier visits to England, Germany and the Netherlands. Subsequently, a partnership between a consumer familiar with rehabilitative services (Dick Gelman) and a researcher/service planner (Peter Stastny) was established to take an in depth look at these business ventures. It was decided to focus specifically on the operation and context of social firms in Germany, since they appeared to be developed furthest and were best integrated through the efforts of F.A.F. and the Rehabilitation Research Group at the Department of Psychology, Free University, Berlin. The idea of taking a closer look at transnational efforts with particular emphasis on the programs of the European Community Social Fund in Brussels was postponed to a later time. In early 1992 Peter Stastny made the acquaintance of Harold Mayo, an advocate and survivor of psychiatrization from Florida, who is fluent in German and has visited that country before. It was felt that inviting him to join the team would add a unique perspective and help disseminate our findings to consumers and survivors in the U.S.A. W.I.D. and our German host agency were informed and agreed with the decision to expand the visiting team.

## **3. Visiting Team**

The composition of the visiting team, two survivors and one mental health professional, must be considered as rather unusual at a time when full integration and partnerships are more often in our dreams than in our everyday practice. On the face of it, the idea of forming a working partnership to evaluate services designed to benefit persons with psychiatric disabilities, seems rather sensible. Hopefully, such a team would develop an understanding derived from the combined experiences of the group. On the other hand, such an undertaking requires adequate preparation including an opportunity to plan together, which in retrospect did not take place in a manner conducive to a successful team effort. In our case, two members of the team knew each other fairly well from working together, while the third person was basically unfamiliar to the two others. This created tensions beyond those to be expected from merely a survivor and a psychiatrist travelling together. However, even the familiar relationship was strained to a lack of attention to the anticipated content of the trip. To complicate matters further, the expectations of our host agency did surely not include the composition and attitudes represented by our group. Indeed, some of the initial difficulties described below can be

explained by unclear expectations on all sides with regard to the intentions of the visiting team and the openness of our hosts. Somewhat surprisingly, and not without considerable struggle, were we able to conduct and complete this visit as a group of three individuals who have experienced the difficulties and rewards of this intended partnership. The two of us who reside in the New York continue to enjoy a good working relationship and friendship, while the communication with our third partner is hampered by geographic distance. We hope to get together in the not so distant future and continue some of the discussions we began during this trip.

### 3. Overview of the Social Enterprises Model ("Self-help firms")

The affirmative business model has a 15 year history in Western Europe, beginning in the late seventies in Italy and later moving to West Germany, Holland, England and other European countries. It appears under different names in different areas, denote subtle or more substantial differences among the various applications. In Italy, these enterprises were called "cooperativi integrati" (integrated cooperatives), denoting a shared ownership and operation among persons with and without disabilities. Eastern European countries like Poland and Czechoslovakia have also used the term cooperatives in their fairly advanced efforts to integrate persons with both physical and psychiatric disabilities into the workforce. In Western Europe Holland, Spain and Italy continue to use this term. "Social firms" is the term most popular in the English speaking European countries.

Germany has used the term "Selbsthilfefirmen" ("self-help firms") since the beginnings of this development in the early eighties. As we will show, this term is a misnomer, since it does not refer to self-help as practiced by and for persons with a certain common set of problems/issues, but rather to a group of mental health workers and other professionals that chose to help themselves by establishing businesses and hire persons with disabilities in order to change their careers. More recently, German researchers like Erwin Seyfried have begun to use the term "social enterprises" in their translations as well as "Integrationsbetriebe" (integrated firms).

The German model, which we will examine more closely, is based on the establishment of non-for-profit businesses that compete on the open market, but are eligible to receive substantial subsidies from government sources to support the employment of persons with psychiatric disabilities. It appears that most, if not all persons chosen (i.e. employed) by these affirmative businesses are classified as "severely disabled" with graded "functional levels" ranging from 30 to 70% of what is considered fully functional. The vast majority has histories of psychiatric institutionalization followed by attendance of various types of rehabilitation programs. The model is presented as an optimal method of reintegration into the workforce. It's premise is based on the notion that managers, mostly former disenchanted mental health professionals can recruit a few skilled workers and a certain proportion of persons with psychiatric disabilities to join in a newly established business which is relatively viable on the open market. Among the 77 businesses reviewed in 1990 (FAF e.V.) in Germany the majority (51) are specialized firms in the following areas:

- \* Technical products (12)
- \* food production & sales , often natural and health foods (11)
- \* gastronomy (7)
- \* domestic services (moving, repairs, painting, etc.) (7)
- \* office services including printing (6)
- \* miscellaneous specialized industries (8) (e.g. carpentry, metalwork, laundry, toys, etc).

Just as many of the food products are in the area of whole and natural foods, many of the technical production companies also specialize in recycling. The remaining 26 projects cited in the F.A.F. report offer multiple products and services that may include any of the above as well as others not mentioned earlier. Some of these also include integrated psychosocial and vocational placement services. They offer anywhere from two to 15 different types of work to their clientele, which is mostly recruited from a nearby psychiatric institution.

The model is seen as the principal alternative to sheltered workshops and "work or activity therapy" as practiced by conventional rehabilitation and psychosocial agencies. In contradistinction to those, social enterprises are independent non-for profit organizations set up specifically to develop non-institutional alternatives. Their main objective is to offer permanent and fully compensated employment for persons with psychiatric disabilities. They do not aim at transitioning their workers to open employment in regular companies, although a sizable proportion do make this step eventually. At the same time they aim to provide adequate salaries and fringe benefits to a core number of disabled workers. In addition they employ non-disabled workers at competitive salaries (often substantially above the salaries of the workers with disabilities). Most firms also offer training and apprenticeship opportunities as well as part-time employment and supplemental income for people who may still be receiving public benefits ("disability-pensions"). The firms are mostly not integrated with psychiatric or other clinical services, although they employ workers in various including managerial positions, who have clinical backgrounds.

#### **4. Ideological background**

The origins of this social movement, a term for which it qualifies, considering that a few thousand individuals have been directly or indirectly involved over the years, lie in the disenchantment of certain mental health workers with the services and employment opportunities available to "their clients" in the mid-seventies. Many of these workers were academically trained as psychologists or social scientists and had progressive social ideals harking back to the socialist ideas of the 1960's. A considerable number of them worked for some of the new "therapeutic collectives" that emerged in the wake of the "Psychiatrieenquete" a major overhaul attempt of German psychiatry in 1976. These workers began to see that there were few if any opportunities for "the clients" to obtain employment in the open market. But aside from pragmatic considerations, their notions of cooperative work developed out of disdain for the alienation they saw as prevalent within traditional corporate and industrial structures. They concluded that alternatives would solve three major ideological problems: 1) their own alienation from their work; 2) the anticipated alienation and exploitation faced by anyone entering the capitalist workplace on their own; and 3) the lack of economic opportunities and integration for persons with disabilities or psychiatric backgrounds.

Ideas of collective employment and shared responsibility were quite clearly expressed in the early phase of these firms: "Forms of work are defined by the collective, and the salary is equal among all workers. This firm aims at eliminating a portion of pathogenic alienation. Self-determination assures health." This statement about BACKSTERN, one of the bakeries we visited, was made in 1979. It appears that by 1992 this heavy intellectual baggage, had become replaced by a rather fairly pragmatic approach, assuming that "the clients followed these often endless conceptual debates with astonishment and a lack of understanding; their main aspiration was to have a job, no more and no less." (F.A.F., e.V.) This shift from a highly intellectualized political campaign to a sound practical approach to the establishment and running of social enterprises took place around 1985 and was followed by a rapid expansion of the model. It went along with an internal transformation of the values of the professionals that drove the model, one that mirrored the changes common to many intellectuals that had traded in their social ideals for a more pragmatic approach. Five year plans and other economic considerations replaced the discussions of ideological soundness. However, they did not see themselves as completely subservient to market forces. Their interest in ecological issues is manifested in the exploration of health food and recycling as a major component of the business activities, paralleling the expansion of the Green Party in Germany.

It is remarkable that equal input was not sought by the professionals, but unfortunately typical that none of the ideological considerations that fuelled this movement were conceived directly with the input of survivors/consumers/clients, the very individuals which were supposed to benefit most from this social innovation. This situation appears to have evolved from an early split among the professionals, as represented to us by one of the managers we spoke with. Her interpretation was that the "pragmatists" were opposed by groups of survivors (i.e. Irrenoffensive) along with some academics/MH professionals, who attacked the notion of these firms, citing exploitation rather than alienation as one of their hallmarks. These were described as both more "vocal" as well as "political", while another, more tacit group of survivors went along with the pragmatist, since they were "more interested in working". While this view is clearly critical of the opponents of the social enterprises, it is also self-critical, in that it rejects the very position that the speaker, and with her many of the founders once held. However they see themselves as progressive precisely because they made this transformation from political idealism to pragmatism, which is certainly the way of world in a united Germany.

Besides these ideological considerations rooted in political developments of the sixties and seventies we encountered a rather traditional view of persons with psychiatric disabilities among the professionals involved in these enterprises. They appeared to think of the disabled workers as a functionally impaired and fairly homogenous group. We got a sense that people showed more concern for the vulnerabilities of their co-workers than appreciation for their competencies. Clearly there were exceptions to this sentiment, but the overall tenor was that persons with psychiatric disabilities can contribute relevant skills, but rarely match the capacities of non-disabled workers. This reminded us of the attitudes

pervasive among services for MR populations.

## 5. Fiscal and legal context

Probably the most unique and enviable aspect of the German cooperatives is based on the German disability law and its consequences for the funding of vocational projects. Germany has probably one of the most assertive legislation protecting and advocating for the rights of people with disabilities. This is in part due to the post-World War II period, when the new government was faced with a large number of disabled veterans that needed to be retrained and reintegrated into the workforce. As a result, the unemployment rate among persons with disabilities is only 50% higher than among the non-disabled. As a comparison, in the U.S. more than 40% of disabled individuals are unemployed at any one time.

A special legislation introduced in 1986 covers the rights of persons with severe disabilities. The most important aspects of these laws are the following:

- \* mandated quota for hiring persons with disabilities
- \* subsidies to employers who hire persons with disabilities
- \* reasonable accommodation for disabled workers
- \* provision of support services
- \* right to additional leave or vacation time
- \* special protection against lay-offs

The first two constitute the basis for the funding of social enterprises. Each employer with more than 15 workers is mandated to hire at least 6% persons with disabilities. In case of non-compliance with this quota, the employer is fined a monthly penalty of DM 150 (\$100) for each person below the mandated minimum. Last year (1991) approximately 640,000,000 DM (\$420,000,000) were levied in West Germany alone. Most of this money was redistributed to fund subsidies and services for persons with disabilities. Federal and state governments share this amount about evenly. The federal Department of Labor provides funding for sheltered workshops and other rehabilitation facilities, but also subsidizes salaries for persons with disabilities hired in open employment. These salary subsidies are given over three years at a diminishing rate (80%, 70%, 60%) and are the backbone of cooperative employment projects. Currently about 26,000 individuals are supported in this manner, however only 678 of these were psychiatrically disabled. The state governments, through their social services provide additional funding in the form of investments to create jobs for the disabled, unemployment insurance, subsidies for diminished efforts, and special subsidies for cooperatives. Finally, companies who hire persons unemployed for more than a year are eligible to receive additional subsidies; many of the social enterprises were also eligible for these funds.

The social enterprises are thus funded from a number of different sources. In spite of the relatively ample supply of government subsidies, the emphasis for these firms is

nevertheless on economic viability in the open market. Five year plans are made up during the development stage of each project, calculating different fiscal scenarios. Income from products or services is uppermost, followed by subsidies to individual salaries, investments for equipment needed to create jobs or to make the work site suitable for a particular worker with a disability, and income through placement of trainees or apprentices that are funded through a different rehab legislation. It must be remembered that these firms are designed to support a sizable proportion of non-disabled workers that do not qualify for government subsidies. Another key feature of these firms is that they have not-for-profit status and are therefore not permitted to have net profits associated with their activities. Should they have such profits, they must be reinvested in the operational expenses of the company.

The ideal projected scenario is that approximately 30% of net income comes for subsidies, which are phased out by year three. This is based on 2 disabled and 3 non-disabled workers in a bicycle repair shop affiliated with the Volkswagen factory, where they use bicycles to travel across the vast plant. However, the reality of cooperative employment is a steadily changing flow of subsidies and revenues from services over the life of the project. According to Meto Salijevic, only a rather small number of projects have become completely independent of public funding. In fact it seemed that there is virtually no incentive for companies to stop relying on these at least partially. Subsidies can be obtained for each new worker, for each trainee, etc. However, once you have a relatively stable core group of disabled and non-disabled workers, the amount of subsidies will gradually decline, to a point when a company will have to survive almost exclusively from their net income. If their financial plans were perspicacious and sophisticated they stand a good chance of making it in the open market after 3 to 5 years of significant government funding.

## **6. Experience of employees**

### **a) employees with disabilities**

In the course of our visit we had only limited opportunity to speak in an unencumbered fashion to workers with disabilities. We spoke briefly to one female worker at ELKOTEC, two workers (including one trainee) at the canteen in the Scientific Center, and three workers (2 female, one male) at the Steinmühle bakery. All of these conversations took place in the presence of non-disabled employees and/or managers. Overall, the tenor of these conversations was one of reasonable satisfaction with the work experience. The woman at ELKOTEC, who was recently released from a psychiatric institution, was glad to have a job, but discouraged about her career opportunities. She seemed to have only casual contact with her co-workers and complained about being isolated. The staff at the canteen appeared a bit more spirited and eager to converse. Although still struggling with personal difficulties, the trainee appeared to enjoy his work

and had many ideas for his further development. His co-worker was quite experienced in her job and reported that she covered a variety of duties. She seemed well adjusted to her work environment.

Two of the three workers in the bakery spent a fair amount of time interacting with us. Their experience was quite different from each other, since one, a middle aged gentleman, had been working for over two years in his position as a salesperson, while the young woman had only recently returned to the firm in the capacity of a trainee. The man was quite content with his work, a bit hesitant in acknowledging his contributions to the firm, and did not appear to have personal connections to his co-workers beyond the workday. It appeared that he was looking forward to retirement from this positions a number of years down the road. The young woman on the other hand was trying to find positive words about her job, stating that she was glad to get another chance since she did not see other opportunities for herself.

In all there appears to be a pattern of tentative adjustment to employment opportunities that may well surpass anything that may have been available to them before. Many of them had very little work experience prior to their current job and seemed grateful for the chance they were given. They did not complain much about the work environment, but some displayed signs of ongoing personal difficulties. While they had access to a considerable number of non-disabled staff members, their relationship seemed rather casual and not leading to personal friendships. The managers treated them a bit paternalistically, assuming that they would behave in certain ways, and had to alter their perspective as workers became comfortable with the visitors. Most did not see a career ladder ahead of them, but wanted to hold on to their current jobs.

#### b) employees without disabilities

We spoke to a number of employees without disabilities in a variety of positions. Two managers shared their experiences quite openly at Steinmühle and Koriander, a bakery and a health food store. We also had exchanges with a cook at Charlottchen, a baker at Steinmühle, a manager at ELKOTEC and many of the staff at FAF/Lebenswelten.

The experiences of some managers was characterized by a great deal of contemplation about the nature of their work and their relationships to the disabled workers. Other managers seemed more focussed on the production aspects of their work. The first group gave us considerable insights on their attitudes and expectations for their employees. Virtually all the managers we spoke with had a dual motivation in their work: on the one hand they saw themselves as contributing to the benefit of persons with disabilities by creating jobs and providing supports for them; on the other hand they prided themselves of their business successes, their products, and their service to the community. But behind much of these ideas was the desire to work in a non-institutional, non-clinical setting. As mentioned earlier, many of the managers were trained as

psychologists, social workers or had other academic backgrounds. Due to a combination of personal and economic factors, these people chose this type of work partly to be independent of the public service sector and partly because they felt they would make a more concrete contribution to the lives of persons with psychiatric disabilities. Since many of them had backgrounds in liberal or left-wing politics, they had to undergo a transformation to adapt their ideas to a competitive marketplace. Primarily, they accomplished this by providing ecologically oriented products and services. They also pointed out that their companies had to be viable, but were still serving a social cause and were legally not-for-profit corporations.

The attitude towards disabled workers was often one of benevolent paternalism, trying to negotiate the difficult boundary between psychological assessment and work supervision. Basically, managers felt that while disabled workers were clearly making valuable contributions to the business, they almost never contributed fully, as a non-disabled worker would. Managers spent a great deal of time thinking about and interacting with disabled workers, but rarely if ever developed personal friendships to them. They obviously went through some deliberations over the years to determine the proper mixture of structure and flexibility vis-a-vis the employees. It seemed that they had different yardsticks for the disabled and non-disabled groups, but still expected a certain work-ethic from everyone: proper attire, punctuality, courteous interpersonal manner, minimum productivity, minimal display of "symptoms". Even though we heard stories about persons displaying unusual signs, maybe "hallucinating", this was generally seen as a sign of deterioration requiring a clinical intervention. It appeared that the professionals, and in particular the managers did not understand how to promote the kind of interacting that would help them discover the people behind the functional disabilities, which in turn made it difficult for the latter to relinquish their dependent roles.

Having dealt with a number of these difficult areas, managers developed into rather strong personalities, with a mixture of firmness, inspiration and caring. This was exemplified in the managers of KORANDER and STEINMÜHLE, who seemed quite fulfilled in their jobs. They were quite ready to engage in philosophical debates about their work and stood up quite well to challenging questions.

Unexpectedly, the skilled non-disabled workers, were considerably less expressive about their personal experiences in these firms. They focussed on the jobs at hand, shying away from talking too much about their disabled co-workers. Their attitude was more pragmatic: they were there to do a job, wanted to do it well and get along with their co-workers without spending too much time or energy by worrying about matters not directly related to the work. By and large they accepted the fact that persons had different life histories, but no one shared with us their more personal feelings about the job and their co-workers. On the other hand, the non-disabled workers did not feel threatened by their colleagues with disabilities. The boundaries between the two groups was clear at all times, and did not foster job insecurity.

From Peter Stadler, who was one of the founders and original workers at BACKSTEIN bakery, we learned that there was a fairly high turnover of non-disabled, skilled workers, at least during the first few months of their employment. Many had expectations that were not met by the job, found it confusing and difficult to work with persons who had psychiatric disabilities. However, once a baker had stayed on the job for over six months, they were likely to stay for a long time. Peter saw these workers as uniquely rising to the occasion, finding it particularly rewarding to do their jobs well in consort with their disabled colleagues. We met one man who served as a shift supervisor in the canteen, who might be in the first category. He treated his workers rather abruptly and we were told that he did not seem to understand the requirements of the job. Other skilled workers, like the baker in STEINMÜHLE or the cook at CHARLOTTCHEN, seemed more relaxed about their work and had been there for a number of years.

## **7. Relationship to Mental Health Services**

The businesses seemed to intentionally operate outside the formal mental health system, although some of them were sponsored by organizations (i.e. Theta) that also offered "psychosocial" services. Nevertheless, virtually everyone was taking psychotropic medication prescribed by psychiatrists working privately or in public clinics. In times of crisis or unusual and worrisome behavior, direct contact with these psychiatrists was usually established, who would then take over the "clinical management" of the situation. Some of us felt that the clinical expertise of some of the managers should be used more often to support the employees, while the others did not agree with this notion, fearing that the worksite would then become completely "clinical". (However it is hard to imagine, how some of these former clinicians could avoid thinking "clinically" when interacting with the employees.)

## **8. Technical assistance process**

One of the main areas of interest for our study visit was the technical assistance provided to the social enterprises by our host organization, the FAF. FAF stands for Verein zur Förderung von Arbeitsinitiativen und Firmenprojekten (Society for the Advancement of Work Initiatives and Business Projects). This non-profit association was founded in 1985 by some of the developers of social enterprises established earlier. From its base in Berlin FAF has since provided three types of services to projects: (1) technical assistance in conceptual, organizational, economic, legal and fiscal matters; (2) training of project directors and (3) a working group and community of shared interest for all social enterprises in Germany.

Generally, an individual, a group of professionals or, rarely, an existing business will request a consultation from one of the FAF staff members (3) regarding an idea for a work project. As Peter Stadler explained, people approach FAF at a number of different

stages of development. At times, someone will come by with a relatively crude idea that requires considerable further development. Another group might appear with a rather advanced concept and a concrete idea for a business. Often these groups are already incorporated as not-for-profit entities, either because they have provide other types of psychosocial services and want to branch out into the vocational area; or they established an association purely for the purpose of developing work projects.

At a rate of \$350 (\$500) per day, the consultant meets with the applicants to help the develop their business plan. Assisted by a spreadsheet program, they will calculate a number of different economic projections to determine the viability of the proposed business. The result is a "loss and profit account" projected over the first five years of the company's life. Placing primary importance on the expected revenues from the services/products and associated costs, these accounts also integrate the anticipated income from government subsidies as outlined earlier. The goal is to maintain financial viability beyond the first three years, when the government subsidies essentially cease. Based on these rather conservative calculations, the consultant advises the applicants quite straightforwardly about their chances as he sees them. They in turn will have to make the decision whether to go ahead with their plans, modify them, or develop a new, more fiscally sound idea.

In addition to this lesson in basic economics, the technical assistance process also includes advice about the legal ramifications of employing persons with disabilities. This includes the areas of reasonable accommodation, lay-off protection, etc. The application process for various sorts of government subsidies is also reviewed as part of these consultations. Staff members of FAF, under the leadership of Meto Salijevic, have prepared materials to help develop social enterprises. The booklet entitled "The development of self-help firms for the mentally ill" edited by Meto Salijevic, includes chapters on subsidies, legal issues, not-for-profit status, tax law, state regulations, etc. Other study materials are prepared for the seminars offered to professionals who desire to become project directors/managers. Trainees go through a year-long course with 10 weekly hours of seminars and 30 hours of placement in a social firm, where they work as assistant managers. Of the 15 trainees that were in training when we visited Berlin, only three were placed in "self-help firms"; the others worked in a variety of psychosocial outfits, and probably will ultimately work as managers of similar services. The trainees receive funding through the Department of Labor or the Senate in Berlin, where subsidies are particularly generous. FAF charges for the theoretical part of the training. In spite of this extensive curriculum, only a small number of social enterprises have managers that were trained in this fashion. Most are self-trained and/or have some backgrounds in business management. In addition they avail themselves of consultations from FAF staff as mentioned earlier.

## 9. German context

Briefly, German psychiatric services along with vocational and other psychosocial interventions underwent a marked reform since 1975 when a government-commissioned report on psychiatric services was published. Since then a substantial expansion of community services went along with a significant reduction of individuals kept in institutions. This was also accompanied by a substantial increase in rehabilitation services dedicated to the needs of person with psychiatric disabilities. Prior to 1975 there were virtually no rehab services offered to this group. Most services were geared to persons with physical disabilities. Since 1985 a shift from institutional "work-therapy" has occurred. However only 1% of institutionalized population participates such extramural work activities. Unemployment among psychiatrically disabled is estimated at 85%. For people with physical disabilities there are 60 rehabilitation centers serving 20.000 people in (West) Germany. They offer preparation for 150 different types of work. Only a very small percentage of their clients have psychiatric disabilities. In addition there are 5 centers devoted to the latter group. In addition there are sheltered workshops serving approximately 100.000 people, about 5% with psychiatric disabilities, the remaining majority consisting largely of persons with developmental and physical disabilities. In sheltered workshops workers can earn up to \$150/mo. Very few find open employment from sheltered workshops. Recently there is increased emphasis on training for persons with psychiatric disabilities. Some training jobs can be transformed into permanent employment through money from European Social Fund (HORIZON). (Seyfried, 1990)

## 10. European context

The European Community Social Fund sponsors a number of transnational activities in the area of employment. Three are new endeavors that build on earlier programs: EUROFORM, NOW and HELIOS. EUROFORM aims to enhance collaboration in the area of increased employment and training opportunities for certain disadvantaged groups, i.e. long-term unemployed, and vulnerable industries; NOW's mission is to increase women's participation in the labor market; HORIZON is the current EC program aiming to increase vocational participation among persons with disabilities as well as other disadvantaged groups (drug addiction, prison release, AIDS victims). It builds on the earlier HELIOS program, which sponsored pilot projects in the lesser developed regions. The HORIZON program began in 1991 and received 60% more applications that available funding. Government as well as non-governmental organizations have applied. These include CEFEC as well as other networks specially formed for this purpose (see EUROPSY). Many projects funded under HORIZON are non-traditional rehabilitation services (i.e. social firms, supported employment, placement schemes, etc.) In addition HORIZON sponsors the establishment of transnational information exchanges and technology transfer networks.

## 11. Findings

The model of social enterprises ("Selbsthilfefirmen") for persons with psychiatric disabilities has been successfully replicated in at least 100 sites across Germany, serving more than 1000 persons. It appears as a viable alternative to open employment in the competitive market for a subgroup of individuals with disabilities. Offering fulltime employment with competitive salaries and comprehensive benefits it surpasses other rehabilitation interventions that provide work environments without these features. In addition, it provides extensive and flexibly individualized support to disabled workers and removes mental health professionals from their ivory towers of overseeing "treatment", giving them meaningful roles in the running of a business for the common good.

However, the integration of non-disabled and disabled workers in these firms is only partial, occurring primarily at the unskilled and semi-skilled worker level, but not transcending into the skilled and managerial domains. This limits the applicability of this model for those persons who desire a career path that includes upward mobility and participation in business decisions. Some employees experience this glass barrier as painful, while others seem content in the stability of their positions. Indeed, a sizable proportion of disabled workers remain in their jobs for periods ranging from 2 to 6 years. It appears that those who stay beyond the first year are likely to remain for the duration of the firm. Others either leave early due to relapses, incompatibilities with the worksite, or find jobs in the open market.

The funding opportunities available to persons desiring to establish social enterprises surpass anything available in other European countries. The subsidies are structured in such a fashion that they allow each company to maintain a market orientation without entirely depending on its profitability. Their non-for-profit status exempts the firms from corporate taxes, while assuring their eligibility for additional government subsidies and further limiting their dependence on market forces. Notably, only a very small fraction of the 105 businesses that have been established in the last 10 years have been forced to shut down. On the other hand, the subsidies are structured in such a fashion that they encourage a unidimensional "functional" assessment of persons with psychiatric disabilities, rather than a truly individualized view promoting a full range of personal talents and aspirations. In fact, the criteria that only "severely disabled" persons are eligible for these subsidies, effectively excludes those persons, whose disabilities fluctuate, and who may be an asset to the management of these businesses.

The technical assistance process is organized in a highly effective fashion providing aid in the development and latter phases of these projects. The experts are very well versed in this special area of business management and have shown a singular devotion to the dissemination of this mode. However there is little effort made to involve and hire psychiatric survivors to participate in the technical assistance process.

In addition to providing employment opportunities to persons with psychiatric disabilities, these firms give new meaning to the work of the psychosocial professions. They have to adapt to the realities of sharing their workspace with "ex-patients". Nevertheless, they do not seem to develop peer relations with their co-workers.

Beyond these conceptual responses, we were impressed with the openness of our hosts to some of the ideas about consumer empowerment that we brought to the fore. The response to our talks was overwhelmingly positive and indicated a willingness to explore these issues further towards full integration in the workplace.

## **11. Recommendations & Implications for U.S.**

As a recent report by Barbara Granger from the Matrix Institute in Philadelphia has shown, the affirmative business model, also known as the entrepreneurial variant of supported employment, is not unknown in the U.S. In contradistinction to the German social enterprises, the U.S. variants are usually attached to larger rehabilitation agencies, mostly sheltered workshops, and accept referrals primarily from their own services. Their budgets are often integrated with the budgets of the umbrella agency and they are rarely viable on the open market. The other model of business development for persons with psychiatric disabilities is the Fairweather Lodge. Here, groups of clients learn how to make decisions autonomously while they implement any one of a number of viable business schemes. More recently, consumer run businesses have emerged, where ex-patients determine the nature and course of their projects.

The German/European model we visited has a implications for the U.S. in a number of areas: (1) fiscal; (2) organizational; (3) legal; (4) technical assistance.

### **(1) Fiscal implications:**

The quota system along with its penalties, as they exist in Germany, is an enviable method of sponsoring individuals with disabilities in their quest for vocational success and integration. It opens opportunities for groups of ex-patients as well as for professionals in partnership with ex-patients to develop autonomous business projects, while preventing the early failures so common in the small business sector. The mixture of funding sources available in Germany creates a reasonable tension between market revenues and government subsidies, so that firms are at once accountable to both forces. The polarity that exists in the U.S. between a market orientation and public services can thus be bridged. This system also creates a greater input and contribution from industry to the rehabilitation of persons with disabilities.

### **(2) Legal**

In addition to the financial support available to individuals and businesses, the

German legal system has numerous built in mechanisms that protect persons with disabilities in their workplace. Reasonable accommodation (including funds whenever necessary), disability insurance, lay-off protection, training opportunities and support services are all guaranteed by law, favoring the disabled individual's rights over the rights of the employer. Such a legal situation would obviously have major ramifications in the U.S. and would be very costly. However, to shift the cost, as the Germans have done, from government to the business community and have this guaranteed by law, is the necessary background for such a transformation. Certain U.S. government agencies have affirmative action plans for hiring persons with disabilities (i.e. New York State has approximately 250 "55B" positions in the workforce of the Office of Mental Health, representing less than 1% of all employees), bypassing complex civil service regulations. JTPA and other tax incentives have not been very successful in helping create open market employment for the psychiatrically disabled. It would be desirable to have a legally founded incentive program, such as the German model, to help generate jobs at competitive salaries for this group.

### **(3) Organizational**

The idea of **partnerships** in the rehabilitation of persons with psychiatric disabilities has become popular in recent years. The practicability of this idea has not been tested sufficiently. In the German model, "partnerships" only extend to a certain level in the worker hierarchy. Nevertheless, the managers and non-disable workers have spent considerable energy on addressing the issues of integration within their firms. It would be a substantial advance to extend the German model of social enterprises and create true partnerships at all managerial levels.

The idea of reorienting the careers of mental health professionals towards new roles in rehabilitation and business seems quite compelling. This particularly holds water at a time when large institutions (state psychiatric facilities as well as large rehabilitation agencies) are being downsized and diversified. Business schemes in partnership with former patients may indeed be an attractive alternative to the drudgery on failures of institutional work. Some of us have already begun to assume new roles vis-a-vis consumer/survivors who have chosen to pursue their own career paths and business ideas. By providing technical assistance as well as sharing the actual workload we are replicating and extending the German experience aiming to fully integrate persons with disabilities at all levels of the organization.

The networking efforts of German firms is also admirable and worthy of replication. To this date, such firms, where they do exist in the U.S., have no special body to refer to that represents their interest. It is questionable whether subsuming them under such traditional organizations as the National Association of Rehabilitation Facilities would indeed be in their best interest. Exchange of information as well as exchange of workers might well be worth the establishment of a new umbrella organization.

#### **(4) Technical Assistance**

This is the area with the most far-reaching and practicable implications for the U.S. The model of having a small, but active umbrella organization that trains, provides concrete technical assistance and disseminates information seems quite viable. The solid economical basis that such assistance provides is often needed where ideas germinate but stumble rather quickly in the treacherous maze of the marketplace. However, in addition to the kind of support provided by FAF to its member firms, a similar structure in the U.S. should be conducted with the maximum amount of consumer participation possible. This would ensure the establishment of firms based on a partnership model, where disabled and non disabled business experts and workers can collaborate on an equal footing. In addition, technical assistance by a consumer-led organization, such as are being formed currently under sponsorship of NIMH, might work best for consumer-run projects, where non-disabled professionals serve merely as advisors or subcontractors.

Training mental health professionals who desire to become project managers may be a useful intervention under certain situations (i.e. reduction of state workforce), and may indeed help in a more sophisticated deinstitutionalization scheme. However such efforts should be augmented by training modules offered to consumers/survivors who desire to establish their own business, whether alone or in partnerships with "professionals".

The German enterprises also have implications for the establishment of consumer-run businesses in the U.S.A. The technical assistance process utilized by the German firms could be replicated in the U.S. by consumers with expertise in the areas of marketing, management, economy, legal, taxes etc. They could provide similar services as FAF to any consumer/survivor group that desires to develop their own business.

### **13. Concluding Impressions**

Dick Gelman was particularly struck with how similar the institutions, self-help groups and even some of the businesses are with our current situation in the U.S.A. He thought that the German professionals we met were akin to some of the more enlightened and dedicated workers in the U.S., offering their spare time for the pursuit of progressive ideas.

Peter Stastny's felt that the German efforts of utilizing social enterprises in vocational rehabilitation are extremely well organized, backed by significant accomplishments and evaluation findings, and seemed to prove that full integration was indeed a realistic and reasonable goal. The intense development of these affirmative businesses over the past decade predicts further expansion in the future, hopefully with attention to integration at all levels of management. It shows that with adequate and appropriate backing in legislature, successful alternatives can be created in non-institutional and collaborative settings.

Harold Mayo was impressed with more successful attempts at integrating persons with psychiatric disabilities into real jobs in real businesses in real communities. However the clinical model has unfortunately imposed itself within this successful structure. The reasons for this being, that professionals seem to fear equality, having become accustomed to leading, they impede the success of the model. If the model is to succeed, the leadership must pass between people with disabilities and people with professional backgrounds. It should not rest in either's hands.