

The Social economy from the perspective of active Inclusion

Host Country Report

Introduction

Companies aiming at making profits for their shareholders or their owners are not the only form of enterprise. In a wide range of activities, self-initiatives have developed their own structures and form of entrepreneurship based on membership and solidarity in the interest of the members or the general interest. The social economy sector is traditionally characterised by the following structures: co-operatives, mutual societies, foundations, non-profit organizations to which we can add the social enterprises, which take various legal forms across the European Union.

Recent figures indicate that there are over 10 million jobs across Europe in the social economy sector. Social economy enterprises are present in nearly all activities of the economy.

The potential of the social economy to create jobs has been recognised in different European countries, under more in areas where traditional "investor-driven" enterprises do not invest. Social economy enterprises offer jobs opportunities for disadvantaged groups. They offer a regular job or a temporary place for the people to obtain the skills to find a job on the labour market. The role of the social economy in the field of active inclusion, even if we cannot reduce the aim of the social economy to this objective, cannot be undermined.

Therefore, for facing today's challenges, the policy makers must not produce legislation that hinders the sector in its development and that must take the specificities of these enterprises into consideration.

European institutional context for social economy

1. The place of social economy in the European policy making

In the late 1980's the Commission fully recognised the social economy sector through the creation in 1989 of a Social economy unit in the DG Enterprise (ex-DG XXIII). The orientations of the Unit were defined in different European Social economy conferences held during various presidencies in the 1990's¹. The unit mainly focused on the co-operatives, the mutual societies and the associations in the internal market. But in 2000, in the context of the reorganisation of the European Commission, the competences of the Social economy Unit were integrated into the Unit "Crafts, Small Enterprises, Co-operatives and Mutuals" which focused more specifically on the enterprise aspects.

¹ Paris 1990, Rome 1991, Lisbon 1993, Brussels 1994, Seville 1995 and Birmingham 1998. It can also be mentioned that several other European conferences were organized more recently: Prague 2002, Krakow 2004 and Luxemburg 2005.

The European Commission created a Consultative Committee for Co-operatives, Mutual societies, Associations and Foundations (CCCMAF) from March 1998 to November 2000. Due to re-organisation of the formal consultative groups of DG Enterprise and the creation of the Enterprise policy Group, the CCCMAF was dissolved in November 2000 and replaced by the autonomous European Standing Conference of Co-operatives, Mutual societies, Associations and Foundations (CEP-CMAF). The CEP-CMAF adopted the name Social economy Europe in 2007 to give a full recognition of the different forms of entrepreneurship existing in the social economy sector.

In 2000, France launches a cycle of European Conferences on Social economy, conferences included in the presidential programme of various member states. A first conference during the French presidency is held in Tours in November 2000, a second in Gävle during the Swedish Presidency (June 2001), a third one during the Belgian Presidency in Gent (November 2001) and finally, a last one in Salamanca during the Spanish presidency (May 2002). Conclusions of those conferences were adopted by the representatives of the member state as well as by the representatives of the CEP-CMAF and were transmitted to the European Commission.

The social economy is also represented in other European institutions and consultative bodies. Since 1990, an Intergroup has been active in the European Parliament. The Intergroup published a memorandum in 2007 for the governments of the Member States, the institutions and the upcoming presidencies asking them to take into account the social economy sector. The European Parliament adopted as well a report of own initiative in 2005 called "A European social model for the future" in which it called on the Commission to respect the social economy pillar and to present a communication on this "cornerstone of the European social model". The report recommended as well the Member States to deepen the cooperation through the Open Method of coordination.

It can also be underlined that the Various Interests Group (Group III) of the European Economic and Social Committee is composed of a social economy category that brings together 36 members from cooperatives, mutual societies, associations, foundations and social NGOs. The Committee has published various reports presenting the input of social economy enterprises in achieving goals of public policies. The Committee also released in 2007 the latest study on the social economy in the European Union².

2. The place of social economy in the European and national economies

From an economic perspective, the national accounts systems do not consider the enterprises from the social economy sector as a differentiated sector. The result is that the different types of enterprises that compose the sector are not identifiable separately from other sectors. This contributes to the "invisibility" of the social economy in the national economies.

The European Commission has produced at the end of 2006 a "Manual for drawing up the satellite accounts of companies in the Social Economy: Co-operatives and Mutual Societies" which is a methodological guideline for developing satellite accounts for a better image of the economic weight of co-operatives and mutual societies in the economy. Belgium has developed since 2000

² "The Social Economy in the European Union", report N°. CESE/COMM/05/2005 - CIRIEC

this type of instrument for the non-profit institutions (associations). Those Satellite accounts of non-profit institutions are published by the National Bank of Belgium.

3. Contribution of the social economy to the employment policies

In the field of employment policies, the social economy reveals its large potential in creating new jobs especially in times where the labour market seems to be in a difficult situation. The social economy can contribute efficiently to restructuring of companies (e.g. the switching to a cooperative structure run by the employees to prevent closure), bringing jobs out of the black market (e.g. through local and neighbourhood services), maintaining craft activities and developing skills and work environments for groups that are disadvantaged and the furthest from the labour market.

At the European level, the Vienna European Council in December 1998, declared employment strategies as the priorities of the European Union. The role of the social economy was recognised in the employment guideline 12 (Exploiting new opportunities for job creation) in 1999. The role of the social economy in the Employment policies and the National action plans has been renewed in 2001, under the entrepreneurship pillar of the Employment guidelines, in guideline 11.

The link with the Employment policies is also visible through the financing opportunities given to social economy. As there is no specific budgetary policy for the social economy, the participation of the sector in European policies is mainly achieved through the programmes offered by the framework of employment and social cohesion policies. The ADAPT initiative, the Equal initiative, the European Social Fund and the Third System and Employment pilot action have largely contributed to structural evolutions in the social economy at European and national level. The EQUAL initiative has been particularly important. The restructuring of the programme and the integration of its priorities in PROGRESS has brought some concern for the social economy.

4. Relevant actual EU discussions for the social economy

Various European policies at the moment under discussion are very important for the social economy. The sector has to be present in different discussions to get recognition and make sure the policies do not prevent the development of their activities.

The Small business act the DG Enterprises and Industry is preparing at the moment is very relevant as the major part of the sector is composed of SMEs. The mid-term review of Modern SME policy³ published by the European Commission in 2007 mentions that the Commission will take into account the diversity of the SME community, under which, social economy enterprises.

It can also be underlined that activities of social economy enterprises are largely covered by the Lead Market Initiative for Europe published by the European Commission in December 2007⁴.

On the employment aspects of the social economy, the recommendation on active inclusion due in October 2008 will also be important for the sector. Indeed, as Belgium has indicated in its con-

³ Small and medium-sized enterprises - Key for delivering more growth and jobs. A mid-term review of Modern SME policy – 04.10.2007 - COM(2007) 592 final

⁴ The Lead Market Initiative for Europe – 21.12.2007 – COM(2007) 860 final

tribution and the Commission also mentioned in the Communication on active inclusion released in 2007⁵, relevant policies for the inclusion of disadvantage groups include the expansion of the social economy.

Other relevant topics for the sector include the revision of the General Block Exemption regulation, the clarification process on social services of general interest, the revision of the reduced VAT rates, the creation of a European Private Company status and the linked debate on the creation of European status on mutual societies and foundations.

This shows the wide range of European policies that impact the social economy and the importance of taking into account the sector as a transversal subject at European level.

Organisation of social economy in Belgium

1. Organisation of the social economy

Social economy is a shared competence in Belgium between the Federal State, the Regions (Flemish, Walloon and Brussels-Capital) and the German speaking Community. Since the 1990 social economy gained more and more importance at policy making level in Belgium. In 1999, a Federal competence was established to complete the actions already in place at the regional level as the Federal Ministers for Employment and for Economic Affairs have also competences in the field of social economy.

At Federal level, the three first main actions were:

- the creation of a Social economy department
- the signature of the first cooperation agreement with the Regions and the German speaking Community
- the opening of a dialogue with the stakeholders ("les Chantiers de l'économie sociale")

⁵ Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market - 17.10.2007 - COM(2007) 620 final

2. The cooperation agreements on social economy

The cooperation agreements on social economy, signed between the Regions, the German speaking Community and the Federal State, had the objective to organise collaboration and the transfer of financial means from the Federal State to the other entities based on a co-financing system (1 euro invested by the Federal level represents 1 euro invested at Regional or Community level)

The agreement took into consideration a definition of the social economy that was a combination of the definitions used at Regional level. Social economy initiatives and enterprises respect the following 5 principles:

- primacy of work on capital
- autonomous management
- service to the members or the society as main objective rather than profit
- democratic decision making process
- sustainable development in respect of the environment.

The first agreement that ran from 2000 to 2004 had as main objectives the development of the social economy, the doubling of the employment rate in the social economy with a particular attention given to the beneficiary of minimum income or social assistance so that the proportion of the different groups of workers were equally represented in the employment measures. It was based on three pillars: social (integration) economy, local and neighbourhood services and corporate social responsibility.

The second agreement, signed in 2005 and running till end of 2008, is based on plural economy, concept that combines social economy and corporate social responsibility. The main objectives are the development of the plural economy, to continue the equal representation of all groups of workers in the various employment measures and the creation of 12.000 extra jobs in the social economy by the end of the year 2007.

The financial basis agreed upon in 2000 was € 6.197.338,12 (BEF 250.000.000) and doubled in 2001. There was an increase of € 2.000.000 in 2005 to support the local and neighbourhood services. The budget is tied to the index and reviewed every year. The table bellow shows the minimum investments to be made in the social economy through the cooperation agreement:

	1999 basis	Federal co-financing	Minimum Regional co-financing	Minimum amount invested in social economy
2000	€ 18.834.950,03	€ 6.197.338,12	€ 6.197.338,12	€ 31.929.626,27
2001	€ 18.834.950,03	€ 12.394.676,24	€ 12.394.676,24	€ 43.624.302,51
2002	€ 18.834.950,03	€ 12.555.807,00	€ 12.555.807,00	€ 43.946.564,03
2003	€ 18.834.950,03	€ 12.744.144,00	€ 12.744.144,00	€ 44.323.238,03
2004	€ 18.834.950,03	€ 12.935.306,00	€ 12.935.306,00	€ 44.705.562,03
2005	€ 18.834.950,03	€ 15.117.000,00	€ 15.117.000,00	€ 49.068.950,03
2006	€ 18.834.950,03	€ 15.343.756,00	€ 15.343.756,00	€ 49.522.462,03
2007	€ 18.834.950,03	€ 15.573.912,00	€ 15.573.912,00	€ 49.982.774,03

The Federal budget was divided between the Regions and the German speaking Community according to a distribution key based on different information (population, level of unemployment and economic activity). The distribution key is as follow:

- Flemish Region: 55,7%
- Walloon Region: 33%
- Brussels-Capital Region: 10%
- German speaking Community: 1,3%

The Group of the Wise Men in charge of making propositions for the reform of the Belgian State proposed on the 26th of February 2008 that the competences should be transferred to the Regions to clarify the situation for the stakeholders and to give the Regions the full capacities in the field of economic policies. The laws that will carry out this proposition are under discussion at the Federal Parliament.

3. Policies for the social economy developed at Federal level

The inclusion policies for the social economy are supported by different policies at the different competent levels. At federal level the main policies are the social integration economy measure (SINE) and "article 60§7 increased State grant", which is a measure integrated in the law of the Public Social Welfare Centres. The main goals of these measures are the (re)integration in the labour market for disadvantaged groups. They target mainly long-term unemployed people and beneficiaries of the minimum income.

SINE is managed by the Employment Ministry. The target group is long-term unemployed people who have not got a second educational or vocational degree are activated through a job in a recognised work environment (e.g. integration enterprises, social workplaces, ...). The measure is a form of salary grant of € 500 a month for a full-time employed person. The employer can also deduce € 1000 per trimester on social contributions. This amount decreases after some time.

The law establishing the Public Social Welfare Centres mentions in its article 60§7 that people that have dropped out of the labour market and that are beneficiaries of the minimum income or the social assistance can be offered a job through the Public Social Welfare Centres in a recognised social economy initiative. A total of 3.000 jobs are reserved for this measure. The budget allocated to this measure was € 21.508.000 in 2007.

The Royal decree of 20th of December 2000 authorises a reduced VAT rate at 6% for the goods and services provided by social organisations. The goods must have been acquired free from charge from individuals or enterprises by means of collecting or similar procedures. All services are taken into account apart from works of construction and the maintenance or reparation of road and maritime vehicles. Enterprises that can benefit from this reduced rate must, under more, be recognised by the competent authority (regional or federal level) as an initiative who aims at offering a job opportunity for unemployed people excluded from the traditional labour market policies. The recognised enterprises that can use this measure are the work integration enterprises recognised at all level of competence as well as the Flemish recycling centres (kringloopcentra), the Walloon on-the-job training enterprises (Entreprises de formation par le travail), the Flemish social workshops (Sociale werkplaats), the on-the-job training enterprises recognised by the French Community in the Region Brussels-Capital.

The Federal State has also developed several support measures for social economy enterprises. These measures have allowed the development of new initiatives and projects, offering more opportunities for vulnerable people. The Federal State also aimed to professionalise the organisations through grants for expertise on the management or the production. Exchanges were also supported with the "regular" economy (Management ES-Change).

4. The policies for the social economy developed by the Region Brussels-Capital

The policies developed by the Region Brussels-Capital (RBC) are quite new. Indeed, the legislative texts establishing the agreement and financing system for non-profit organisations (a.s.b.l) and enterprises were introduced in 2004. These structures can be recognised respectively as Local Initiatives for Employment Development (Initiative Locale de Développement de l'Emploi – ILDE) or as Integration Enterprise (Entreprise d'insertion – EI). The condition to be recognised as ILDE, is that the purpose of the non-profit organisation is the socio-professional integration of unemployed people facing difficulties to integrate the labour market. This purpose must be fulfilled through provision of services or production of goods intended for the inhabitants, the community of the enterprises. The EI must have as purpose the socio-professional integration of unemployed people facing difficulties to integrate the labour market. This purpose must also be carried out through the provision of services or the production of goods intended for the inhabitants, the community of the enterprises. The recognition and the support measures are granted for 4 years, with a possibility of renewal. The first agreements have been passed in July 2005.

A social economy platform was set up in 2005, aiming at advising the official authorities – The Minister in charge of social economy and the Government of the RBC – on the recognitions and support measures for the organisations or enterprises. The Platform must also promote social economy in the Region. The members of the Platform are mainly employers' representatives from the "regular" economy, as it is usually referred to, representatives of the social economy sector, trade unions... The same year, the administration established various procedures and documents

to help the organisations or the enterprises to introduce their application forms (application document for recognition and support, vade-mecum, information sessions...)

At the same time as the introduction of the ordinance of 18 March 2004 on the agreement and financing of ILDE and EI, a support measure has been allocated to advice offices (agences conseils). This is a measure to support the social economy structures as they give advice to the field organisations to be able to adjust their application to the ordinance.

The RBC has also financed since 2006 organisations through an expertise voucher mechanism for the recognised ILDE and EI. These vouchers enable the organisations to benefit from a financial assistance to get expert advice on human resources management, tax law, communication strategy, market research...

Two activity cooperatives have also been financed in 2007. These structures are limited liability cooperative societies with a social purpose. Their purpose is to follow "future entrepreneurs" and to help them to set up their own activity. It is a form of coaching through which the "future entrepreneur" can evaluate himself if a independent activity will suit him.

5. The Flemish Social Economy Policy

The Flemish social economy policy centres around three focus areas supported by a mix of instruments. These instruments are underpinned by Corporate Social Responsibility (CSR) principles.

The first focus area are the enterprises offering made-to-measure work. These companies employ people requiring a high level of support in a specially adapted work environment. The target group for this measure are the people the furthest from the labour market and who have the least chances of finding employment because they require almost permanent support at the workplace. The target group therefore also includes people with a work handicap. We distinguish three types of enterprises offering made-to-measure work: sheltered workshops, social workshops and work care centres.

Social workshops budget 2008: 43.8 million EUR

Sheltered workshops budget 2008: 199.7 million EUR

Work care budget 2008⁶: 2.7 million EUR

The second focus area is the local services economy (lokale diensten economie - LDE). The idea behind the local services economy is to develop a complementary service offer provided by the government to respond to social needs and trends, including the ageing population and combining work and family. In the provision of these services care is also taken to create social added value by integrating opportunity groups and embedding the principles of CSR in organisations. The local services economy cooperates actively with other policy domains such as Welfare and Housing, and other policy levels such as local and provincial administrations.

⁶ social workshops and experiments sheltered workshops

“Local services economy” budget 2008: 21.3 million EUR

The third focus area is the work integration economy. These measures aim at integrating the people the furthest from the labour market into the regular economic circuit. The participating organisations are required to make extra efforts regarding CSR. The social economy policy currently provides 2 measures to promote work integration: integration enterprises and support at the workplace aiming at integration.

“Work integration” budget 2008: 13.7 million EUR

“Support at the workplace aiming at integration” budget: 1.2 million EUR

These focus areas are supported by a number of support structures or instruments aided by the government: advice, audits, company development and guidance of new employees, venture capital investments and representation of the sector.

Support structures budget 2008: 4.4 million EUR

In addition, there is also a Fund for the promotion of the social economy. This Fund is managed by the Flemish minister in charge of the social economy and finances innovative projects that promote the social economy and Corporate Social Responsibility in Flanders.

Estimated budget for the Fund for the promotion of the SE 2008: 1.7 million EUR

6. The Walloon Region policies in favour of social economy

The Walloon Ministry of Employment developed various measures for the social economy: On-the-job Training Enterprises (Entreprises de formation par le travail – EFT), Integration enterprises, socio-professional integration organisations (Organisme d'Insertion socio-professionnel – OISP), social economy activities developed by the Public Social Welfare Centres (Centre Publique d'aide sociale – CPAS), and Initiatives to develop the employment in local and neighbourhood services (Initiatives de développement de l'emploi dans les services de proximité - IDESS).

The IDESS measure has been introduced in 2007. An IDESS is a structure recognised by the Region with legal personality (non-profit organisation, society with social purpose (société à finalité sociale – SFS) or CPAS). It provides local and neighbourhood services to individuals in the Walloon Region: small household work, gardening... or services for vulnerable people: social taxi, social shops and social laundry facilities. Some IDESS are also allowed to provide cleaning services in small non-profit organisations. The Walloon Region recognises the structures for a period of two years which can be extended to a recognition of four years. Grants given to the structures, amounting to a maximum of € 100.000 per year and per activity, cover part of the functioning costs and partly the SINE workers. The budget dedicated to this measure is of € 1.562.000 for 2007.

Integration enterprises have been created in the Walloon Region in 2003 with the introduction of the decree on recognition and financing of integration enterprises. The social purpose of integration enterprises is social and professional integration of low-skilled workers and unemployed people facing difficulties to find a job. The enterprises provide services and goods and are based in

the Region. They receive a decreasing functioning grant the first three years and a grant per worker the first four years.

The Ministry of Economy introduced in 2004 a decree on the recognition and financing of social economy advice offices (agences conseil). To this text was added in 2006 a by-law from the Walloon Government. There are 12 advice offices recognised and financed by the Walloon Region. These offices are competent for the coaching and creation of social economy enterprises. Some can receive an annual grant of € 32.000.

7. The German speaking Community policies for the social economy

The German Speaking Community (GSC) is competent for employment policies since 2000 when the Walloon Region transferred the competence to the Community. On this basis, the Community is active in the field of social economy, more particularly for social integration economy. The Community declaration of 13 September 2004 followed this approach. The GSC recognised the development of social economy as an alternative to the regular labour market for people facing professional integration difficulties. This public represents a core group of 2.300 unemployed people in March 2008 in the GSC.

Following the same approach, the GSC became a contracting party of the Cooperation agreement of 4th of July 2000 on social economy and the second agreement of 30th May 2005 on plural economy, both signed between the Federal State, the Regions and the GSC.

The transfer of the Employment competence from the Walloon Region, resulted in the transfer of the Walloon decree of 16th July 1998 regarding the conditions for agreement and financing the social integration enterprises. This decree has been adapted the same year to match the specific situation in the GSC. However, the first demand for agreement was only introduced in January 2008.

Besides this legislative text, the GSC has chosen to launch pilot phases to evaluate the Social Workshops (Sozialwerkstatt) on one side, and, on the other, the On-the-job Training Enterprises (Zentrum zur Berufsausbildung durch Arbeit).

In 2007, the GSC presented its renewed pathway to integration, in cooperation with the European Social Fund. The scheme of this renewed pathway is composed of various steps. The first step is the development of two external measures aiming at a psycho-social stabilisation, one in the North and one in the South of the Community. The people benefiting from this measure need to be in a stable psycho-social situation before being vocationally oriented or entering a work relation.

In a second phase, the renewed integration pathway aims to develop an integration project in the North and in the South of the Community as for the first phase. These projects offer skill-building courses (theoretical and field training) in specialised areas that will open the way to the labour market or to courses leading to qualification. The project in the North of the Community started on the 1st of July 2007. Two demands have been introduced at the Ministry for projects in the South.

The social economy in the GSC is characterised by the predominance of non-profit structures (a.s.b.l).

In the scope of the Cooperation agreement 2005, the GSC invested in 2006 nearly € 405.000 of which half will be reimbursed by the Federal State. The grants are mainly employment grants through the "Subsidised Contractual Workers" scheme, working subsidies, equipments...

Results of the measures

Federal policies

1. Article 60§7

In 2007, 522 social economy initiatives used the measure, amongst which 109 Public Social Welfare Centres in own social economy initiatives, and 2.692 posts were used on the 3.000 available.

2. SINE

The budget for SINE in 2007 was of € 47.75 millions for the activation of the unemployment benefits (€ 500/month) for an average of 8 713 unemployed people who benefited from the measure. This represents an increase of 68% compared to 2006. This increase is mainly due to the complementarities of SINE with regional measures.

The Region Brussels-Capital

1. Financial investment and number of jobs created

A call for proposal has been launched in 2005 in the scope of the agreement and grant system for enterprises and organisations working in the field of social economy in the RBC. This allowed the recognition and financing of 25 organisations (ILDE) and 2 enterprises (EI) for a total budget of € 619.795. In terms of jobs, this represented 449 full time equivalents. In total, 66 jobs have been financed through regional subsidies.

5 additional ILDE and 6 additional EI have been recognised in 2006. This represents from a financial aspect, grants for 30 ILDE (for an amount of € 1.147.495,33) and 4 EI (for an amount of € 288.148). The budget allocated to enterprises and organisations active in the field of social economy has been increased by 130%.

In 2007, 5 organisations were recognised as ILDE and one EI which brings the total of the recognised structures to 56 (11 EI and 45 ILDE). From a financial aspect, 43 ILDE (for an

amount of € 2.607.711,21) and 10 EI (for an amount of € 746.975,25). The total budget has been increased from € 1.240.000 to € 3.335.000, which represents an increase of 170%.

Modifications have been made to the legislative texts regarding the agreement and financing of EI and ILDE in 2007. Two periods for applying for recognition have been introduced and one for applying for a grant. In terms of jobs, 1.164 full time equivalents were employed in recognised organisations and enterprises by the RBC from which 817 unemployed people facing difficulties to integrate the labour market.

In 2008, the RBC recognised and financed 6 organisations (ILDE) and 3 EI. The actual figures of recognised structures are 62 projects (51 ILDE and 14 EI of which 3 have gone bankrupt). The budget increased of 35%, from € 3.335000 to € 4.500.000. In comparison with 2005, the increase is of 336%, which represents an annual average of 84%. For the newly recognised projects in 2008, it is expected to create 134 additional jobs.

2. Sector of activity of the recognised enterprises and organisations

The main sectors of activity are the following:

- Food catering business (10 projects)
- renewal, building and construction (20 projects)
- Service vouchers: ironing centres and domestic assistance (13 projects)
- New technologies: informatics maintenance, sale recycling of computers (7 projects)

The Flemish Region

target workers in the social workplaces	3.061
target workers in sheltered workplaces	15.845
work-care co-workers	611
target workers in the local services economy	1.242
target workers in integration enterprises	1.949
Total target workers in the Flemish social economy	22.708

The Walloon Region

1. Integration enterprises

- - Number of recognised integration enterprises: 124
- - Number of jobs created in 2007: 1.257 FTE
- - Budget 2007: € 8.014.000

2. IDESS

- - Number of recognised IDESS: 6 (figures from March 2008)
- - Budget 2007: € 1.562.000

The German Speaking Community

The German Speaking Community is competent for employment policies since 2000 and in the scope of this competence, for social economy, more particularly social integration economy. The first measures taken were the evaluation of the two framework legislative texts: on one side the On-the-job Training Enterprises (Zentrum zur Berufsausbildung durch Arbeit) and, on the other, the Social Workshops (Sozialwerkstatt), legislation written in 2000. Two projects have experimented until 2007 the functioning of the socio-professional integration systems created for people facing difficulties to be integrated.

Besides those two non-binding texts, the former Walloon decree of 16th July 1998 regarding the conditions for agreement and financing the social integration enterprises, adapted in 2000 is still in force in the Community. However, the first demand for agreement was introduced in January 2008.

In this context, the GSC mainly benefited from the agreement as Federal Integration Enterprise. The number increased from 3 recognised enterprises in 1999 (reference based on the Cooperation agreement) to 14 in 2007. In addition, the GSC counts 3 Sheltered Workshops that employ over 300 people.

These social enterprises have all taken the legal statute of non-profit organisations. They are active in a wide range of activities for example: collecting and upgrading of bulky household appliances, collecting biodegradable waste, restoration and sale of pieces of furniture, second-hand sale, producing foodstuff, gardening, craft (weld, building, painting...) local and neighbourhood services (domestic help) etc.

In 1999, there were 30 subsidised jobs by the GSC in social enterprises. The contracting parties of the cooperation agreement had agreed to double the number of subsidised jobs in 2003. For the GSC, the number was fixed at 60. But, in 2003, the number of new jobs created since 1999 was of 116. In 2006, this figure was of 210.

It can also be underlined that, since 1998, one person in charge of social economy is in at the Ministry of the GSC of the social economy its administrative area. The person fulfils a contact and advice mission for the social enterprises. She is also the contact person for the Federal State, which means that she prepares the needed documents, the annual reports for the Cooperation agreement, etc. She also represents the GSC in the network of administrations established in the scope of the Cooperation agreement.

In 2001, the « Arbeitskreis Sozialökonomie » was set up in the GSC. It is a platform that gathers all enterprises and organisations interested by the social economy in the GSC.

An other important contribution in recent years is the creation of the position of adviser for social economy enterprises and projects in the « Arbeitsamt ». This position is co financed by the Federal State and the GSC through the Cooperation agreement.

It can be also mentioned that the Walloon Region finances a part-time adviser position in the « Wirtschaftsförderungsgesellschaft (WFG) », organisation for the economic promotion in the

East of Belgium. The role of the adviser is to help the enterprises to plan their budget and increase their cost efficiency. Since 2004, the adviser is also competent for social enterprises. This mission has been recognised as advising office for social economy by the Walloon Region in 2006.

Conclusions

Federal conclusions

The Federal level played an undeniable leveraging effect on the budgets invested in the Regions and in the German speaking Community for the social economy. This is mainly due to the co-financing mechanism of the cooperation agreement. The Regions and the GSC are investing in the social economy in greater proportions than what the agreement of cooperation asks.

It can also be underlined that the number of people benefiting from the Federal employment measures has largely increased in the recent years.

Conclusions from the Region Brussels-Capital

As the social economy is a “young” sector in the RBC, there has not yet been an evaluation in depth of the measures taken to develop the social economy in the Region. However, the important number of organisations and enterprises recognised and financed by the RBC show that the legislative texts have been useful.

The financial means have been increased to be able to ensure the grants for the different structures, as far as possible. Unfortunately the financial means are still not sufficient as the demand is higher than the available budget. It can be underlined that the activities for which more and more recognitions are requested are the ones available with service vouchers. The question of the development of other sectors can be asked. For instance, the sector of recycling or sustainable development is not yet well developed in the social economy.

Two studies will be concluded this year. The first one is a research on the financial difficulties that the ILDE and the EI are facing. The second study is an evaluation of the role of the advice offices. There should be more focus on the follow-up of the ILDE and the EI to help them widen their clientele or their markets, which could be one of the solutions to their financial problems. The training for the staff working in the enterprises and organisations should also be one important issue. To improve this situation, the recognised structures could organise more general trainings (informatics, accountancy, language courses...) besides specific trainings to accomplish tasks in organisations and enterprises.

To conclude, social economy is a solidarity instrument, a range of employment measures that allow the integration of a vulnerable target group. Regarding this, social economy is an important lever to reduce unemployment rates and create work opportunities for vulnerable people. The RBC supports supervision and training through its ordinances, which shows its interest for the specificities of this vulnerable group, to often left aside.

Next to these socio-professional integration goals, the support to social economy allows new initiatives or preserves initiatives that contribute to a better social cohesion in RBC. According to this approach, many initiatives have been recognised for service-voucher activities, mainly services to elder people or people with reduced mobility. Others are active in social housing or in small building maintenance (painting, plumbing, rehabilitation of common areas). The RBC considers social economy as a cornerstone of the economy (solidarity economy) and of employment policies (offering a job for vulnerable people), not setting aside the society and its cohesion.

Conclusions from the Flemish Region

The Flemish policy to promote the social economy is still rather young, but is on the up. Over the last few years, the number of initiatives and employment opportunities has increased considerably. After a trial and experimenting period, it is now time to consolidate this success. Recently, following reshuffling at the administrative level, also the sheltered workshops within the Welfare policy domain were transferred to the Work and Social Economy policy domain, which lead to a significant broadening of the social economy spectrum.

For consolidating the results, it was opted to further streamline the measures into 3 focus areas, supported by a mix of instruments, as explained during the presentation. These instruments are underpinned by CSR principles, but the current model is still amenable to further improvement.

Hence, we aim at implementing a uniform decree for the sheltered and social workshops and question the role of work care from an employment perspective.

The local services economy is still very young and has still to complete its first year of operation within the decretal framework. However, the first results look promising. In the longer term, an evaluation will be carried out to pin-point any problem areas.

The work integration measure was recently evaluated and we feel there is a strong need for additional support to better guide the identified opportunity groups. It is also this feeling that triggered a number of experiments, which by providing support not only to people the furthest from the labour market, but also to their employer at a regular workplace, must encourage their integration into the normal economic circuit. Based on the results it will be assessed how we can best consolidate this offer into the regulative framework. We are currently working on a regulative framework for the activity cooperatives.

The support structures, too, must be screened and recommendations were made to ensure the supply is more in tune with demand and is less complex, with a greater accessibility. These recommendations are now being implemented one by one.

It is therefore too early to draw any final conclusions. The Flemish social economy policy is still developing, but we keep a finger on the pulse to come to a more uniform, purpose-oriented and efficient framework.

Conclusions from the Walloon Region

The social economy policy of the Walloon Region can be presented in three main orientations:

- first, continue to foster initiatives in favour of the socio-professional integration of low-skilled jobseekers or people excluded from the labour market for a long time. For this reason, the budgets dedicated to integration enterprises have continually been increased to be able to accompany the constant growth of the sector. Following the same approach, the new IDESS measure will allow the creation of new jobs in activities where there is a need for low-skilled workers;
- secondly, strengthen partnerships and synergies between the social economy and the “regular” economy, to improve the global performance of the economic model of the Walloon Region and complete new market opportunities insufficiently exploited. This can be achieved through the PERICLES project aiming at creating jobs in the sector of services to enterprises by gathering the needs for low-skilled workforce in a small and medium enterprise or a very small enterprise. The IDESS measure, aiming at developing local and neighbourhood services not fulfilled by the market or the public authorities will also contribute to this approach.
- finally, maintain the support to the management capacities of the social economy enterprises by improving the capacities of the social economy advice offices and by developing the means and actions of financing structures, mainly the SOWECSOM.

Conclusions from the German Speaking Community

Social economy is quite a new area for the GSC that evolves a lot. The participation in the Cooperation agreement signed between the Federal State and the Regions has certainly contributed to the development of the sector.

The increasing number of organisations and social enterprises that start solidarity economy initiatives hiring vulnerable people or people facing socio-professional integration difficulties shows this tendency clearly. This can also be confirmed by the evolution of subsidised jobs in the social economy.