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BELGIUM'S SOCIAL AND SOLIDARITY-BASED ECONOMY:



GOOD PRACTICES¹

INTRODUCTION

This analysis is intended to present those enterprises which comply with the definition of social economy, also known as “those economic activities producing goods or services, exercised by companies, namely cooperatives and/or with a social purpose, associations, mutual insurance or foundations, whose ethics is based on the following principles:

1. The purpose of community or members' service rather than purpose of profit;
2. Autonomous management;
3. Participative and democratic management;
4. Primacy of people and labour over capital in the distribution of income”.

METHODOLOGY

The Social Economy Observatory's statistical analysis encompasses all employers, whose head office is located in Belgium, falling under the category of association (non-profit organisation, aisbl and informal association), the National Cooperation Council-approved Cooperative Society, company with a social purpose (SFS), foundation or mutual insurance.

Indeed, these different legal forms include provisions that make the social economy principles a reality. Not only have all collected statistical data been advocated by the academia but also used at European level. That is why it is now possible to make cross-study analyses with other countries' realities.

DATA SOURCE

- National Office for Social Security: data on employment and workers from social economy enterprises.
- Crossroads Bank for Enterprises: identification data on social economy enterprises.
- Belgium National Central Bank's Central Balance Sheet Office: data on annual accounts registered by all corporations and non-profit organisations that are required to do so.
- Several federal and regional administrations: The Social Economy Directorate and the 6th Operative Directorate General for Public Service in Wallonia; the Brussels Regional Public Service's Directorate for Employment Policy and Plural Economy; the Federal Public Service (SPP) for Social Inclusion, Fight against Poverty and Social Economy...
- The ConcertES² members: identification data on social economy enterprises.
- Crossroads Bank for Social Security, StatBel, Eurostat: data population and employment, at national and regional level (data from Walloon and Brussels- Capital Region).
- SOWECOSOM: identification data on particular social economy enterprises.

¹ Observatoire de l'Economie Sociale, <http://statistiques.observatoire-es.be>

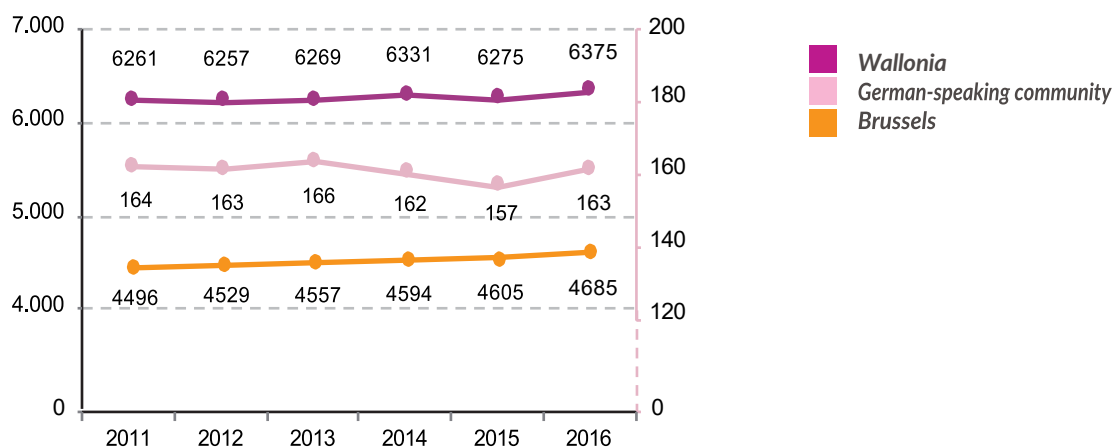
² Concertation des organisations représentatives de l'économie sociale, Rue du Bosquet 15A à 1435 Mont-Saint-Guibert, www.concertes.be



THE SOCIAL ECONOMY ENTERPRISES

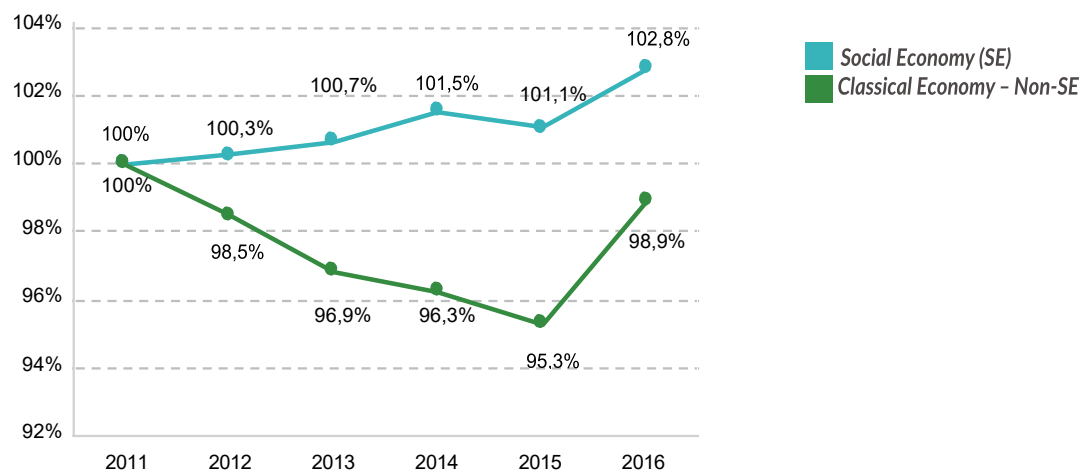
THE SOCIAL ECONOMY ENTERPRISES IN NUMBERS

EVOLUTION OF THE NUMBER OF SOCIAL ECONOMY ENTERPRISES



In 2016, 6.538 social economy enterprises were present in Wallonia, while 4.685 were located in Brussels-Capital Region (BCR). Thus, the number of social economy enterprises increased by 3% compared to 2011.

THE NUMBER OF SE AND NON-SE ENTERPRISES'S GROWTH RATE



Over the whole period, the social economy has recorded a higher growth rate than the classical one (private, non-SE and public). However, while a gradual decline of the number of non-SE classical economy enterprises can be observed starting from 2011, it can be seen that a reverse of the trend increased substantially in 2016.



THE ENTERPRISES' MAIN FEATURES

1 / THE SOCIAL ECONOMY ENTERPRISES' PROFILE

Social economy comprises 5 TYPES OF ENTERPRISES: associations (non-profit, aisbl and informal associations) accounting for 95% of enterprises, institutions with a social purpose (scrl à fs, sa à fs, sprl à fs, etc.) (2%), the CNC-approved cooperatives (including those that also fall in the category with social purpose) (1%), foundations (1%) and mutual insurance companies (less than 1%).

NUMBER OF EMPLOYER BUSINESSES

| | Wallonia | Brussels | Total in 2016 |
|--------------------------------|-------------|-------------|---------------|
| Associations | 6168 | 4493 | 10661 |
| of which informal associations | 331 | 98 | 429 |
| SFS | 209 | 38 | 247 |
| Foundations | 43 | 98 | 141 |
| Coop CNC | 90 | 24 | 114 |
| Mutual insurance | 28 | 32 | 60 |
| Total in 2016 | 6538 | 4685 | 11223 |

There are a few regional differences regarding the distribution of enterprises by legal form. Accordingly, Brussels-Capital Region has a proportionally higher rate of foundations than Wallonia (2% versus less than 1%). By contrast, Walloon Region boasts a higher rate of associations with social purpose than BCR (3% versus less than 1%). Such differential can be partly explained by a more developed Walloon enterprises' vitality in device insertion, requiring business enterprises to adopt SFS form.

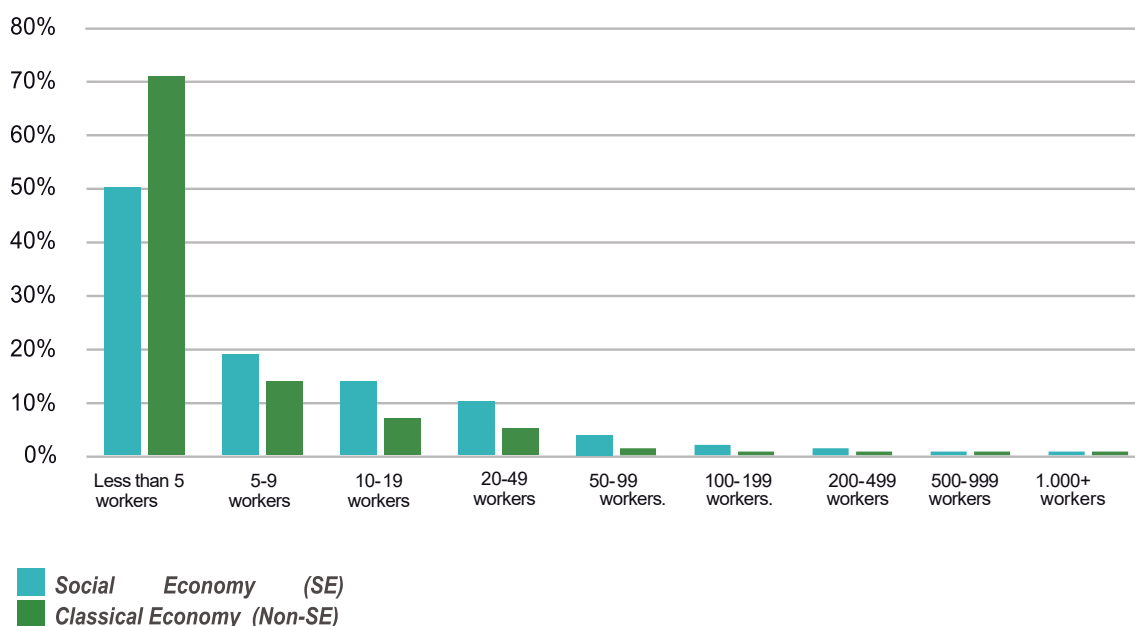
2 / SOCIAL ECONOMY ENTERPRISES' SIZE

Social economy is mainly comprised of enterprises having less than 50 employees (93,4%). This prevalence is also observed in classical economy – non-SE, as the latter account for 95% of enterprises. More precisely, small enterprises with less than 5 employees prevail in the social economy, where they account for half the enterprises, as well as in the classical one (non-SE), where they account for more than two thirds of enterprises.

The rate of social economy enterprises is far more important than the classical enterprises (non-SE) in the upper income categories.



DISTRIBUTION OF SE ENTERPRISES AND CLASSICAL ECONOMY (NON-SE)



3/ DISTRIBUTION OF ENTERPRISES BY SECTOR (FRENCH CODE NACE)

The following chart presents the distribution of SE enterprises based on the Statistical Classification of Economic Activities in the European Community (French code: NACE).

However, it has been adapted in order to report several specific SE business sectors that create employment.

Accordingly, the businesses' sheltered workshop and socio-professional insertion activities (AFT/OISP-CISP) have been separated from section Q – Human health and social action.

The service voucher employment has also been included in the category “service-voucher activities”, otherwise it would have been dispersed throughout other sectors such as « General Agreement on Trade in Services », « human health and social action », etc.

Furthermore, compulsory education (PEns) and hospital (QHop) activities have been emphasised because of their difficult association with SE and for being easily supervised by public authorities (teachers being paid directly by the Federation Wallonia-Brussels; hospitals being strongly influenced by the compulsory social security scheme).

If one wants to investigate in which sectors SE enterprises operate, it can be said that they are mainly present in « other category services » (28%), « human health and social action » (25%) and « art, entertainment and leisure activities » (15%).

Some sectorial differences can be pointed out between the two regions. Therefore, while SE enterprises are generally active in “human health and social action” in Wallonia (28 % versus 20% in Brussels-Capital Region), BCR has a majority of SE enterprises specialised in “other category services” (40% versus 20% in Walloon Region).



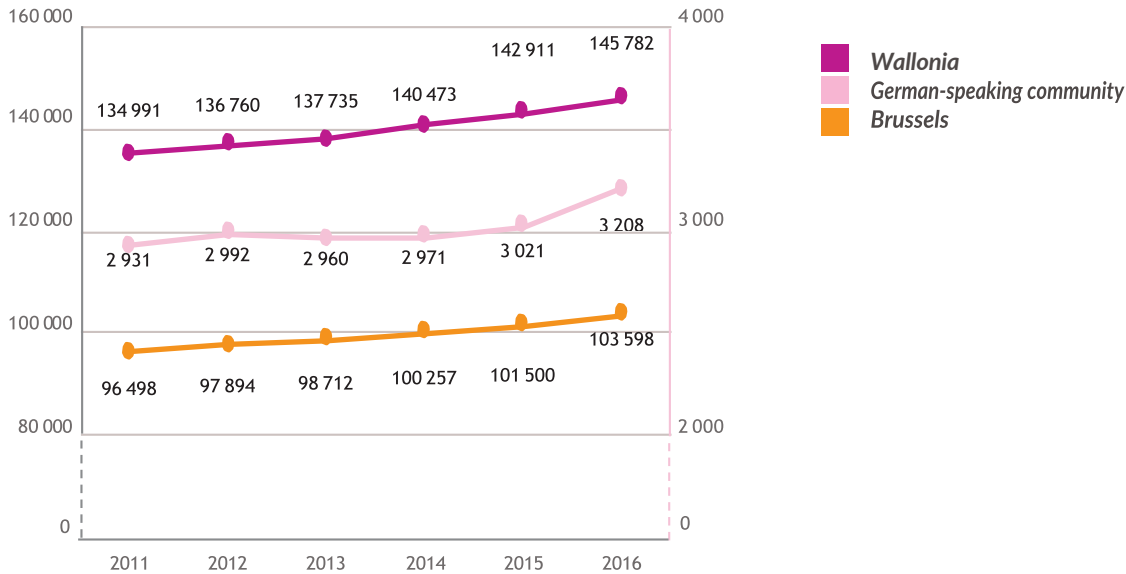
| Sections | | Wallonie | Bruxelles | Total en 2016 |
|-------------------|--|--------------|--------------|---------------|
| A | Agriculture, Sylviculture et Pêche | 100 | 2 | 102 |
| C | Industries manufacturières | 36 | 2 | 38 |
| D | Production et distribution électricité, gaz, vapeur et air conditionné | 2 | | 2 |
| E | Prod. et distrib. eau - assainissement, gestion déchets et dépollution | 23 | 1 | 24 |
| F | Construction | 30 | 7 | 37 |
| G | Commerce de gros et de détail - réparation d'auto et moto | 93 | 21 | 114 |
| H | Transports et entreposages | 19 | 9 | 28 |
| I | Hébergement et restauration | 99 | 47 | 146 |
| J | Information et communication | 60 | 89 | 149 |
| K | Activités financières et assurances | 17 | 31 | 48 |
| L | Activités immobilières | 56 | 36 | 92 |
| M | Activités spécialisées, scientifiques et techniques | 211 | 227 | 438 |
| N | Activités de services administratifs et de soutien | 232 | 95 | 327 |
| O | Administration publique et défense - sécurité sociale obligatoire | 41 | 52 | 93 |
| P | Education et enseignement (hors enseignement obligatoire) | 404 | 325 | 729 |
| Q | Santé humaine et action sociale | 1 787 | 944 | 2 731 |
| Q- ETA | Entreprises de Travail Adapté ETA | 54 | 12 | 66 |
| Q AFT/OISP- CISP | Insertion socio-professionnelle AFT/OISP - CISP | 139 | 59 | 198 |
| R | Arts, spectacles et activités récréatives | 1 057 | 613 | 1 670 |
| S | Autres activités de services | 1 291 | 1 879 | 3 170 |
| T | Activités des ménages comme employeurs ou producteurs de biens et services pour usage propre | 4 | 1 | 5 |
| TS | Activités titres-services | 214 | 22 | 236 |
| U | Activités des organismes extra-territoriaux | 1 | 8 | 9 |
| SOUS-TOTAL | | 5 970 | 4 482 | 10 452 |
| PEns | Enseignement obligatoire | 532 | 182 | 714 |
| QHop | Hôpitaux | 36 | 21 | 57 |
| TOTAL | | 6 538 | 4 685 | 11 223 |

DISTRIBUTION OF ENTERPRISES BY SECTOR (FRENCH CODE NACE)



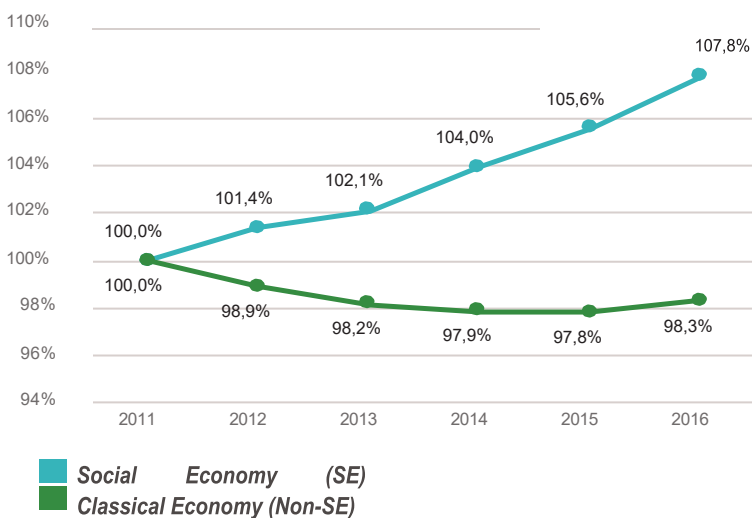
SE ENTERPRISES' JOBS

NUMBER OF JOB POSTS



In 2016, SE enterprises created 148.990 new employment opportunities in Wallonia and 103.598 jobs in Brussels-Capital Region. In this way, they contributed to 12% of total employment in Wallonia and BCR.

SE AND NON-SE JOBS' GROWTH RATE



The POSITIVE GROWTH OF EMPLOYMENT observed in the social economy field in the last few years has continued in 2016. As a matter of fact, the total number of SE employment has increased by 7,8% over the period 2011-2016. In addition, the growth rates shown by the social economy over the whole period have been higher than those recorded by the classical economy (non-SE). At regional level, employment has improved in the same way in Walloon and BCR, and this is true for both social and classical economy.



SE JOBS' FEATURES

1 / DISTRIBUTION OF EMPLOYMENT BY LEGAL FORM

The following are the Walloon and Brussels-Capital Regions' associations that make up for the bulk of social economy's employment. Indeed, they account for 90 % of job posts. The associations with social purpose and mutual insurance companies come thereafter, each providing 4% of SE jobs. Finally, foundations and CNC-approved cooperatives account for 3 % et 1 % of SE jobs respectively.

| | | 2011 | | 2016 | |
|----------|---------------------------------------|----------------|-------|----------------|-------|
| | | N° | % | N° | % |
| Wallonia | Associations | 122 211 | 88,6% | 131 369 | 88,2% |
| | <i>Of which informal associations</i> | 1 278 | 0,9% | 931 | 0,6% |
| | CNC cooperatives | 2 211 | 1,6% | 2 370 | 1,6% |
| | Foundations | 1 580 | 1,1% | 1 809 | 1,2% |
| | Mutual insurance companies | 4 255 | 3,1% | 4 345 | 2,9% |
| | SFS | 7 665 | 5,6% | 9 097 | 6,1% |
| | Total | 137 922 | | 148 990 | |
| Brussels | Associations | 85 008 | 88,1% | 89 851 | 86,7% |
| | <i>Of which informal associations</i> | 900 | 0,9% | 804 | 0,8% |
| | CNC cooperatives | 365 | 0,4% | 2 059 | 2,0% |
| | Foundations | 4 713 | 4,9% | 5 120 | 4,9% |
| | Mutual insurance companies | 5 604 | 5,8% | 5 699 | 5,5% |
| | SFS | 808 | 0,8% | 869 | 0,8% |
| | Total | 96 498 | | 103 598 | |

2 / DISTRIBUTION OF EMPLOYMENT BY BUSINESS SECTOR (NACE)

“Human health and social action” is Wallonia and BCR's largest employing sector, creating over half of all SE jobs (52,8%). It is composed of all major hospital structures providing a substantial proportion of employment (20,5% of total employment) as well as senior care centres, nurseries and kindergartens, home-help for families, etc.

« Other category services » (8,9%) (youth associations, etc.), « education and training » (cultural education, professional training, etc.) (6,5%), « service-voucher activities » (5,7%) and « adapted work enterprise » (4,6%) complete the SE's top 5 largest employing sectors.

Some sectoral disparities are found between the two regions. Therefore, although the majority of SE job posts come from the « human health and social action » (Q+ QHop) sector for both regions, the latter provides proportionally more employment in Wallonia than in BCR (59,4% versus 43,3%). Moreover, « other category services », BCR's second largest employing group, produces more than three times as many jobs as in Walloon Region (15,5% versus 4,3%). On the other hand, the « voucher-service activities », Wallonia's second largest employing sector, provides for two times as many jobs as in BCR (7,2% versus 3,6%).



| | | Wallonia | | Brussels | | Total in 2016 | |
|---------------------|--|----------------|-------|----------------|-------|----------------|-------|
| | | N° | % | N° | % | N° | % |
| A | Agriculture, Forestry and Fishery | 489 | 0,3% | 11 | 0,0% | 500 | 0,2% |
| C | Manufacturing industry | 469 | 0,3% | 3 | 0,0% | 472 | 0,2% |
| D | Power, gas, steam and air conditioning prod. and distr. | 8 | 0,0% | | 0,0% | 8 | 0,0% |
| E | Water production and distribution - sanitation, waste and decontamination management | 475 | 0,3% | 19 | 0,0% | 494 | 0,2% |
| F | Construction | 127 | 0,1% | 32 | 0,0% | 159 | 0,1% |
| G | Wholesale and retail trade – auto and moto reparation | 2 068 | 1,4% | 1 800 | 1,7% | 3 868 | 1,5% |
| H | Transportation and Warehousing | 136 | 0,1% | 52 | 0,1% | 188 | 0,1% |
| I | Accommodation and Catering | 699 | 0,5% | 630 | 0,6% | 1 329 | 0,5% |
| J | Information and communication | 855 | 0,6% | 3 221 | 3,1% | 4 076 | 1,6% |
| K | Financial and Insurance Activities | 369 | 0,2% | 835 | 0,8% | 1 204 | 0,5% |
| L | Real-estate activities | 271 | 0,2% | 333 | 0,3% | 604 | 0,2% |
| M | Technical, scientific and specialised activities | 2 352 | 1,6% | 5 189 | 5,0% | 7 541 | 3,0% |
| N | Administrative and Support service activities | 2 497 | 1,7% | 3 881 | 3,7% | 6 378 | 2,5% |
| O | Defense and Public Adm. – compulsory social security | 4 669 | 3,1% | 6 441 | 6,2% | 11 110 | 4,4% |
| P | Education and training (non-compulsory education) | 2 683 | 1,8% | 3 308 | 3,2% | 5 991 | 2,4% |
| Q | Human health and social action | 50 554 | 33,9% | 31 005 | 29,9% | 81 559 | 32,3% |
| Q-ETA | Adapted work enterprises (ETA) | 9 659 | 6,5% | 1 988 | 1,9% | 11 647 | 4,6% |
| Q-AFT/ OISP-CISP | Integration into society EFT/AFT - OISP - CISP | 2 865 | 1,9% | 1 913 | 1,8% | 4 778 | 1,9% |
| R | Art, entertainment and leisure activities | 6 271 | 4,2% | 5 217 | 5,0% | 11 488 | 4,5% |
| S | Other category services | 6 479 | 4,3% | 16 061 | 15,5% | 22 540 | 8,9% |
| T | Household activities as employers | 4 | 0,0% | 1 | 0,0% | 5 | 0,0% |
| TS | Service-voucher activities | 10 738 | 7,2% | 3 761 | 3,6% | 14 499 | 5,7% |
| U | Extra-territorial bodies activities | 17 | 0,0% | 33 | 0,0% | 50 | 0,0% |
| SUBTOTAL | | 104 754 | | 85 734 | | 190 488 | |
| PEns | Compulsory education | 6 224 | 4,2% | 4 111 | 4,0% | 10 335 | 4,1% |
| QHop | Hospitals | 38 012 | 25,5% | 13 753 | 13,3% | 51 765 | 20,5% |
| TOTAL | | 148 990 | | 103 598 | | 252 588 | |

DISTRIBUTION OF EMPLOYMENT BY BUSINESS SECTOR



FOCUS ON SE'S «FAMILIES»

This third and last section is to provide an overview of the social economy's « families » – associations, foundations, mutual insurance companies, CNC-approved cooperatives and associations with social purpose – in order to identify their sector specificity and their employees' profile.

BUSINESS SECTORS

1. ASSOCIATIONS play a pivotal role in social economy, thanks to both their label and the job posts created. They are actively present in several business sectors such as « human health and social action », « other category services » and « education and training ». The latter provided for 59%, 10% et 7% of associations' employment respectively in 2016.
2. Near two thirds of associations with social purpose's job posts are devoted to « service-voucher activities». Much of these service-voucher jobs come from the employment offices, which resort to these service-voucher systems in order to insert the jobseekers in the job market. Secondly, there are the adapted work enterprises, generating 12% of SFS job posts in 2016.
3. The « Wholesale and retail trade » sector constitutes the bulk of employment in the CNC COOPERATIVES. It accounted for 71% of job posts in 2016, surpassing former 2011 record (57%). Basically, this growth is due to new agreements with the CNC, expressing the willingness of revival of the old agreements sealed between CNC and cooperatives. Then comes the « financial and assurance activities » sector, providing 9% of job posts in the CNC cooperatives in 2016.
4. FOUNDATION jobs were mainly created in the « technical, scientific and specific activities » and « human health and social action » sectors. First sector's contribution to foundations' employment declined compared to 2011 (from 53% to 48% in 2016), while the second sector witnessed a gradual rise (from 29% to 35% in 2016).
5. More than 90% of MUTUAL INSURANCE job posts are found in the « public administration – compulsory social security » sector. Actually, mutual insurance companies represent an important intermediary in the compulsory social security mechanism.

Social entrepreneurship

Social entrepreneurship represents one of the major challenges of the regional economic transition. As the Brussels Agency for business support, hub.brussels' mission is to guide your company towards a more solidarity-based model of entrepreneurship.

The Belgian Observatory of the Social Economy in Brussels identifies more than 5,000 non-profits, companies and cooperatives with a social purpose, foundations and mutual organisations which produce goods and services in every field of activity: personal services, culture, sustainable food, construction, housing, education, etc.



If you are one of the above, you are without doubt pleased with the content of the Declaration of the general policy of Brussels for the 2019-2024 legislature. The Brussels-Capital Region is committed to placing transition at the centre of its economic strategy. And to progressively orienting all economic support tools towards – among other things – social and democratic entrepreneurship.

This is the reason why hub.brussels is putting the development of the social economy in Brussels at the top of its list of priorities. First step: implementing a strategy for the development of social companies in Brussels for the next five years.

What is social entrepreneurship?

Social entrepreneurship seeks to reconcile economic activity and social equity. The product of the labour movement in the 19th century and reinforced by the creation and development of the non-profit movement in Europe, the social economy is today a fully fledged mode of entrepreneurship.

According to the EMES network, social entrepreneurship consists of three pillars:

A project has a social and/or environmental objective; this implies limiting the distribution of profits, a moderate wage gap (1 to 4 maximum between the lowest and the highest salary), an explicit objective of service to the community and/or service with a social purpose.

The project is economically viable, with continuous economic activity in the production of goods and/or services, significant risk-taking and job creation.

Governance is democratic, which implies a high level of autonomy, a decision-making process not based on capital ownership, and participatory dynamics including the different stakeholders.

Belgium Impact

The national platform for social entrepreneurs that inspire.

Belgium Impact (BE-Impact) inspires and connects social entrepreneurs. It wants to contribute to the work of social entrepreneurs, their initiatives, and those of supporting organizations.

The mission, is to stimulate innovative social entrepreneurship with a perspective on the transition towards a sustainable society. To this end, the non-profit organization wants to connect these social entrepreneurs with each other and with the various actors in society, including the general public. It wants to inspire, connect and support social entrepreneurs from Belgium, but also function as a platform for the further development of an ecosystem in which social innovation and sustainable entrepreneurship, based on financial and social profit, go hand in hand.

The "Belgium Impact" platform acknowledges the variety of approaches that social entrepreneurship embodies. It does not matter if it is set up as a non-profit organization, cooperative, or limited liability



company. It does contain an innovative aspect and incorporates an entrepreneurial mindset, which sets them apart from the classic non-profit organizations.

Therefore, our definition of social entrepreneurs takes on a more broad approach. We understand these entrepreneurs as:

"Those companies or innovations whose governance allows the primacy of societal impact"

Financing and support

A company has various sources of financing. A company's **own funds** are the resources you can invest personally when you start up your company (savings, assets in kind, etc.). In some cases, external funds are necessary. These **external funds** can be financed by a bank credit based on a business plan.

Support

[Business One-Stop-Shops \(guichets d'entreprises\)](#) (fr) can provide advice or refer you to the most suitable partners to finance your project.

The Regions also offer various support measures and subsidies to help finance your company depending on the activity sector:

- [support and subsidies for companies in the Flemish Region](#) (nl)
- [support and subsidies for companies in the Brussels-Capital region](#)
- [support and subsidies for companies in Wallonia](#) (fr)

CONCLUSION

Social economy generates an ever-greater number of enterprises and job posts in Wallonia and Brussels-Capital Regions year by year, as noted in the current state of affairs. Associations generate the core of employment in social economy. Nevertheless, the fastest growth of job posts was observed within the societies with social purpose over the 2011-2016 period. Social economy is present throughout the Walloon and Brussels' territories and within a wide range of activities. This is proof that social economy is not only a « sector » but also a consortium of organisations delivering different activities and pursuing different objectives.

The Belgian Observatory of the Social Economy: <https://be.brussels/files-fr/a-propos-de-la-region/competences-regionales/declaration-de-politique-generale-du-gouvernement-de-la-region-de-bruxelles-capitale-2014-2019/view>

The national platform for social entrepreneurs that inspire: <https://www.be-impact.org/>

Approval as a social enterprise: <https://economie.fgov.be/en/themes/enterprises/starting-business/steps-starting-business/forms-companies/cooperative-societies/approval-social-enterprise>