

*Rehabilitation of vulnerable groups
through social business schemes in countries in transition:*
The YAPS case study

For the governments of countries in transition, finance of social safety net, employment creation and developing alternatives to costly and deleterious institutional care for children deprived of their parents are among the most perplexing social problems to be faced. Since 1997 UNICEF offices working in former communist countries have accumulated a body of evidence suggesting that the provision of social protection services to the most vulnerable population groups may be greatly improved by the introduction of social business initiatives. Social businesses are commercial enterprises that employ disadvantaged people – in the case of YAPS, homeless, disabled and migrant populations – and redistribute earnings toward business growth for further employment creation and for a range of other social and charitable aims.

While the type of business is not the crucial ingredient in the success of YAPS – any well conceived labor-intensive business model would serve equally well – some technical information about the YAPS business model will assist the reader to understand the broader objectives. YAPS mail and parcel delivery social businesses have so far been launched in Azerbaijan and in Albania. The business model is roughly the same in both locations: provision of fast, secure and reliable document and small parcel delivery services on a domestic scale. The YAPS businesses have started principally in the capitals and quickly expanded to outlying regions. At start-up employees are pre-selected from the vulnerable populations by a panel of social workers, psychologists and development workers, and undergo extensive training in business communication, work habits, language skills, accounting, traffic safety and motor vehicle operation. One of the key findings from the YAPS experience is that worker commitment and loyalty is extremely high. Traditionally passive and disenfranchised workers exposed to a cooperative and encouraging business/management model develop deep commitment to the enterprise. Consequently service quality levels and worker reliability levels are rated as uncommonly high. YAPS social businesses have quickly achieved profitability due to a variety of factors: sound business model based on verified market demand, consistent high quality services provided and creation of a niche position between social welfare and private enterprise that emphasizes contributions from the public and private sectors operating in partnership.

One of the unique aspects of the YAPS social business model, found in both the Southeastern Europe and the Caucasus instances, is the creation of an advisory board or foundation made up of senior business leaders as members, with UNICEF serving in an ex officio capacity. Started initially as alliances dedicated to translating the principles of the Convention on the Rights of the Child into practical measures through social entrepreneurship; the YAPS Foundations have played a key role in mobilizing start-up financial investments, business know-how, training and orientation as well as free management, financial, legal and regulatory compliance advice. UNICEF's involvement as non-voting member of the board ensures a strong linkage between the public and private sectors. Finances for YAPS business start-ups have come from, in the case of YAPS Azerbaijan (1997) a mixture of private sector, foreign aid grants (Government of the Netherlands) and United Nations development assistance (UNICEF) and for YAPS Albania (2001) entirely from corporate financial donation (INTESA-BCI, leading Italian Bank) and from approximately three hundreds thousand dollars

worth of donated private sector services (legal, insurance coverage, accounting, marketing/advertising and telecommunication), and civil society contribution (Don Bosco, premises).

Currently, research is being conducted into the cost effectiveness of public sector investment in social business, among others, in the form of: a) state contribution of social security and health insurance benefits for social business employees, b) tax subsidies and legal regulatory reform to encourage formation of social business and c) provision of tax incentives for corporate investment in social businesses.

YAPS social businesses promote the novel concept of using the efficiency and in-built sustainability of free markets to generate social wealth. Through the instrumentality of commercial enterprise individuals previously considered liabilities of the State and prone to a series of costly risk factors (drug abuse, domestic violence, unemployment, HIV/AIDS, etc.) have been translated into wage earners contributing financially to the state and producers of social profits that are re-directed toward social needs. In addition, and perhaps the greatest contribution to social wealth creation is the powerful effect on deconstructing social stigmas against the disadvantaged, minorities, disabled and homeless that normally cause a double burden for vulnerable groups. Homeless and disabled YAPS workers have eloquently described the sense of empowerment they have experienced as a result of participating in productive work experiences. How much their example has contributed to helping succeeding generations of similarly disadvantaged young people to break out of the vicious cycle of despair and hopelessness will be very difficult to measure.

The words of 19 year old Igli Ksera, a disabled children's home resident and YAPS Albania radio dispatcher most fittingly point to this benefit: "Up until today I was dependent. Now I am not only learning to be self-reliant but I am contributing to something that will help others in my situation."