



Sweden

Macken – Integrating migrants through social franchising

Toby Johnson, AEIDL (21/01/2015 – Updated: 25/05/2016) (photos: Macken)

Swedish classes for migrants working for the Macken cooperative have developed into a range of business activities and a cost-effective social franchising model which has been spreading in different municipalities across Sweden, providing several dozen jobs to disadvantaged people including migrants and refugees.



The [Macken](#) cooperative started life in 2004 as a recycling business in [Växjö](#), a town in southern Sweden with a foreign-born population of 14%, over half of whom are unemployed. One of the barriers to the integration of migrants is their lack of fluency in Swedish.

Macken therefore had the idea of offering practice-oriented language training to its workers. It contacted the National Centre for Swedish as a Second Language, which referred them to a Danish model of practice-based language learning. Macken developed a methodology, and the municipal council agreed to purchase trainee places in its 'language workshops'. Macken has since opened an enterprise centre, a business school and an agricultural college.

To provide jobs for its trainees, Macken first opened a bicycle workshop, and has since expanded into furniture, electronics and textiles. It has its own shops, a café and a building services business.

Numerous other local authorities showed interest in Macken's experience, and with support from Explosion, an ESF project managed by [Coompanion](#) in Gothenburg, it developed a social franchising model. The [first franchise](#) opened in [Högsby](#) in August 2013 and the second, in [Karlskrona](#), is under development. Twelve jobs have already been created in these franchises.

Macken is spreading the concept and is currently providing language classes in three other Swedish towns – Tingsryd, Lund and Övertorneå.



Social franchising

The social franchising model is of particular interest to municipalities whose population is declining and who wish to encourage immigration in order to maintain services. In Högsby, the municipality is realising an expenditure saving of some €12,000 in respect of each of the ten new jobs created in the Macken social franchise.¹

Social franchising is a method of know-how transfer which comprises three stages. First, a successful social enterprise with potential to be replicated is identified. Second, its business model is codified and the brand defined in an operating manual and quality guidelines. Thirdly, new enterprises are developed. In Europe, some 65 social franchises provide over 10,000 jobs, the majority for disadvantaged people.



The Macken model builds on a government-funded language teaching scheme to create a range of social enterprises which integrate migrants into work. Other communities can use the same methodology, bearing the following lessons in mind:

- Business replication through social franchising is a successful technique which is working well both nationally and transnationally;

¹ Olofsson, P. and Bartilsson, S. (2014) *Macken – social franchising practised to create jobs and language skills for unemployed immigrants*. See <http://socialeconomy.pl/node/157>

- Social enterprises can create viable businesses in new niches by combining different sources of revenue. Macken does this by combining sales revenue with contract income from language teaching for immigrants;
- The cooperative form creates inclusion not just by providing employment, but also through its participative management structure;
- Social franchises develop in three phases: the initial pilot enterprise, the development of the model and tools for replication, and then the launch of new franchised businesses. It is the second phase that is often the bottleneck, given its riskiness;
- Social franchises lower the threshold for starting a new business. Supporting the start-up of a social franchisee can be a cost-effective way for a municipality to create employment and thus save expenditure on benefits.
- The credibility of an existing successful social enterprise lowers the risk for an inexperienced local authority;
- However successful social enterprises may be so taken up with day-to-day management that they lack the spare management capacity to develop a replicable model. Therefore external assistance may be justified to develop a social franchise with potential;
- In the case of a social franchise selling to the local authority, a necessary preliminary step is to build a partnership with that authority. Networking among local author staff is a strong supportive factor.



More information: <http://socialeconomy.pl/node/157>

Macken's website: <http://www.macken.coop/>

European Social Franchising Network: <http://www.socialfranchising.coop>