



Belgium 2008

The social economy from the perspective of active inclusion – Employment opportunities for people far from the labour market

Short Report



On behalf of the
European Commission
DG Employment, Social Affairs and Equal Opportunities



Held in Brussels (Belgium) on 12-13 June 2008, the Peer Review was hosted by Belgium's Federal Public Planning Service on Social Integration. In addition to the host country, seven peer countries took part: Austria, Cyprus, Czech Republic, Greece, Slovak Republic, Slovenia and Sweden. Also participating were stakeholder representatives from CECOP – CICOPA Europe (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises), ENSIE (European Network for Social Integration Enterprises) and FEANTSA (European Federation of National Organisations working with People who are Homeless), together with representatives of the European Commission's DG Employment, Social Affairs and Equal Opportunities.

1. The policy under review

The Peer Review looked at the experience of Belgium in promoting active inclusion through the social economy - cooperatives, mutual societies, foundations, non-profit organisations and what are broadly termed "social enterprises". Under Belgium's federal structure, social economy competences are currently shared between the federal level and the various regions and communities, but the remaining federal responsibilities in this field will be devolved in 2009.

The Belgian work to date is based on two successive **cooperation agreements** between the different levels of government. These established **five criteria** for defining social economy enterprises and initiatives: the **primacy of work over capital; autonomous management** (i.e. they are not part of the public sector, although they may receive public funding); **service to the members or to society** as the main objective, rather than profit; a **democratic decision-making process**; and **sustainable development** with respect to the environment. In 2007, the federal government distributed €15.57m for the promotion of social economy enterprises. The recipient regions and communities have to match this funding euro for euro.

Federal government objectives under the first agreement (2000-2004) were to draw up a coherent **policy for the development of the social economy** and **double the employment rate in the social economy**, with particular attention to the beneficiaries of minimum incomes or social assistance. The second agreement (2005-2008) emphasises the development of a **plural economy** (social economy plus corporate social responsibility), **equal representation of all groups of workers in the different employment measures** (unemployment rates among residents of non-Belgian origin are about four times higher than for those of Belgian origin) and the **creation of 12 000 jobs in the social economy by the end of 2007**. Federal measures include **wage subsidies and employer social contribution reductions** for the employment of low-skilled long-term unemployed people and of those who have been drawing the legal minimum income from local social welfare centres; **financial support for social economy initiatives**; and a subsidised **service voucher** system to promote certain proximity services (notably home cleaning, ironing and shopping) and move them out of the black economy. In addition, the Regions of **Brussels-Capital, Flanders** and **Wallonia**, and the **German-speaking Community** have each been promoting social economy enterprises on the ground, drawing on the matched funds. Each explained its policies on this to the peer reviewers, who visited enterprises in the three regions.

2. Key lessons and aspects of transferability

Among the main points to emerge from the Peer Review:

- **The social economy plays an important role in giving disadvantaged groups access to the labour market.** But there is the potential for much greater impact.
- **Social economy values are highly consistent with the common objectives for social inclusion agreed at the EU level** – i.e. not only tackling poverty but also giving everybody access to the resources, rights and services needed for participation in society.
- **The social economy promotes innovation.** For example, proximity services have a very positive impact on the work-life balance, gender equality, the quality of family life, and care for children, older people and people with disabilities. Projects with a positive environmental impact are another important aspect of the social economy's innovative nature.
- The Belgian **service voucher** system was much admired by the peer reviewers, and might be transferable to other countries. However, the hosts warned that measures should be taken to distinguish between service providers, so that commercial operators do not cream off the market created by the heavily subsidised vouchers.
- The **conditions for success** in the social economy include various needs for **balance** – between transitional and permanent jobs, between market competition and public subsidies, between stability and innovation. **Professionalism** of teams and structures is another requirement. This can be promoted through two-way exchanges of experience between the social economy and the regular economy. There should be systematic **assessment of outcomes** regarding the integration of workers. **Dissemination of good practice** can move the social economy forward.
- **Public authorities have responsibilities towards the social economy.** Public support can include legislative frameworks, financial privileges which should remain proportionate to the general interests involved, and frameworks for advice and consultancy.
- **No legislation without participation.** Specific legislation, if not too restrictive, can help to give the social economy a brand identity. But the social economy must be fully involved in drafting any laws.
- The social economy is a **transversal issue**. At both the national and the European levels, it should be mainstreamed into all relevant social, economic and other policy-making.
- The social economy is **just one of the tools for social inclusion**. And it is **more than just a tool for social inclusion**.

- The social economy needs a **common identity** – also at the European level, where it must embody specific aspects that can be defended in terms of EU policies on business and competition. The five Belgian principles could contribute to discussions on European definition.
- Further development of the social economy should be based on **constant dialogue among all the stakeholders of society**.
- **Mutual learning** can assist the development of the social economy in different countries. But laws, structures and practices cannot be simply copied from one country to another. They must be adjusted to take account of different cultures, traditions and ideological backgrounds.
- The Peer Review discussions will feed into **European thinking and action on social innovation**. The European Economic and Social Committee will deliver an opinion on social innovation in autumn 2008. In November 2008, the French presidency of the EU will host a Meeting on social experimentations and innovations in Europe.