



Social enterprises and their eco-systems: A European mapping report

Updated country report: Belgium

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This report provides an overview of the social enterprise landscape in Belgium based on available information as of July 2016. The report updates a previous version, submitted by ICF Consulting Services to the European Commission in 2014.

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LIST OF ACRONYMS

ASBL: *Association sans but lucratif*

CBENM: *Confédération bruxelloise des entreprises non marchandes*

CISP: *Centre d'insertion socio-professionnelle*

ConcertES: *Concertation des organisations représentatives de l'économie sociale*

CSR: Corporate social responsibility

CWES: *Conseil wallon de l'économie sociale*

EFT: *Entreprise de formation par le travail*

EI: *Entreprise d'insertion*

ESELA: European Social Enterprise Law Association

ETA: *Entreprise de travail adapté*

FEBECOOP: *Fédération belge des cooperatives*

FTE: Full-time equivalent

ICA: International Cooperative Alliance

IDESS: *Initiatives de développement de l'emploi dans le secteur des services de proximité à finalité sociale*

ILDE: *Initiative local de développement de l'emploi*

LDE: *Lokale diensteneconomie*

NCC: National Council for Cooperation

SAW-B: *Solidarité des alternatives wallonnes et bruxelloises*

UNIPSO: *Union des entreprises à profit social*

UNISOC: *Unie van social profit organisaties*

VERSO: *Vlaamse Confederatie van Social Profit Ondernemingen*

VOSEC: *Vlaams overleg sociale economie*

VZW: *Vereniging zonder winstoogmerk*

WISE: Work integration social enterprise

EXECUTIVE SUMMARY

This report provides an overview of the roots, concept, legal evolution, numbers and eco-system of social enterprise in Belgium and the challenges it faces. In the first section, a number of roots and drivers are described that have paved the way for the current understanding and landscape of social enterprise in Belgium. These roots include the associative tradition, the cooperative movement, the tradition of mutuals, the (new) social economy and the more recent business-oriented approach. The role of public policies and philanthropic actors is also discussed.

In the second section, the legal evolution of social enterprise is sketched out, and three main ideal types are identified based on their underlying dynamics: (i) the entrepreneurial approach to the general interest (typically embodied by associations and foundations); (ii) the combination of mutual and general interest (typically embodied by cooperatives and mutuals); and (iii) the more borderline case of businesses that combine private and general interest. In this section, the social purpose company framework is presented, as well as a number of certification schemes.

In the third section on measuring social enterprises, two approaches are distinguished: bottom-up and inclusive. Figures are presented based on studies following each approach, with the inclusive approach providing the most comprehensive number of more than 18 000 social enterprises in Belgium. Figures on employment, growth rates, legal forms and activity sectors are also presented.

The fourth section reviews the main actors in the social enterprise eco-system in Belgium and its various regions. Significant attention is devoted to public authorities and public policies at the federal and regional levels. Networks and federations of different types are also presented, as well as advice and consultancy organisations, universities, observatories, incubators, etc. Finally, the need for and supply of social finance are presented and the gaps between demand and supply are discussed.

Finally, the last section discusses some of the debates, obstacles and opportunities around social enterprise in Belgium. Four trends and challenges are also discussed: diversification, market recognition, social impact and communication/visibility.

The annexes include the EU operational definition of social enterprise, five illustrations relating to different fields of activity, and a list of references for further exploration of the social enterprise landscape in Belgium.

1. BACKGROUND

1.1. Social enterprise roots and drivers

The social enterprise phenomenon in Belgium has found nourishment from various sources: the associative, cooperative and mutual traditions, often highlighted as the backbone of the 'social economy' (in the broad sense); support from public authorities in the context of specific public policies; the support of philanthropic actors through donations and 'social investment'; and inputs from more business-oriented actors. These different roots have led to specific social enterprise models, but have also enriched one another – the notion of social enterprise is thus best understood as the combined outcome of a plurality of roots within and at the boundaries of the broader 'social economy'. The nature and role of these six roots and drivers in Belgium will be presented more or less in accordance with the chronological order of their emergence.

1.1.1. Associative tradition

The first historical tradition that helped to foster the theory and practice of social enterprise is the associative tradition. The associative sector in Belgium has been very dynamic historically, and it has become a major pillar of Belgian society.

Stimulated in the 19th century by the recognition of the freedom of association, the associative form was formally recognized in the early 20th century. The law of 27 June 1921 regulates the associative form (in Dutch, *vereniging zonder winstoogmerk* – VZW; in French, *association sans but lucratif* – ASBL) in the Civil Code, stating that it is a private grouping of people that does not aim to provide personal gain to its members. The law was amended in 2002, but its fundamentals have remained untouched.

The first reason for the development of the associative sector in Belgium is the high flexibility of the VZW/ASBL form in terms of activities and income sources. Indeed, the VZW/ASBL form allows for the development of commercial activities, provided that such activities are subordinated to the organisation's social mission. Belgian associations thus face very few constraints in terms of developing market-oriented activities and making profits – indeed, the only real constraint is that profits must be reinvested into the organisation rather than distributed to members or employees. This explains why, as will be examined in the field-level analyses, market-oriented activities that would typically be undertaken in other countries by cooperatives (e.g. work integration or fair trade) can be conducted under the associative form in Belgium. Commercial activities cannot, however, be developed in an unrestricted way, as they are subject to the vigilance of fiscal administration. This is one reason that led to the creation of the 'social purpose company' framework (see Section 2 on concept and legal evolution of the social enterprise in Belgium).

A second reason for the central role of associations is their major contribution to the development of the welfare state. Indeed, in the context of the Bismarckian/corporatist tradition as embodied by Belgium (Esping-Andersen, 1999), non-profit organisations are mainly financed and regulated by public bodies and play an important role in the provision of social services (Salamon et al., 2003).

From 2004 onwards, specific statistics on associations have been developed under the supervision of the Belgian National Bank. In 2014, the number of associations in Belgium exceeded 115 000, of which, however, only 15 000 had employed staff (*Académie des Entrepreneurs Sociaux*, 2016). The employment in non-profit organisations exceeded 330 000 full-time equivalents, representing nearly 12 % of all employment (*Académie des Entrepreneurs Sociaux*, 2016). There are, however, borderline cases of organisations and fields that are located close to the public sector, such as association hospitals and schools that are highly regulated by the State in their practices. Nevertheless, even when excluding these non-profit schools and hospitals, the non-profit world still constitutes an important sector. Besides education, the other major fields of activity of non-profit organisations are health (hospitals and other institutions), personal services, culture and sports.

In Belgium, there has been a trend among associations to become more entrepreneurial. Although public subsidies still constitute an important part of the funding of these organisations, the proportion of public subsidies has decreased, according to the *Fondation Roi Baudouin/Koning Boudewijn Stichting*, from 57 % in 2012 to 48 % in 2015 (*Baromètre des Associations*, 2016). Whilst this decrease is probably less severe than in other countries, it is worth mentioning that the logic underpinning these subsidies has been evolving over recent decades. It is not so much the level of social expenditure that has been challenged as the instruments through which the government has supported associations, with public money increasingly taking the form of contracts and third-party payments instead of grants. Competition and entrepreneurial practices and discourse are now part of the everyday life of associations, as confirmed by the most recent Barometer of Associations published by the *Fondation Roi Baudouin/Koning Boudewijn Stichting*. Entrepreneurial behaviour has also become a way of presenting activities as worthy of attention, including in economic terms (Dart, 2004).

Illustrative of this trend is the 'rebranding' of the major employers' associations in the non-profit sector, from 'non-profit' or 'non-market' (*non-marchand*) to 'social profit' organisations. This term was adopted in 1997 by the Flemish union of non-profit employers (*Vlaamse Confederatie van Social Profit Ondernemingen* – VCSPO, changed in 2007 to VERSO), the Brussels region (*Brusselse Confederatie van Social Profit Ondernemingen* – BCSPPO) and at the federal level (*Confederatie van Social Profit Ondernemingen* – CSPO). The shift was later also implemented in the French-speaking parts, despite the historical use of the '*non-marchand*' term. As a result, the *Union francophone des Entreprises Non Marchandes* (UFENM) changed its name into *Union des entreprises à profit social* (UNIPSO) in 2008 while the federal union CENM-CSPO (*Confédération des Entreprises Non Marchandes/Confederatie van Social-Profit Ondernemingen*) amended its name to UNISOC, using the term 'social profit enterprise' in both French and Dutch. The term '*non marchand*' is used only by the French-speaking section of the employers' union in Brussels (*Confédération bruxelloise des entreprises non marchandes* – CBENM).

Although '*non marchand*' still remains widely used in the French-speaking media and in public debates, the shift in terms reflects a growing willingness of associations to signal their economic weight and their legitimacy as 'enterprises'. The memoranda published by the networks listed above clearly indicate the desire of these organisations to be recognized not only as socially innovative but also as economically meaningful. This is, of course, important for understanding the claims of non-profit organisations to be taken into account when considering the notion and eco-system of social enterprise.

In parallel with the evolution in the names and visions of established employers' associations, new networks emerged specifically supporting social innovation and entrepreneurship within non-profit organisations. For example, actors such as the *Fondation Roi Baudouin/Koning Boudewijn Stichting*, Guberna, Ashoka and the *Sociale InnovatieFabriek* have worked with several non-profit organisations to reinforce their professionalism and entrepreneurial orientation, and have more broadly participated in the recognition of the non-profit (or social profit) domain as a genuine economic sector contributing to employment and economic development.

1.1.2. Cooperative tradition

A second tradition that has fed into the emergence of social enterprise in Belgium is the cooperative movement. As in many other countries, cooperatives in Belgium emerged around the middle of the 19th century. The cooperative legal form was officially recognized in 1873 but, unlike in other countries, compliance with the rules and practices prescribed by the International Cooperative Alliance (ICA) were not embedded in the law. The law only proposed a very basic definition of the cooperative as a company with flexible capital and membership. Compliance with genuine cooperative rules and values was thus considered optional. For cooperatives willing to follow these principles, a recognition process was organised, led by the Ministry of Economy, and embodied by the National Council for Cooperation (NCC, created in 1955). As a result, while the

cooperative form has been adopted by a large number of organisations (currently approximately 30,000), only a few hundred of them are 'real' cooperatives as understood internationally (Dujardin & Mertens, 2008). Most of them have NCC recognition, even if certain cooperatives without this recognition may be following the principles. Only these 'real' cooperatives will be discussed here; however, it should be kept in mind that the ambiguity around the cooperative legal form has not helped in terms of building a strong identity and recognition for cooperatives in Belgium (Defourny et al., 2002; Van Opstal et al., 2008).

The bulk of 'traditional' cooperatives appeared at the end of the 19th and the beginning of the 20th century in a few key sectors: agriculture, pharmacy and retail shops as well as banking and insurance. The cooperatives organised themselves into networks that were not really structured on an industry basis (except for agriculture) but rather on an ideological basis corresponding to the major 'pillars' in Belgian society: Socialist, Christian and, to a lesser extent, Liberal. Traditional cooperatives suffered from periodic economic crises and from competition with conventional enterprises in most of their fields of activity. As a consequence, a large number of important cooperatives disappeared (typically in the retail sector) or were bought up by large businesses, for example in the banking and insurance sector. Cooperatives were more resilient in certain sectors, though – typically, agriculture and pharmacy, in which cooperatives still play an important role (Dujardin & Mertens, 2008; Van Opstal et al., 2008).

In parallel with this, new cooperatives also appeared in – and existing cooperatives diversified their activities towards – new (sub-)fields of activity, focusing on ethics and social or environmental innovation and often more clearly oriented towards the general interest. This happened in two waves. First, in the 1970s and 1980s, new cooperatives emerged that focused on the social challenges of the time, typically by creating jobs and taking over enterprises experiencing difficulties, or striving for more ethical trading and financial practices within the context of social exclusion and unemployment, both in the North and in the South. A second, more recent wave of cooperatives embraced the challenges of sustainable development, for example in sectors such as recycling, energy production and energy savings (insulation of buildings, etc.), organic farming, short food supply chains, etc. The two waves of new cooperatives, and the existing cooperatives that were evolving towards explicitly addressing societal challenges (Gijssels et al., 2011), experimented with new ways of pursuing a general-interest orientation (Huybrechts & Mertens, 2014). They also had a more flexible approach in terms of joining or forming cooperative networks: some of them flourished in the context of 'pillarized' networks as those described above, others joined the 'social economy' networks, and others partnered with various initiatives (cooperatives or other organisational types) to form field-specific alliances. New cooperatives not only explicitly tackle societal challenges; they are also characterized by novel governance arrangements, involving multiple stakeholders and experiments with new ways of implementing democracy and participation (Mertens et al., 2008; Huybrechts et al., 2014). In this sense, cooperatives – in the normative rather than the legal sense of the term – are a second driver behind the development of social enterprise in Belgium.

1.1.3. Tradition of mutuals

A third tradition that shares some similarities with both the associative and cooperative traditions is mutualism. Mutual aid societies (mutuals) have become institutionalized and central to the healthcare system in Belgium to the extent that people may tend to consider them as parastatal organisations that have little in common with the current discussion on social innovation and social enterprise. However, when we look more closely at the emergence and specific features of mutuals in Belgium, they appear as private, entrepreneurial solutions to pressing societal needs.

Mutuals emerged in the 19th century when workers mutualized financial means to support each other in times of illness or work incapacity. A law dating from 1851 recognizes these 'mutual insurance societies' that are initially organised at a local level (company, or sector in a given region). To increase their insurance coverage and mutual

support possibilities, the local mutuals started combining into federations organised along activity sector lines as well as, increasingly, ideological lines (Socialist, Christian, Liberal). In 1894, a new law organised public funding for mutuals and in the early 20th century, mutuals combined into a set of national, ideologically-based, cross-sector alliances (Socialist, Christian, Liberal, 'Free' and Neutral).

Between the two World Wars, and especially after the Second World War, mutuals secured increasing support within the context of the new social security system. A law from 1944 makes illness and invalidity insurance compulsory and delegates the organisation of the insurance scheme to the mutuals. All Belgians are thus obliged to be member of a mutual – or, in a few cases, to join a public scheme offering insurance under the same conditions. The law was revised in 1963 to regulate the tariffs of health providers and to ensure that basic health insurance could be provided to all the population. Later on, mutuals provided additional insurance schemes, typically to cover hospitalisation costs.

Nowadays, following the pressure on social security spending and the European regulation putting mutuals into competition with private insurance companies, mutuals have revitalized their entrepreneurial spirit to develop innovative solutions to social needs in terms of health in the broad sense – including prevention and education. Although mutuals are highly regulated by the State, their economic activities serving the interests of their members and, more broadly, the general interest, as well as their democratic governance, justifies placing them on the social enterprise map – albeit within the health sector specifically and in a very institutionalized setting.

1.1.4. The (new) social economy

As already mentioned, a variety of social enterprise initiatives have their roots in the social economy and particularly in the 'new social economy' trend, which dates back to the 1980s. Unlike the previous two traditions, which are focused on a specific organisational form (respectively the non-profit association and the cooperative), the focus here was more on the values and practices that were common to several types of organisation (mainly associations and cooperatives) and that enabled them to orient their economic activity towards the pursuit of a social mission (Defourny et al., 2000). The principles of the social economy were formalized and diffused in the late 1980s as a reflection of the renewed dynamism of associations and cooperatives in fields with a strong general interest dimension, such as integration of low-skilled workers and proximity services. In these fields, numerous initiatives emerged that no longer claimed an affiliation to the non-profit or cooperative spheres in the first place, but rather to a new movement associated with the (new) social economy. These social enterprises were federated and promoted by newly-created structures such as SAW-B in Wallonia and the former VOSEC in Flanders (VOSEC does not exist anymore. Its tasks are partially covered by a new supporting structure that is – via a public procurement contract – currently assigned to in-C, as will be described in Section 4.2.3).

1.1.5. Public policy inputs

The actors and networks promoting social enterprise were also instrumental in advocating for and experimenting with public policies in their areas of action. Moreover, public authorities at the federal and regional level became increasingly interested in social enterprise as a tool for fulfilling their political goals. The most striking illustration of this interest is the integration of different types of low-skilled workers: long-term unemployed, disabled people and other target groups. Providing financial support to social enterprises targeting disadvantaged people by providing training, coaching and jobs was an interesting and relatively low-cost element for governments to include in their programmes against unemployment. The different types of support will be illustrated more in depth in Section 4.2.

Most public policies have been targeted at specific activity sectors (e.g. recycling, health, etc.) or social missions (e.g. work integration, 'proximity services', etc.). Even if the regions and communities have currently inherited most of the competences with regard

to social enterprise, much work on structuring and supporting the sector was achieved in the 1980s and 1990s at the federal level. In particular, measures to recognize and support WISEs (work integration social enterprises), for example 'SINE' and the 'service vouchers system' (see Section 4.2. on public policy), were developed at the federal level through collaboration between the government, practitioners' networks, and supporting stakeholders such as the *Fondation Roi Baudouin/Koning Boudewijn Stichting*. Under the impulse of federal cooperation agreements involving the different regions, these measures have been translated and adapted to each region's specific priorities and specificities to the extent that regions have inherited more competences applicable to the social enterprise domain (economy, work, innovation, social affairs, etc.).

Over time, public action has also sought to enrich the organisational landscape beyond work integration and precise social missions to accommodate new organisational forms or to support existing ones in relation to social enterprise. For example, in Flanders, the 'Work and Social Economy' department has continued supporting classical WISEs, but has also favoured the emergence of new social enterprises and cooperatives as a way of enhancing sustainable and ethical business. In Wallonia, a special emphasis on cooperatives has been pursued within the Ministry of Economy over the recent years, whatever their sector of activity, as will be described in the fourth section.

At the federal level, a major evolution has been the introduction of the 'social purpose company' legal framework in 1996 (see Section 2). This framework is not a new legal form but can be added to existing forms of company. Hence, this recognition acknowledges the diversity of social enterprise models, as will be described in the next section.

1.1.6. Philanthropy and social investment

More recently, the development and visibility of social enterprise has also been boosted by the support of foundations and philanthropic actors. Philanthropic funds and foundations, both private and public (such as the King Baudouin Foundation, the Inbev-Baillet Latour fund, Cera, BNP Paribas Foundation, Philipson Foundation, Fondation pour les Générations Futures, etc.) have been instrumental in further developing the sector, for example through grants for early-stage social entrepreneurs, support for established social enterprises, funding of research and master's theses on the topic, actions to increase public visibility, etc.

The support for social enterprises from foundations can be located within a broader trend to move away from 'traditional' philanthropy relying on grants towards 'social investment' schemes that expect payback and interests. This type of 'new philanthropy' is less altruistic and tends to favour social enterprises that are more commercially robust. Although this evolution has been criticized for favouring high returns on investment at the expense of social commitment and societal change orientation, it is an important trend in Belgium, as shown for example in the success of social investment schemes such as Kois Invest and the SI2 fund supported by the Oksigen Ecosystem. Public authorities have started to display an interest in supporting social investment schemes, notably through the experiment of 'Social Impact Bonds'.

1.1.7. A more business-oriented approach

In line with the emergence of social investment, a more market-oriented trend has developed that echoes international trends and translates into notions of social entrepreneurship and social entrepreneurs rather than social enterprise⁽¹⁾. These notions were introduced by international networks and organisations such as Ashoka and Schwab. Specific Belgian support structures such as Oksigen Lab, Poseco and the *Sociale*

⁽¹⁾ In contrast to social enterprise – conceived of as a new entrepreneurial form – social entrepreneurship is meant to designate more general entrepreneurial dynamics oriented towards social innovation and social impact. Although the differentiation of the two notions is a debated issue, it can be said that, compared with the SBI operational definition of social enterprise, social entrepreneurship initiatives do not formally prioritize the pursuit of explicit social aims and they do not necessarily involve participatory and democratic governance.

InnovatieFabriek have also been created to promote the concepts of social innovation and social entrepreneurship in public debate, and more particularly among various actors such as universities and business schools, think tanks, foundations, leaders from the business and social sectors, and the media. However, these approaches have not led to new certification schemes or legal evolutions. The focus has mainly been on supporting new social entrepreneurs and innovative social entrepreneurship initiatives dealing with underserved social needs. Although connections exist with the broader Corporate Social Responsibility (CSR) approach, supporters of social entrepreneurship have emphasized the distinctiveness of social entrepreneurship in terms of prioritizing social impact over financial returns.

2. CONCEPTS AND LEGAL EVOLUTION

2.1. EU Operational Definition of Social Enterprise

This report draws on the organisational definition included in the Social Business Initiative of 2011 that was further implemented by the Mapping Study (European Commission, 2014).

As defined by the Social Business Initiative of 2011, a social enterprise is 'an undertaking:

- whose primary objective is to achieve social impact rather than generating profit for owners and shareholders;
- which uses its surpluses mainly to achieve these social goals;
- which is managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity.'

This definition arranges social enterprise key features along three dimensions:

- the entrepreneurial dimension,
- the social dimension,
- the dimension relative to governance structure.

Provided that the pursuit of explicit social aims is prioritised through the economic activities, these three dimensions can be combined in different ways and it is their balanced combination that matters when identifying the boundaries of the social enterprise.

Building upon this definition, a set of operational criteria were identified by the Commission during a previous stage of this study (see Annex 1 for more details).

2.2. Concept and legal evolution in Belgium

There is no consensus in Belgium as to what constitutes a social enterprise and, more precisely, where the boundaries should be placed around this notion. Either the focus is laid on particular emblematic organisational forms and activity sectors, or a broad view is adopted through a set of distinctive criteria. However, in the latter approach, there is no consensus about how to define or implement these criteria. The approaches are obviously distinct depending on the different actors concerned. Politicians and public authorities view social enterprise according to their specific public policies and competence categories (e.g. economy or social affairs), practitioners may tend to focus on self-identified social enterprises, and university scholars seek to build conceptually consistent definitions that do not necessarily echo the views of practitioners and politicians.

There are also regional differences that should be borne in mind, although these should not be overestimated. In French-speaking Belgium (Wallonia and parts of Brussels), social enterprise is typically presented as the more entrepreneurial subset of the social economy, or as a synonym for the social economy, defined as any economic activity developed by associations, cooperatives, mutuals and foundations and not aiming for profit maximisation. Although there may be discussion about how to define an 'economic activity', the scope is open to a variety of sectors, social missions, and organisational forms. In Flanders, 'social enterprise-social entrepreneurship' and 'social economy' are not used as synonyms, but over the past decades social entrepreneurship has partially been embraced by the social economy. Indeed, while the social economy in Flanders historically tended to be restricted to the integration of low-skilled workers on the labour market (WISEs), this has evolved over time. The social economy is now legally defined (see Section 2 on legal evolution in Flanders and in particular the *Ondersteuningsdecreet*) as a set of 'social entrepreneurial values' developed within various organisational forms and activity sectors. Still, the social economy appears as one sub-set of social enterprise and social entrepreneurship in Flanders, while in Wallonia

it is the other way around. Nevertheless, these regional differences in terms of conceptual interpretation tend to fade away in a context of internationalisation of discourse and practices in this domain, and also when examining concrete social enterprise realities and eco-systems, as described in this report.

When trying to identify social enterprise models in Belgium, it may be tempting to list easily identifiable types such as WISEs, cooperatives, social purpose companies, etc. The problem is that these types are of very varying natures: some refer to a sector of activity, others to a legal form, others to a type of social mission, etc. Hence, they partially overlap. For example, taking the categories listed above, several WISEs are cooperatives with a social purpose. Consequently, it makes little sense isolating heterogeneous and partially overlapping categories.

As an alternative, we propose emphasizing the main purposes or dynamics underlying the organisation, adopting a more academic and abstract standpoint. Three main approaches or ideal types are emphasized in this report, each associated with one or several of the traditions described in the previous section, but not exclusively restricted to one specific legal form or public policy: general interest pursued in an entrepreneurial way (typical of associations, foundations and some social-purpose companies); mutual and general interest combined (typical of cooperatives and mutuals); and private interest combined with general interest (as increasingly observed in companies with a legally or otherwise defined social purpose). The three types represent the number of avenues to social enterprise that potentially comply with the distinctive features highlighted at the international level, for example by the EMES International research network, and implemented by the EU Social Business Initiative. For each type, it is possible to identify social enterprises that lie closer to the key features of the operational definition, as well as organisations that are farther from it and can be seen as 'borderline cases'.

The identification of these three types converges with other mapping exercises, confirming its relevance. For example, the mapping of legal forms of social enterprise conducted by the ESELA network (European Social Enterprise Law Association) highlighted three types that can be associated with our models: associations and non-profit organisations; cooperatives; and limited liability share companies. However, following initial work and consultation of stakeholders, it was decided not to take legal forms as the initial entry point, acknowledging that these forms are vehicles that can be used for different purposes regardless of the legal requirements. For example, a WISE incorporated as a cooperative is likely to be more oriented towards the general interest, in a similar way to most associations, compared with other cooperatives that are more strongly driven by a mutual interest purpose. Similarly, a social enterprise organised as a share company may have chosen to do so for reasons that have nothing to do with the pursuit of the private interest of the founder or shareholders. The typology used here, whilst acknowledging the distinctive requirements and opportunities of different legal forms, rather insists on the underlying dynamics of each social enterprise. In doing so, it converges with the recent work of professors Defourny and Nyssens in the context of the 'International Comparative Social Enterprise Models' (ICSEM) project animated by the EMES network.

As will be explained below, the models differ in terms of the combinations of general, mutual and private interest; governance configurations (models in which members and users are distinct categories; models in which members are users; entrepreneurial models); the practice of participation and democracy; and preferred organisational vehicles (non-profit, cooperative, business, etc.). They are ideal types and it is likely that some social enterprises may combine specific features from two models or present variants. The aim of this typology is to balance inclusiveness (not to exclude certain types of social enterprise *a priori*) and differentiation (not all models function in the same way and rely on the same dynamics).

- *Model 1: Entrepreneurial approach to the general interest*

In the context of the associative tradition mentioned above, an important set of organisations, mainly associations and foundations, pursue a social mission strongly oriented towards the general interest (i.e. disconnected from the members' private or collective interests). These organisations complement the role of public authorities by focusing on particular target groups, often at a local level. Among these general interest-oriented organisations, there has been a growing trend towards engaging in more explicit economic activities and adopting a more entrepreneurial approach. This is facilitated by the legislation on associations, which enables them to develop commercial activities, provided that these activities are subordinated to the organisation's social mission. The general interest is clearly predominant, as the main goal is to support specific categories of people who are often different from the founders of the organisation. Public subsidies remain an important income source for most non-profit organisations, however, as already mentioned, public support increasingly evolves towards public contracts or third-party payments. For some of these organisations, the drive to consider raising higher incomes from the market is increasing, and so is the adoption of entrepreneurial tools and behaviours – this is the challenging but important boundary line distinguishing social enterprise non-profits from traditional non-profits. The 25 % trading income boundary line proposed in the operational definition is difficult to assess in Belgium given the lack of statistics on the organisations' financing mix and the numerous 'grey zones' (e.g. public contracts). However, this first type of social enterprise is undoubtedly found in the largest number of social enterprises.

A large part of the social enterprises in this first type rely on volunteers, in addition to salaried workers. The governance structures are most often composed of members, including volunteers and employees, and possibly other stakeholders: donors, experts, citizens, representatives of other associations or public bodies, but most often not the beneficiaries of the organisation's services. Decision-making in the general assembly is formally democratic (one member, one vote).

Numerous associations and foundations can be included in this first model, which also constitutes the largest portion of Belgian social enterprises statistically (see next section). Illustrations of this model can be found, for example, in the field of personal services (see Annex 2, Illustration 1), education or healthcare.

- *Model 2: Combining mutual and general interest*

The second social enterprise approach combines mutual interest (i.e. the collective interest of the members) and general interest. This model is embodied in particular by cooperatives and mutuals that, alongside their mutual interest orientation (towards their members), have also integrated a strong general interest orientation. They can be existing cooperatives and mutuals that follow this evolution or new cooperatives that have emerged more recently. For example, the new trend of 'citizen cooperatives' tends to start from a general interest perspective and to include a mutual interest dimension. In either case, the members partially benefit from the organisation's products and services (as consumers, producers and/or workers), along with the broader community beyond the sole members. Governance structures such as the general assembly and the board of directors are mainly composed of members, sometimes together with other stakeholders in the context of multi-stakeholder organisations.

Formal decision-making is democratic (one member, one vote, or at least with limits on voting power). The resources are mainly related to the sale of products or services on the market but may also include public subsidies or donations motivated by these enterprises' general interest dimension. The capacity to really engage with a mission beyond benefits for members constitutes the hard-to-define boundary line with 'traditional' cooperatives and mutuals.

This model has recently attracted increasing attention and support, although in Belgium it is less important in numbers than the first. Good examples can be found in the fields of

organic food (Annex 2, Illustration 2), social finance (Illustration 3) and renewable energy (Illustration 5).

- *Model 3: Combining private and general interest*

Finally, under the impulse of more recent networks and support structures promoting social entrepreneurship, a small but growing number of entrepreneurial ventures are emerging that share with the previous models a focus on a social mission, but also differ from the other models in various ways. First, their resources are mainly based on market income – this is a strong claim of some of these supporting structures, who suggest that at least 50 % of the revenues of the organisation should consist of market incomes in order to qualify as a social enterprise. Governance is not a central theme and these enterprises are often led by the entrepreneur(s) together with a board composed of experts (and not users or workers, for example). The goals combine general interest (the social mission) and private interest (the generation of revenues for the founders and/or investors).

The centrality of the social mission may be secured in different ways, typically the organisation's statutes, external certification (e.g. in the case of fair trade or ethical finance) or participation in a network in which some level of mutual control takes place. As this boundary line is difficult to assess and may be unstable over time, this model as a whole can be seen as 'borderline', which does not mean that all organisations endorsing it are not social enterprises, but rather that it is difficult to isolate, at the category level, business-driven social enterprises from traditional businesses pursuing a corporate social responsibility strategy. A second reason for this type of social enterprise being seen as borderline is participatory governance, which is a way to guarantee pursuit of a social mission. While several avenues are available for achieving this (formal governance, experts' advisory board, network, etc.), qualification as a social enterprise should entail a concrete and permanent way of 'ensuring that the interests of relevant stakeholders are duly represented in the decision-making processes' (See Annex 1, Operational definition of social enterprise).

This approach may be embodied through different organisational vehicles, and it is thus more difficult to assess their statistical significance, as they have emerged only recently and clear discriminating criteria are lacking. Future prospects suggest that they will gain ground in the broader context of the emergence of 'hybrid' forms of social enterprise on the boundary between the social economy as it is traditionally understood and the conventional enterprise world, an evolution also encouraged by the public authorities (especially in Flanders). However, in terms of the number of organisations, this model currently remains less developed than the other two models. Good illustrations can be found, for example, in organic food (Illustration 2), social finance (Illustration 3) and fair trade (Illustration 4).

The following table provides an overview of the three ideal types and their main features with regard to the EU operational definition of social enterprise.

Table 1: Overview of the three ideal-typical social enterprise models in Belgium

Ideal type	Model 1: Entrepreneurial approach to general interest	Model 2: Combining mutual and general interest	Model 3: Combining private and general interest
Underlying dynamics	General interest	Mutual interest + general interest	Private interest + general interest
Social aim	Inherent in the statutes	Either present from start or added to mutual interest	Variable; Challenge of social aim demonstration and prioritization
Economic dimension	Under certain conditions (e.g. >25% market resources)	OK	OK

Ideal type	Model 1: Entrepreneurial approach to general interest	Model 2: Combining mutual and general interest	Model 3: Combining private and general interest
Participatory governance	Democracy OK Challenge of participation (members ≠ beneficiaries)	Democracy OK Participation OK (members = beneficiaries)	Democracy and participation not inherent in this model
Privileged organisational vehicle	Non-profit, foundation or company with social purpose	Cooperative, mutual or company with social purpose	Various (incl. business and independent worker)
Main resources	Public subsidies with growing public and private contracts	Mixed incomes	Market incomes
Boundary line	Economic dimension	Social dimension (general interest)	Social dimension & democratic/participatory governance

In Belgium, as already mentioned, there is no specific legislation embracing the full range of social enterprise. There are, rather, a set of laws, decrees (at the regional level), and public provisions related to specific legal forms, activity sectors, and social mission types. A large number of policies and legal provisions potentially apply to social enterprises in various sectors and it is impossible to provide an exhaustive list of all these measures. The main structures, policies and trends at the federal and regional levels are presented in Section 4 (eco-system).

As already mentioned, in terms of numbers, most social enterprises operate as associations. Important as well, but less numerous, are foundations, mutuals, cooperatives and 'social purpose companies' – the latter two categories often being combined with each other. Detailed figures are presented in Section 3 (mapping).

In the context of the Company Law, as already mentioned, the 'social purpose company' framework was created in 1996. This framework is not, strictly speaking, a new legal form; in fact, all types of business corporation can adopt the form of a social purpose company provided that they 'are not dedicated to the enrichment of their members', and their statutes comply with a series of conditions. Under the law, social purpose companies cannot be 'dedicated to the enrichment of their members', while their 'members seek only a limited profit or no profit' and 'do not seek, as the main aim of the company, to procure members any indirect profit'. They must also set out 'a policy for distribution of profits appropriate to the internal and external purposes of the company'. The rules surrounding the participation of stakeholders are also specifically laid down.

The table below provides an overview of the conditions that need to be met for a company to be recognized as a social purpose company.

Table 2: The principles of a social purpose company

1) Members seek only a limited profit or no profit at all.
2) Clear description of the social goals to which the activities of the organisation would be dedicated, whereby the main goal cannot be to confer indirect financial benefit on its members.
3) Description of the way in which the profits are appropriated according to the internal and external characteristics of the organisation, taking into account the statutes and the way the reserves are composed.
4) Publication of an annual report on how it acted for the established social goals of the organisation (though not a fully-fledged social impact report). The report should indicate that the expenses for investment, operating costs and wages are intended to promote the social goals of the organisation.
5) Nobody can participate in the organisation's general assembly with more than one tenth of the votes connected to the shares represented; this percentage is one twentieth when one or more associates have been hired as employee by the organisation.

- 6) The direct capital benefit that the entity pays to its members cannot be higher than the interest rate established under the law that regulates the establishment of the National Cooperation Council, applied to the amount of the shares actually paid.
- 7) In case of liquidation, after all liabilities have been met and the members have been repaid their capital, any surplus should be allocated to purposes as close as possible to the social purpose of the company.
- 8) Procedures allowing each employee to participate in the company's governance through the ownership of shares: make provision for special rules and procedures allowing each member of the personnel to acquire, no later than one year after engagement by the company, the status of associate (this provision does not apply to members of the personnel who do not enjoy full civil capacity).
- 9) Make provision for special rules and procedures whereby members of personnel no longer bound to the company by an employment contract shall lose the status of associate not later than one year of termination of such contractual bond.

The social purpose company framework has attracted much attention nationally and internationally, as the first legal framework specifically focused on social enterprises across various activity sectors. However, it would be very misleading to restrict the view of social enterprise in Belgium to companies using this framework. Indeed, this legal framework (revised in 2007) was adopted by only a few hundred organisations: 598 in 2014. This may be due to the fact that it brings with it a considerable number of requirements, in addition to those associated with the traditional legal form of a company (Nyssens, 2008). A very large number of social enterprises have thus developed without using the social purpose company legal framework but rather by adopting an associative (VZW/ASBL), cooperative (without a formal social purpose), mutual or, to a lesser extent, share company form. Nevertheless, the social purpose company framework should be seen as symbolically important from a legal standpoint in advancing recognition of the view that companies with commercial activities may be structurally oriented towards the pursuit of a social mission whilst complying with all normal requirements for companies, including achieving financial sustainability.

Whilst most public policies for social enterprises are now developed at the regional level (see Section 4), it is worth mentioning that the legal provisions for all legal forms (associations, foundations, cooperatives, mutuals and other companies) are still regulated at the federal level. For example, the recognition of cooperatives is organised through the National Council for Cooperation, as explained in Section 1 (background) when describing the development of cooperatives in Belgium.

Also worth mentioning is the absence, unlike in some other countries, of a 'social enterprise label' enabling the identification of all such organisations. There are some labels and standards, but they are either (i) specific to social enterprises in a specific sector, or (ii) available to all types of organisations.

As regards labels for specific social enterprises, we can mention for example the re-use sector, with 'Cradle to Cradle' in Flanders. In Brussels and Wallonia, the Solid'R, Rec'Up and electroREV labels have been launched by the Ressources network to highlight re-use (of textiles, furniture, etc.) managed by social enterprises and complying with high ethical standards differentiating them from similar activities run by conventional enterprises. In solidarity finance, the 'Financité and Fairfin' label ensures the ethical quality of a number of financial investments such as cooperative parts.??

The labels available to all types of organisation (including social enterprises), include the 'Social Label' (*Label social/Sociaal label*), created to identify products produced under a system that respects workers' basic rights. The label was created in the context of a law on socially-responsible production (2002). The label is provided by the administration of the Ministry of Economy in the context of its CSR support policy. However, very few companies have asked for this label and the interest from social enterprises has been virtually non-existent.

Finally, in fair trade, for example, both types of labels exist. Standards are available either for any type of company complying with the specified standards (typically

Fairtrade, managed here by Fairtrade Belgium, or alternatives such as Ecocert and IMO Fair for Life), or for social enterprises fully embracing fair trade principles throughout their organisational practices (World Fair Trade Organization-WFTO, represented in Belgium by the Belgian Fair Trade Federation-BTTF).

2.3. Fiscal framework

In Belgium, there is a major difference between associations and foundations, whose surpluses must be reinvested in the activities and are thus not taxed, and companies, all subject to Company Tax. Except for the few fiscal measures described at the federal level (see the part on federal policies in Section 4), there are no tax benefits specific to social enterprises. Rather, social enterprises organised as companies have the same fiscal rights and obligations as other companies.

Some associative social enterprises can provide tax deductions to private or institutional donors under certain conditions. At the regional level, there are also deductions in social security contributions for the employment of particular workers who have been unemployed (even for a short time).

Two measures are focused on specific WISEs, recognized as such at the regional level, but for which fiscal advantage is still a federal competence: EI (*entreprise d'insertion*) EFT (*entreprise de formation par le travail*) and social workshop (*sociale werkplaatsen*). First, thanks to a law from 2000, these WISEs can benefit from a reduced VAT rate (6 % instead of 21 %) when they sell recycled or re-used goods that have been collected freely (for example garments or electronic devices). The measure also applies to services produced by these WISEs, with a set of exceptions. Second, thanks to a law passed in 1999, these WISEs can benefit from tax reductions when they put part of their profits into an asset lock scheme.

A third fiscal measure managed at the federal level is the 'Maribel Social', which aims to promote the creation of employment in the non-profit sector. The fund provides social security tax breaks in 'non-market' (*non-marchand*) sectors such as healthcare, social services, etc. These tax breaks are then mutualized at the level of these different sectors and redistributed among individual organisations to support additional employment opportunities. Such mutualisation is rather unique to the non-profit or, as it is called by the practitioners, 'social profit' sector. The measure is thus not specific to social enterprises, but can be used by non-profit and mutual social enterprises active in sectors such as health, education, culture, social services, etc.

The following table summarizes the fiscal treatment of social enterprises in Belgium.

Table 3: Fiscal treatment of social enterprises in Belgium

Reduced social security contributions/costs	Tax exemptions and lower rates	Tax reductions to private and/or institutional donors
Social security tax breaks are provided in the healthcare and social service sectors. At the regional level, deductions in social security contributions are envisaged for the employment of particular workers.	Under certain conditions, WISEs benefit from a reduced VAT rate. WISEs' profits put into an asset lock scheme are subject to tax reductions.	Can be provided under certain conditions.

3. MAPPING OF SOCIAL ENTERPRISE IN BELGIUM

3.1. Measuring social enterprises

The different definitions of social enterprise and degrees of connection with the broader 'social economy' have important implications, of course, when attempting to estimate the weight and numbers of social enterprises. The difficulties in providing precise figures are related to the blurry nature of the boundary lines surrounding social enterprise and its different models. As there is no legal or statutory framework embracing the whole scope of social enterprises and specifying criteria similar to those proposed in the EU operational definition, it is not possible to provide precise statistics.

Several efforts at calculation have been undertaken, but each of them faced limitations and there is no general agreement either on where exactly to put the boundaries around the social enterprise notion or on the precise figures. Two types of calculation exist: 'bottom-up' approaches summing up the known figures for some of the most easily-definable social enterprise types, and 'inclusive' approaches aggregating populations of organisational forms of which a certain share could be considered as a social enterprise, according to the operational definition. While 'bottom-up' calculations probably underestimate the number of social enterprises because they focus only on the types that can most easily be identified, 'inclusive' calculations probably over-estimate the number of organisations corresponding to the EU operational definition.

3.1.1. Bottom-up approaches

Among the bottom-up approaches, a report on social enterprises in Belgium was produced in 2013 by I-Propeller (now part of Oksigen ecosystem) for the King Baudouin Foundation (Huysentruyt et al., 2013). The mapping counted between 2 210 and 3 170 social enterprises.

Another bottom-up mapping was conducted by I-Propeller/Oksigen in 2014 in the context of the EU-funded Seforis project. To study social enterprise in Belgium, the authors adopted an alternative cost-effective and reliable sampling method called respondent-driven sampling (RDS). RDS consists of an enhancement of network or 'snowball' sampling, in which data on who recruited whom and the extensiveness of network connections provide a basis for calculating relative inclusion probabilities, population indicators of minimal bias, and the variability of these indicators.

The authors defined a social enterprise as 'an organisation that has creation of a social impact as its primary goal but that does so using traditional business methods, that is, by selling a service or product in the marketplace or to government'. Several screening criteria were applied: the organisation should be driven by a social mission (which was assessed using an elaborate 7-item scoring grid); it should have a minimum of 1 FTE (full-time equivalent); and self-generate at least 5 % of overall revenues, that is through selling products or services in the market, or charging fees for services or product sales.

Bottom-up approaches provide a more focused and therefore more easily identifiable picture of a set of social enterprises, most of which identify themselves as such. Yet, by doing so, they may ignore organisations that comply with the operational definition but are less typically associated with social enterprise and/or cannot be identified through statistics. For example: non-profit organisations that have more than 25 % earned income but are not necessarily identified with or perceived as a social enterprise, or cooperatives that pursue a general interest mission without having adopted the form of a social purpose company.

3.1.2. Inclusive approaches

The inclusive approaches extend the scope to be sure of including the above-mentioned organisations, but in doing so probably include organisations that do not comply – at least not totally – with the EU operational definition. In this context, the view of social enterprise as corresponding to the broad definition of the social economy, while not being restricted to its sole market-oriented component, has been endorsed in the statistics on

social enterprise in Belgium collected by the French-speaking platform ConcertES (*Concertation des organisations représentatives de l'économie sociale*, asbl) in the context of the *Observatoire de l'économie sociale*.

These statistics have led to the publication of yearly reports on the social economy (in the broad definition) in French-speaking Belgium. At the national level, these statistics have also been used by the University of Liège (*Académie des Entrepreneurs Sociaux* at HEC Liège Management School) to publish a yearly Social Enterprise Barometer (*Baromètre des Entreprises Sociales en Belgique*) (from 2014 onwards). The 2016 Social Enterprise Barometer has identified more than 18 000 social enterprises, defined broadly as not-for-profit structures (non-profit, cooperative and mutual organisations, and foundations) developing an economic activity (in the broad sense, not necessarily above the 25 % threshold for earned income) in pursuit of a central social aim, striving for democratic and participative governance, and having at least one paid worker.

In conclusion, because of the varying definitions and interpretations, the bottom-up and inclusive approaches differ quite strongly when it comes to providing statistics – with 3 000 and 18 000 organisations respectively. Hence, the difference in terms of numbers seems to relate mainly to different interpretations of the social enterprise phenomenon and different ways of framing it – as either a very specific and distinctive form, or as an 'area' of diverse organisations located in between the public and private for-profit spheres. If we refer to the EU operational definition and the broad definition of an economic activity as the production of goods and services, it is likely that the numbers will tend towards those generated from the inclusive approach.

3.2. Social enterprise characteristics

In terms of fields of activity, it is not possible to provide an exhaustive list. The most commonly cited examples include social services, education, ethical finance, integration of low-skilled workers, fair trade, renewable energy, recycling, healthcare, etc. Social enterprises are, however, active in a very broad set of fields related to the production of goods (food, garments, furniture, energy, etc.) and services (retail, transport, homecare, education, health, culture, insurance, finance, IT, construction and refurbishing, etc.). Certain sectors display a homogeneous set of social enterprises, especially where public regulation is important. In other sectors, variants on the three models mentioned above can be found.

With regard to the characteristics of the mapping exercises mentioned in the first part of this section, a few relevant figures are worth mentioning.

The 2013 and 2014 mapping studies on social enterprises in Belgium conducted by I-Propeller (for the King Baudouin Foundation and for the Seforis project) provide some interesting information, although they are based on a very limited number of organisations (72). The majority of the organisations had the non-profit legal form (VZW/ASBL), sometimes combined with another form. Only 5 % of the sample had adopted the social purpose company framework. In terms of employment, 21 % of enterprises surveyed had up to 10 employees, 43 % between 10 and 50 employees, 18 % between 50 and 250 and 18 % over 250 employees, with an average of 114 employees. More than 70 % of the social enterprises were more than 10 years old and only 10 % were less than 4 years old. With regard to the demographics and other characteristics of employees of the social enterprises surveyed in 2013, the study revealed that 80 % of all directors are male and 46 years of age on average. Over half hold a Masters or MBA degree, although academic backgrounds were very varied. Two thirds of the social enterprises offered their products and services directly to the final consumer, whereas 44 % were involved in B2B.

In terms of resources, 56 % of revenues, on average, came from selling products and services on the market. Fifteen per cent of the social enterprises surveyed relied exclusively on market revenues. On average, 40 % of the revenues came from grants, mainly public subsidies, and only 2 % from donations. Eighty per cent of the social enterprises surveyed tracked their social impact, but in most cases they only had one

indicator, most often related to the quality and quantity of employment provided to people initially excluded from the labour market.

Regarding the more inclusive approaches, the annual Social Enterprise Barometer produced by the *Académie des Entrepreneurs Sociaux* (HEC University of Liège) provides interesting information regarding employment, activity sectors and regional distribution. The study finds that the number of social enterprises – in the broad sense – remained very stable between 2010 and 2014 at just over 18 000. Since 2008, there has been slight growth (+2.2 %). However, the evolution varies greatly by region: +4.1 % in Brussels (reaching nearly 4 600) -2.6 % in Flanders (7 000) and +0.9 % in Wallonia (6 500). The density of social enterprises in relation to population is also higher in Wallonia and much higher in Brussels, which can be explained by the fact that numerous organisations have their headquarters in the capital city even when they operate in the other regions.

The most impressive growth was seen in employment in social enterprises. While employment in the public and private ‘for-profit’ sectors fell between 2008 and 2014, it grew strongly in social enterprises (+11.5 % at the national level), with dramatic growth in Brussels (+25 %) and considerable growth also in the two other regions (+9.1 % in Flanders and +7.2 % in Wallonia). In Flanders, interestingly, there has been an increase in employment but it has been concentrated within a smaller number of organisations. With 371 000 full-time equivalents, social enterprises represent 17 % of private employment in Belgium. As the inclusive approach considers most employer non-profit organisations as social enterprises, it is logical that the bulk of employment (90 %) is to be found in associations, the remainder being found in mutuals, foundations, cooperatives and social purpose companies. Another consequence of the inclusive approach is that the activity sectors recording the highest numbers of workers are health, social services and education.

The study also finds a strong gender imbalance, with 70 % of jobs (full-time equivalents) occupied by women and only 30 % by men, which heavily contrasts with the rest of the economy (45 % and 55 % respectively). This imbalance is particularly strong in the sectors of health and education. In terms of age distribution, 20 % of the full-time equivalents are occupied by people less than 30 years old, 26 % between 30 and 40; 27 % between 40 and 50; 24 % between 50 and 60 and 3 % above 60 years old. This places social enterprises in between the public sector (older workers) and the private ‘for-profit’ sector (younger workers).

The following table summarizes some key information on social enterprises in Belgium, based on statistical information from Concert-ES and the University of Liège.

Table 4: Social enterprise statistics in Belgium (2014)

Number of social enterprises	18 074
<i>Growth since 2008</i>	+2.2 %
Number of workers (FTEs)	371 478
<i>Growth since 2008</i>	+11.5 %
- Associations (90.1 %)	334 945
- Foundations (2.4 %)	8 922
- Cooperatives and/or social purpose companies (3.8 %)	14 126
- Mutuals (3.6 %)	13 383

4. ECO-SYSTEM

4.1. Key actors

As networks and support structures will be described later in the text (Section 4.3), we will focus here on public authorities. In Belgium, although a few competences remain at the federal level, the bulk of competences related to social enterprise fall under the jurisdiction of the regions. The vision of social enterprise and the social economy at the political level is different from that within academic circles and among practitioners: it is more focused and related to specific public policies in the area of employment, innovation and the economy. In this section, we focus on the departments and institutions that claim competence over this domain – acknowledging that social enterprises in the broader sense of the term are regulated by a broader set of policies depending on their organisational type and sector of activity.

At the federal level, there used to be Ministers (1999-2004) and Secretaries of State (2004-07) on the Social Economy, supported by a specific administrative unit. Over the years, however, as the competence on the economy was gradually transferred to the regions, the regulation of and support for social enterprises increasingly became a regional matter. For example, after the broad institutional reform of 2008, several federal measures such as SINE (Social integration economy, *Sociale inschakelingseconomie*) and the service voucher system were transferred to the regions. Until 2014, a few support and coordination tools remained within the federal administration for social integration (POD SI - SPF IS), more specifically through the department for Social integration, the fight against poverty, the social economy, and large cities. Since 2014, all policies around social enterprise and the social economy are taken autonomously by each region. Nevertheless, the federal department still promotes the sharing of information and practices and represents federal Belgium in the GECES (Expert Group on Social Entrepreneurship, established by the Commission).

In Flanders, social enterprise lies at the crossroads of the domains 'Work and the Social Economy' and 'Economy, Science and Innovation', although the topic is most explicitly related to the former and dealt with by the Minister for Local and Provincial Government, Civic Integration, Housing, Equal Opportunities and Poverty Reduction. In Flanders, historically, social enterprise tended to be restricted mainly to the integration of specific target populations (such as the unemployed or disabled people) through a work activity, as well as to the area of local services. Previous decrees such as the *Meerwaardendecreet* in 2000 structured the field into several sub-sectors within work integration (*invoegbedrijven*, *sociale werkplaatsen*, *beschutte werkplaatsen*, etc.) but also beyond, supporting advice structures and incubators. The support was extended more broadly to cooperatives active in a variety of sectors (including health in education from 2009 to 2014). The structuring of the field was carried out hand in hand with the representative network VOSEC (Flemish coordination for the social economy). Under the Flemish Government active from 2009 to 2014, an important restructuring of support for the field was prepared and gradually implemented. Three decrees were adopted by the Flemish Government in 2013 to re-orient its support: the first decree was on support for social enterprises across all types and fields (*Ondersteuningsdecreet*), the second was on work integration (*Maatwerkdecreet*) and the third was on local services (*Lokale diensteneconomie*). The second decree (*Maatwerkdecreet*) is currently blocked because of a complaint from two *maatwerkbedrijven*, hence the previous regulation still applies. A lot of work is being done to get the new regulation – possibly slightly amended – back on track. The support measures are managed by the Department of Work and Social Economy (*Departement Werk en Sociale Economie*), and more particularly the unit *Afdeling sociale economie en duurzaam ondernemen*. This unit both advises policy-makers and is in charge of implementation of the policies.

In Wallonia, social enterprise has historically been at the intersection between the Ministry of the Economy and the Ministry of Social Affairs. However, over recent years, the Minister of the Economy (also in charge of Industry, Innovation and the Media) has

developed a particular ambition to develop the 'market-based social economy' (*économie sociale marchande*), thereby integrating the bulk of regulation and support for social enterprises into the economic policy sphere. As will be explained next, this has led to promoting, above and beyond specific measures, the access of social enterprises to classic support measures for all types of companies. Social enterprises in less market-oriented sectors, however, still remain mainly regulated by the Ministers in charge of their specific domains (e.g. education, health, culture, etc.).

In Brussels, social enterprise lies at the interface of Economy and Employment, which are dealt with by the same Minister. Again, other competences relating to the social enterprises' fields of activity must be taken into account.

Finally, in the German-speaking community, the Minister for Social affairs is responsible for the social economy, with a point of contact in the Ministry of Employment.

It is worth mentioning that, to ensure the consistency of public policy in this domain, the federal state has signed agreements with the regions/communities, the first one on the social economy in 2000, with a second one on the 'plural economy', including social enterprise and corporate social responsibility, in 2005. These agreements included substantial financial means provided to the regions and common objectives across the different federated entities, enabling important stimulation of, and visibility for, social enterprise and the social economy countrywide.

4.2. Policy schemes and support structures

4.2.1. Support measures addressed to all enterprises that fulfil specific criteria

Both in more and in less market-oriented sectors, a large array of policies apply to organisations of every stripe, including, but not restricted to, social enterprises.

Overall, there is a variety of broader public policies not specific to social enterprises that do have an important influence on some of them and that cannot be presented extensively here. They may be policies in the area of enterprise and innovation, or in the area of healthcare, social services, culture, education, etc. These sectors include numerous associations and mutuals that are not necessarily perceived as social enterprises and often do not perceive themselves as such, but that largely comply with the EU operational definition. These organisations are represented by cross-sector networks that, interestingly, have developed the notion of 'social profit organisations' and emphasize both their economic and social role (see Section 4.3 on networks).

For example, social enterprises have access to a broad range of support measures available to any type of company or at least to other, non-social enterprise organisations as well. For example, the **SINE** (social integration economy) measure, previously managed at the federal level and transferred to the regions in 2014, stimulates the employment of long-term unemployed people in several types of organisations, including social enterprises. SINE provides this type of support through lower social security contributions (up to EUR 1 000 per quarter) and a so-called labour costs allowance (up to EUR 500 per month) allocated by the National Employment Office to employers of eligible persons. Applicant organisations have to provide proof that certain criteria are met. Not all support from SINE focuses on social enterprises, and many organisations that have received funding are community centres and so-called 'public centres for social action' (CPAS/OCMW). SINE is therefore a relatively broad public support measure (subsidy) that is not targeted at social enterprises as such, but does include them.

Another scheme not restricted to but commonly used by social enterprises is the **service voucher system**. This system has been particularly instrumental in the development of WISEs. The service-vouchers scheme, developed by the federal government in 2001, is designed mainly to foster the development of regular jobs in the housework field for people with few qualifications, where services were hitherto provided mostly on the black market. Any person wishing to purchase housework services can buy vouchers and benefit from tax reductions. The user chooses an accredited provider, which sends a

worker to the client's house. Workers are hired by the providers and not directly by the households, which are clients of the providers (Defourny et al., 2010). The combination between the WISE model and the service voucher system has been widely applied in the Walloon and Brussels Regions (not in Flanders), which contributed to the development of the work integration field. Again, it is likely that the regions, which are now in charge of managing the service voucher system, will adapt it according to their public policies and budgetary possibilities.

Another area of public support available to social enterprises is **public procurement**. Belgian legislation allows for the inclusion of social, environmental and ethical clauses in public procurement. A federal decision (*circulaire*) of 2014 specifies the different schemes and avenues through which this can be achieved in practice. Thanks to this evolution, local, regional and federal public authorities have been authorized to require compliance with a number of social and environmental criteria. In most cases, social enterprises are indirectly encouraged but the contract remains open to any type of provider, including conventional enterprises. In some cases, however, contracts can be reserved for certain types of organisations, thereby directly favouring social enterprises (typically WISEs).

In Flanders, there is a Flemish Action Plan for more ethical public procurement (managed by the *Afdeling sociale economie en duurzaam ondernemen*). It supports pilot projects for the adoption of ethical public procurement practices. In-C is also in charge of managing contracts specifically reserved for WISEs. In Wallonia, a decree of 2013 encourages local authorities to direct public procurement in a more sustainable way. For example, social, environmental and ethical clauses can be integrated into the definition of public tender calls, the technical requirements, the selection and attribution criteria, and the clauses regarding market performance. Several documents and facilitation tools have been proposed to both local authorities and social enterprises to facilitate this process. 'Social clause facilitators' have also helped local authorities to introduce social clauses (training, sub-contracting to social enterprises, etc.) within construction contracts. In Brussels, social performance clauses have been supported through Actiris (the public employment agency).

Overall, thanks to the federal regulation and the support measures developed by the regions, the use of social and environmental clauses in public procurement is well developed in Belgium and underpins the role of public authorities as important clients for social enterprises. In many cases, public contracts have gradually replaced public subsidies.

4.2.2. Support measures specifically addressed to non-profit organisations

Most non-profit social enterprises organised as associations and mutuels are governed by regulations specific to their field of activity (e.g. health, education, culture, etc.) rather than their organisational type. The organisation and funding of social security, including, for example, health and invalidity insurance, pensions, unemployment allowances, reimbursement of medicines, etc., are still managed at the federal level, as well as various regulations regarding, for example, employment. Through these policies and regulation levers, the federal level thus has an important influence on non-profit social enterprises active in healthcare, child and elderly care, the fight against unemployment, and social services more generally. Due to space constraints, the policies not specific to but partly applying to social enterprises cannot be presented exhaustively here, but should be borne in mind when considering the regulatory framework of each activity sector. The UNISOC (see Section 1) works to mediate such influence after being recognized as a key stakeholder in the negotiations (e.g., the National Work Council) at the federal level.

Another policy area relevant to but not restricted to social enterprises is social innovation, which has enjoyed an increasing attention in recent years. A specific example is the Social Innovation Factory (*Sociale InnovatieFabriek*), created in 2013 under the impulse of the Ministry of Work, Economy and Innovation and the Flemish Agency for

Entrepreneurship and Innovation. It 'promotes, guides and supports social entrepreneurship and social innovation in tackling societal challenges' and combines the roles of advisory structure and incubator. Moreover, through the *Sociale InnovatieFabriek*, entrepreneurs can request a feasibility study and (co-)financing from the Flemish Agency for Entrepreneurship Innovation. The network also assists innovators in their search for other partners or funders/investors.

4.2.3. Support measures specifically addressed to social enterprises

Support measures specific to social enterprises mainly address WISEs. Previously managed at the federal level, the gradual regionalisation of this competence has led to different accreditation schemes in the three regions of the country. Although similarities remain, there have been increasing differences, depending on how WISEs have been used as important tools for social integration through employment. Across the three regions, the recognition of WISEs has led to an increase in the number of initiatives adopting specific accreditations, and this has contributed to the integration of those WISEs within public policies (Lemaître & Nyssens, 2012).

Various accreditation schemes coexist in the Belgian work integration landscape; they differ according to the region in which the WISE is established and according to the type of work integration and the target groups the enterprise is working with. These types of WISE are summarized in the following table, with their specific names in the three regions.

Table 5: Types of WISE in Belgium

Type of activities	Walloon Region	Brussels-Capital Region	Flanders Region
Work integration of disabled people	<i>Entreprises de travail adapté</i> (ETA, formerly 'Ateliers protégés')	<i>Entreprises de travail adapté</i> (ETA)	<i>Beschutte werkplaatsen</i> (BW), forthcoming as 'Maatwerkbedrijven'
Work integration of people with psycho-social difficulties	-	-	<i>Sociale werkplaatsen</i> (SW), forthcoming as 'Maatwerkbedrijven'
On-the-job training of the target public for a limited period	<i>Entreprises de formation par le travail</i> (EFT), as one type of 'CISP' (<i>Centre d'insertion socio-professionnelle</i>)	<i>Ateliers de formation par le travail</i> (AFT)	<i>Werkervaringsbedrijven</i>
Work integration of people in difficulty	<i>Entreprises d'insertion</i> (EI)	<i>Entreprises d'insertion</i> (EI)	<i>Invoegbedrijven</i> <i>Maatwerkafdelingen</i>
Work integration of people in difficulty on the labour market and development of proximity services	<i>Initiative de développement de l'emploi dans le secteur des services de proximité à finalité sociale</i> (IDESS)	<i>Initiative locale de développement de l'emploi</i> (ILDE)	<i>Lokale diensteneconomie</i> (LDE)

- *Support measures for WISEs in Flanders*

In Flanders, the three decrees passed in 2013 aim to provide specific support to social enterprises. The so-called *Ondersteuningsdecreet* is concerned with support for social enterprises beyond the areas of work integration and local services to include different forms of economic activity with a social purpose and their connections with the broader themes of sustainable development and corporate social responsibility (CSR). The decree aims to streamline public support while increasing effectiveness and efficiency. It provides for the establishment of a committee for the social economy within the Flemish Social Economic Council, a large structure for collective support programmes, targeted financial support, subsidies for management consultancy, support for innovation and CSR and scientific management courses.

A specific aim of the decree is to provide direct support for social enterprises rather than for a limited set of networks or federations. In this context, the former Flemish social enterprise network (VOSEC) lost its subsidy. In order to organize the support for social enterprises, a call for tenders was issued to endorse the role of the Flemish Government in channelling support to the individual organisations that can ask for support and consultancy under different forms.

This new structure provides, among other things, information, awareness raising, training courses, learning networks and knowledge development as well as a specific offer for start-ups. Currently this public contract is held by in-C. The support is directed towards a broad range of social enterprises, including cooperatives and social entrepreneurs.

Innovation in social enterprises is also supported by the Flemish Action Plan towards more ethical public procurement. Social innovation experiments are additionally supported by the European Social Fund. There was, for instance, a call for projects on innovative organisation of work. Social innovation is also one of the tasks within the support structure for the social economy (currently run by in-C). One example of this is the work being done on the theme of food wastage. An example of the concern for social innovation within the Department of Work and Social Economy is the work being done on complementary currencies.

The second decree regulating the work integration sector (*Maatwerkdecreet collectieve inschakeling*) was passed in 2013 but is currently blocked and under judicial review. One of the goals was to extend the support provided to WISEs so as to target a broader spectrum of enterprises that facilitate work integration. When an enterprise institutionalises the pursuit of inclusion goals (i.e. *maatwerkbedrijven* or WISEs), it must adopt a non-profit or social purpose company status and have at least 65 % of its workers (and at least 20 people) from disadvantaged target groups (disabled people, people with a psycho-social weakness or economically vulnerable people). When it is a conventional enterprise that integrates disadvantaged target groups into work, it must create a department dedicated to supporting the inclusion of least five disadvantaged people (*maatwerkafdeling*).

The third decree of 2013 focuses on the local service economy (*Lokale diensteneconomie*), i.e. services that are provided at home (such as cleaning and gardening, occasional childcare) or in the neighbourhood (such as child or elderly care organised at neighbourhood level) and that involve workers from disadvantaged target groups. The decree organizes local services consistently with the first work integration decree and with EU legislation. Compared with previous legislation, the new decree organizes support for workers in relation to the distance they must travel to work.

The Flemish Government also provides grants for consultancy services from one of the consultancy organisations accredited for social enterprise. In addition to this, the Flemish Government:

- has a scheme for investments in the infrastructure of sheltered workshops;
- supports local authorities in developing a policy on social economy and CSR;
- provides in support for innovation through calls for innovation and start-ups;
- invests in scientific research on social economy issues.

- *Support measures for WISEs in Wallonia*

At the Walloon level, support for social enterprises in their more market-oriented dimension (i.e. corresponding to the 'social economy' for Walloon policy-makers) lies within the competence of the Ministry of the Economy, Industry, Innovation and the Media. Nevertheless, due to the cross-thematic nature of this domain, inputs from and interactions with other ministries are regular, notably with the Ministry for Employment and the Ministry for Social Affairs. Over recent years, the Minister of the Economy, Jean-Claude Marcourt, has given a new impulse to public policies on the social economy along three major lines. First, there has been a willingness to move away from a 'utilitarian'

perspective that regards social enterprises as tools for achieving public policy objectives (such as the fight against unemployment or illegal work) towards support for social enterprises 'as they are', because of their added-value within the socio-economic landscape (e.g. the capacity to mobilize new resources, such as the financial and social participation of citizens). Secondly, and in a way related to the previous goal, regional authorities have sought to extend policies beyond the range of WISEs alone, for example by stimulating cooperatives in various sectors. Finally, a third line of action has been to foster 'transversality', i.e. to encourage social enterprises to access 'traditional' economic incentives available to any company in the areas of entrepreneurship, consultancy, financing, etc. Only when the general incentives are insufficient or inadequate is there a willingness to devise adapted support mechanisms.

A decree regulating the social economy, initially adopted in 1990, was redefined in 2008 with the following aims:

- recognize the social economy and integrate it in Walloon legislation;
- provide legitimacy to social enterprises so that they can work on an equal footing with other actors in the economy;
- better articulate the different support mechanisms and devices in the Walloon region, particularly WISEs (both integration enterprises for low-skilled and unemployed workers, and adapted work enterprises for disabled people), recycling and re-use social enterprises, proximity service development initiatives, consultancy agencies, and the Sowecsom funding agency (see below);
- better organize representation of and harmonisation with the sector through the CWES (*Conseil wallon de l'économie sociale*) and ConcertES as the representative bodies.

The CWES is the interface for interaction between the government and the social partners, i.e. representatives of workers (unions) and employers. Administration of this interface is supported by the CESW (*Conseil économique et social de Wallonie*). The CWES gives advice on government policy in this domain, assesses the implementation of specific policies, and provides an overall evaluation of government action. ConcertES is the umbrella organisation for social economy networks and will be further described in the section on networks.

Worker integration is still one of the flagships of social enterprise in the Walloon region. WISEs are supported within public policies in order to integrate within the labour market people who are remote from it, typically disabled people and low-skilled, long-term unemployed, referred to, depending on the severity of their employability deficit, as 'disfavoured workers' (*travailleurs défavorisés*) or 'highly disfavoured workers' (*travailleurs gravement défavorisés*). Four decrees apply to particular types of WISEs, specifying the processes and conditions of recognition (*agrément*) and the related subsidies.

A decree adopted in 2012 and implemented in 2013, replacing an earlier one from 2003, structures the EIs (*entreprises d'insertion*). EIs must be organised as social purpose companies (cooperatives or share companies) and be focused on employing disfavoured workers. The new decree is more demanding in terms of initial capital to be collected (EUR 18 600), governance rules (at least five members on the board with no family connections) and growth orientation. Indeed, the minimum number of workers who may benefit from subsidies for social coaching was raised from three to eight, and the maximum number of workers from 50 to 250 full-time equivalents. In 2014, there were 111 EIs, 60 % of which are active in the field of voucher services (*titre-services*). The number of recognized organisations fell by 30 % due to the more demanding criteria included in the new decree and to mergers between some organisations following the increase in the maximum number of workers allowed.

Another organisational form associated with integration is the IDESS (*Initiatives de développement de l'emploi dans le secteur des services de proximité à finalité sociale*). Social enterprises recognized as an IDESS based on the decree of 2006 offer economically-disadvantaged individuals and socially-minded organisations a set of local

services such as gardening and small-scale refurbishing that are too small in scale to be relevant for the market or targeted by other public support policies. Beyond providing jobs to people excluded from the labour market and serving disfavoured clients, IDESS aim to reinforce social cohesion through proximity services. In 2014, there were 59 IDESSs providing nearly 200 jobs.

A third type of WISE supported at the Walloon level is on-the-job training enterprises aiming to train low-skilled workers through a specific job not performed previously (this is referred to by the term '*filière socio-professionnelle*'). These WISEs are referred to as EFTs (*Entreprises de Formation par le Travail*). Previously regulated through a specific decree, a new decree passed in 2013 broadened the scope of the support scheme, presenting the EFT as one approach within the CISP (*Centre d'Insertion Socio-Professionnelle*) spectrum. Thus, there are two types of CISP: the EFT, referring to social enterprises engaged in economic activities used as a way to train low-skilled workers, and the OISP (*Organisations d'Insertion Socio-Professionnelle*), which are organisations focused only on training. In this report, the focus is laid on the EFT, which can be initiated either privately (*de novo* or from an existing organisation), or through the CPAS '*public centres of social action*').

Finally, the integration of workers with a physical and/or mental handicap is the core activity of the ETAs (*Entreprises de travail adapté*). ETAs are regulated within the Walloon Code for Social Action and Health adopted in 2014. The ETAs were previously supported by the AWIPH (*Agence Wallonne pour l'Intégration de la Personne Handicapée*), which was recently integrated as a specific department for disabilities within the newly created AViQ (*Agence pour une Vie de Qualité*). In 2015, more than EUR 94 million was provided to ETAs in the form of subsidies to compensate for the lower productivity of disabled workers and subsidies in support of staffing, equipment and operational maintenance. To benefit from these subsidies and be recognized as ETAs, organisations must take the form of a non-profit or social purpose company, focus on employing disabled people, and offer such people adapted jobs that take advantage of their skills and provide them with training and professional development. In 2014, 53 ETAs provided jobs, mainly through open-ended contracts, to more than 9 000 people, of which 70 % were men. The activity sectors in which ETAs are involved are very diversified.

There are also support measures for specific WISEs. Following a 2009 decree, updated in 2014, re-use and recycling WISEs benefit from regional subsidies related to the amounts and types of goods recycled or re-used (garments, electronic devices, printer toners, construction materials, etc.). Nine such WISEs were supported and they provided 92 full-time equivalent jobs in 2013.

Another, more transversal regulation area, dating from 2004 (and slightly extended in 2008), concerns the *Agences-conseil*, i.e. recognized support and advice structures for social enterprises (see Section 4.4.3). Seven such agencies currently operate in Wallonia and receive a basic subsidy that can be augmented following implementation of the approved structure (e.g. in terms of number of projects followed, number of people securing a job, etc.). The agencies have recently been more strongly connected to the broader eco-system developed through the AEI (*Agence pour l'Entreprise et l'Innovation*).

Finally, the Walloon Minister of the Economy is currently drawing up a set of measures to support the recovery of failed (or failing) companies by their workers following the workers' cooperative model (known in French as the SCOP, historically *Sociétés coopératives ouvrières de production*, recently given the broader name of *Sociétés coopératives et participatives*). These measures will involve information and education for workers, worker unions and employees, advice, and loans to workers.

- *Support measures for WISEs in Brussels*

In Brussels, historically there has been a focus on work integration and proximity services. As in the other two regions, the first law on WISEs was adopted in the late

1990s and was followed by further support measures as well as a report defining the social economy in Brussels in 1999. This policy domain is specifically addressed by the Ministry of Economy and Employment. The support for social enterprises was, however, extended beyond WISEs in the '2025 Strategy' adopted in June 2015. Within this strategy, 'Objective 10' in particular aims to create a favourable eco-system for the emergence and growth of social enterprises.

Based on a decree adopted in 2004, the Brussels region provides subsidies to EIs (*Entreprises d'Insertion*) i.e. WISEs (for either long-term unemployed or disabled people) and ILDEs (*Initiatives locales de développement de l'emploi*), i.e. local development initiatives. The decree was updated in 2012. In 2015, the budget for these subsidies amounted to EUR 9 million. The EIs must be organised as social purpose companies (since 2012) and the ILDEs must be non-profit organisations. The 2012 decree also organised advice and coaching for WISEs through a set of recognized structures such as Febecoop, SAW-B, Tracé Brussel, FeBIO, L'Associatif Financier and FeBISP (*Fédération bruxelloise des organismes d'insertion socioprofessionnelle et d'économie sociale d'insertion*). In 2016, there were approximately 108 EIs and ILDEs representing more than 1 500 full-time equivalents.

Among other targeted support measures, we can cite, for example, the call for 'Innovative and job-creating social economy projects' launched in 2015, the support for two advisory organisations (*agences-conseil*) and four 'activity cooperatives', and projects on combatting discrimination. Moreover, the public social action centres have also received specific subsidies for helping unemployed people find a job in social enterprises through the federal 'article 60§7' measure.

- *Support measures for WISEs in the German-speaking community*

In the German-speaking community, support is focused on WISEs in the context of the competences for employment, received in 2000 and completed in 2016 as part of the regionalisation process. The social economy is supported by the Ministry for Employment. There is no specific decree on social enterprises but an old federal recognition measure for EIs (dating from 1999) is used. Discussions are currently under way on updating the regulation and implementing new support measures. The support is supervised by the Economic and Social Council (WSR) and implemented by the Ministry of the German Community (*Ministerium der Deutschsprachigen Gemeinschaft*) for 15 WISEs, all non-profit organisations. A platform called Social economy labour group (AKSÖ, *Arbeitskreis Sozialökonomie*) brings together social enterprises, employment agencies, and representatives from government and from the Economic and Social Council (WSR). AKSÖ is involved in the design and implementation of social economy projects planned in the context of the 'Regional evolution plan' of the German-speaking community.

Three types of service are organised for people excluded from the labour market. First, two WISEs are accredited to perform 'psycho-social stabilisation' (*vorschaltmassnahme*) through recreational activities. Second, 'integration projects' (*integrationsprojekte*) consist of training schemes to improve skills. Third, WISEs provide stable employment for the low-skilled and long-term unemployed and for disabled people. Not all the workplaces are stable because the employers have to work with 'article 60§7' workers (sent by the public centres for social action) and other short-term contracts like SINE etc. This is a problem for them and they are seeking other solutions to obtain support for long-term employment for the target group. The first two services, in particular, are financially supported through the European Social Funds.

- *EU-funded support measures for social enterprises*

Support for social enterprises is also channelled through EU funds. The European Social Funds (ESF), firstly, are used at the regional level. In Wallonia, the 2014-20 programme has given rise to numerous projects related to social enterprise, for example a social innovation programme (Agès, Progress and SAW-B), a cooperative incubator (Crédal), new actions on fostering cooperative and social enterprise (PropagES), citizen-based

participative funding (Febecoop), take-over and recovery of failing businesses by workers (PropagES and Syneco), etc.

In Flanders, the ESF are managed by a specialized public agency that launches calls and coordinates the use of funds. The contents of calls are defined by the Flemish administration on various topics – for social enterprise, it is the *Afdeling sociale economie en duurzaam ondernemen* that provides topics and content. In the last ESF programme, the administration proposed, for example, a specific call for projects on cooperative entrepreneurship that aimed to support the projects of cooperatives in new fields of activity.

COOPCity is another related project in the context of the Small Business Act, and is being carried out by SAW-B, the Brussels-Capital Region and several other actors. This EU-funded (FEDER) project aims to create a space for collaboration between, and visibility of, several initiatives that promote cooperative, collaborative and social entrepreneurship. The creation of a common space and support structures for entrepreneurs is aimed at give more visibility to this type of entrepreneurship in Brussels and at fostering the emergence of new projects.

In terms of INTERREG funds, several projects are closely associated with social enterprise and the social economy. For example, ConcertES developed two major projects to map and monitor social enterprises and share best practices across the Brussels region and the Nord Pas de Calais region (France). In 2016, the VISES project was launched by a large consortium including ConcertES, SAW-B, the Centre for Social Economy of the University of Liège, the *Sociale Innovatiefabriek* and many others, to work on the impact of social enterprises.

Finally, most universities and research centres benefitted from EU funding to research social enterprises, for example I-Propeller and Oksigen Lab working with the *Katholieke Universiteit Leuven* (KUL) Selusi, Seforis and Benisi; social innovation projects including the *Université Libre de Bruxelles* (ULB) and the University of Liège (ULg); and several projects related to specific fields of activity.

4.3. Networks

Networks and federations have developed to represent specific types of social enterprise, improve their support and recognition, provide services and foster mutual exchanges. They are organised around a specific organisational form, a field of activity, a combination of field and form, or a transversal multi-form and multi-sector approach.

4.3.1. Networks focused on a specific organisational form

Febecoop and Coopkracht (cooperatives).

4.3.2. Networks focused on a specific field of activity

Réseau Financement Alternatif and Hefboom (ethical and social finance), *LDE-Koepel Lokale Diensteneconomie* (local and proximity services in Flanders), *Komosie* (environmentally-focused Flemish social enterprises), *Belgian Fair Trade Federation*, *Fietsenwerk* (cycle repair and re-use), *Ressources* (recycle and re-use in French-speaking Belgium), *Ronde Tafel Arbeidszorg* (care employment in Flanders); etc.

4.3.3. Networks focused on field and form combinations

Groep Maatwerk (former *Beschutte Werkplaatsen*), *VLAB*, *Febrap* and *EWETA* (adapted work for persons with a disability in respectively Flanders, Brussels and Wallonia); *Atout EI* and *Vlaamsinvoegplatform* (work integration enterprises in Wallonia and Flanders); *SST (Samenwerkingsverband Sociale Tewerkstelling*, the former *Sociale Werkplaatsen*); *FeBISP* and *FEBIO* (socio-professional and work integration in Brussels); *CAIPS*, *Aleap*, *Acfi*, *Aid and Lire et Ecrire*, all working together within the *Interfédération EFT-OISP* (on-the-job training and socio-professional integration in Wallonia); *Coopac* (activity cooperatives); *Rescoop.be* (renewable energy cooperatives); *Fédérations des Maisons*

Médicales; LDE-Koepel *Lokale Diensteneconomie* (local and proximity services in Flanders); Federations of mutuals at the national level, etc.

4.3.4. Networks transversal to field and form

In French-speaking Belgium, ConcertES is the transversal platform for social economy networks and is officially recognized as the main representative of the sector in Wallonia and Brussels. ConcertES collects data on social enterprises of different types and helps to voice the political position of its member networks. ConcertES was set up by Febecoop (cooperatives) along with Syneco and *Solidarité des Alternatives Wallonnes et Bruxelloises* (SAW-B), two networks providing training, raising awareness and producing analyses on social enterprise and the social economy. Another network worth mentioning is RES (*Réseau des entreprises sociales*), which brings together around 20 social enterprises from various fields and of various forms promoting participative governance for workers. This is also the aim of the recently created Union des Scops Wallonie-Bruxelles (USCOP), which takes its inspiration from the French SCOP model (workers' cooperatives).

In Flanders, there used to be an equivalent to ConcertES, called VOSEC. Following the 2013 decree, there is no longer any such overarching umbrella structure, but instead there is a support structure that channels advice and support to social enterprises (currently in-C) (see above in Section 4.3.2). Consultation between the Flemish Government and the more specific social enterprise networks and structures mentioned in the previous sections take place within the context of SERV (*Sociaal en Economische Raad van Vlaanderen*). Social enterprise representatives in this council include Coopkracht and Febecoop (networks of cooperatives), SST, *Vlaamsinvoegplatform* and *Groep Maatwerk* (WISEs), Hefboom (ethical finance), Komosie (environmental social enterprises), LDE (local and proximity services), De Punt and Starterslabo (activity cooperatives) and Fietsenwerk (cycle repair and re-use). With regard to the associative dimension behind social enterprise, we can also cite the network SOM (*Meerwaarde van Social Ondernemen* – 'added-value of social entrepreneurship'), formerly VSO (*Verbond Sociale Ondernemingen*), which brings together non-profit organisations mainly in the sectors of healthcare, wellbeing, work and housing.

A few networks still operate at the national level. As mentioned in Section 1 (background), for less market-oriented, non-profit social enterprises and mutuals in fields such as education, culture, healthcare and social services, the UNISOC (*Union des Entreprises à Profit Social/ Unie van social profit ondernemingen*) acts as a representative body for employers in the social profit sector. As already mentioned, this sector also has representative bodies at the regional level, which develop advocacy in each region and organize numerous training and networking activities: UNIPSO in Wallonia and Brussels, VERSO in Flanders and CBENM/BCSPO in Brussels.

Besides focusing on less market-oriented sectors, a specificity of these networks compared to the ones mentioned earlier is their role in employer representation within the Belgian social dialogue, in which employment regulation is co-constructed by representatives of both employers and employees (i.e. worker unions). This dialogue is organised within commissions (*paritaire comités/commissions paritaires*) at the activity sector level, the list of which is very precise. While it is useful to have specific employer representatives within each sector (for example, work integration for disabled people), since social enterprises typically cross different activity sectors, it is also meaningful to count on inter-professional networks that represent employers across various sectors, which is the case with UNISOC-UNIPSO-VERSO-CBENM/BCSPO at their respective levels. At the Walloon level, ConcertES also act as a representative body for employers, typically within the CWES.

Other less institutionalized structures and networks support more recently established social entrepreneurs across Belgium. First, the Belgian branch of the internationally active Ashoka was launched in 2007 and has been supporting one new social (most often non-profit) entrepreneur per year (i.e. a total of 10). Ashoka is much involved in

awareness-raising and events around social entrepreneurship and related topics such as co-creation between social enterprises and businesses.

Second, the ASBL Poseco launched the 'Positive Entrepreneurs Network' in 2010 to foster exchanges among social entrepreneurs of different types, i.e. those belonging to the first two models associated with the social economy, and the more market-based initiatives increasingly pursuing general interest objectives. In 2015, Poseco and the Positive Entrepreneurs Network celebrated their fifth anniversary and reinforced their advocacy mission of stimulating a stronger and more inclusive eco-system for social entrepreneurs.

A third network, historically focused on CSR but increasingly involved in social entrepreneurship is The Shift. This network was created in June 2015 by the former sustainability networks KAURI and Business & Society Belgium to realise the transition towards a more sustainable society and economy, together with its members and partners. It is the national contact point for CSR Europe and the World Business Council for Sustainable Development and brings together some 350 organisations from various sectors: companies, NGOs and academic institutions, as well as government bodies and other societal players. The guiding principles for The SHIFT are the United Nations' Sustainable Development Goals (SDGs).

4.4. Research, education and skills development

4.4.1. Training and education

Education and training on social enterprise are developed at different levels.

First, several universities and higher education institutions have included courses and programmes on social enterprise and related topics.

In 2011, the University of Liège (ULg) launched a full specialisation (60 ECTS) in Social Enterprise Management in the context of the Master's in Management (HEC Management School), consisting of 6 courses (30 ECTS), an internship and a Master's thesis. A one-year Executive Education programme was launched for social enterprise practitioners in 2012. Several other courses include modules and classes on social enterprise at HEC and in other departments. The *Académie des Entrepreneurs Sociaux* (HEC), together with three chairs on social enterprise, cooperatives and philanthropy (Cera, SRIW-Sowecsom and Baillet Latour Chairs) also develop awareness raising and provide practitioner-oriented training modules.

At the *Université Catholique de Louvain* (UCL), several courses on social enterprise and the social economy are taught (Master's in Economics and in Development at the Open Faculty in Economic and Social Sciences - FOPES). Two chairs also support research and awareness raising on social enterprise and the social economy in the South (Chaire '*Economie Sociale et Solidaire au Sud*') and in the fight against poverty (Chaire '*Les Petits Riens*'). At the Louvain School of Management, a course in social entrepreneurship is included in the 'Ethics in Business' Master's specialisation, and the topic is also taught in certain Entrepreneurship courses.

At the *Katholieke Universiteit Leuven* (KUL), the HIVA (*Hoger Instituut voor de Arbeid*) research centre on labour has developed a long-standing research tradition in the area of work integration, cooperatives and the social economy. There has also been a growing interest from the side of management scholars, in particular through the coordination of the Seforis project in collaboration with I-Propeller and Oksigen Lab. The expertise on cooperative entrepreneurship was developed at the *Katholieke Hogeschool Leuven* through the Centre for Social and Cooperative Entrepreneurship supported by Cera. The research, however, has had few knock-on effects so far in terms of education and training. This is why a Knowledge Centre on Cooperative Entrepreneurship was established in 2015 to stimulate teaching (and research) on this issue at the Faculty of Business and Economics, with the support of Cera and the Boerenbond. Additionally, at the KUL Faculty of Technology, social entrepreneurship is one of the main areas currently dealt with by the 'Leo Tindemans Chair in Business Model Innovation'.

At the *Université Libre de Bruxelles* (ULB, Solvay Brussels School in Economics and Management), a course on social entrepreneurship and social innovation is taught at the Master's level and the topic is addressed in the Business Ethics course. Together with the University of Mons (UMons), where research and training on non-profit/social enterprise management has existed for several years, a 'European Master's in Microfinance' was created in the context of the CERMi ('Centre européen de recherche en microfinance'). The programme has been running for several years and attracts many international students. Moreover, in the Social Science department, two more practice-oriented programmes at Master's and Executive levels have been developed in non-profit management.

At the *Vrije Universiteit Brussel* (VUB), a course on the micro-economics of non-profit organisations is taught in the Bachelor's in Applied Economics, and a Chair in Social Entrepreneurship has recently been created, with research and teaching through CSR and entrepreneurship courses.

Antwerp Management School (AMS) and the University of Hasselt (UH) have jointly launched an executive programme in management in the social economy – understood, however, in the narrow sense of work integration initiatives. Several professors in the two universities have also developed a strong interest in social enterprise.

No other universities offer specific courses yet but, an increasing interest from students and professors has been witnessed. At the University of Gent (UGent), regular activities related to social enterprise are organised, and a number of scholars have demonstrated considerable interest in social enterprise and related topics in the departments of management and sociology. The Vlerick Business School established in different cities (Leuven, Gent, Brussels) also offers an annual Forum for Social Entrepreneurship, and ICHEC Business School in Brussels explores the social enterprise topic in several courses such as CSR, sustainable development and North-South relationships.

Social enterprise is also developed through courses and activities at higher education institutions organizing professional Bachelor's programmes, mainly in social work. For example, the *Sociale School Heverlee* and *Katholieke Hogeschool Leuven* in Flanders, and the *Institut Cardijn* and HELMO in Wallonia offer one or more courses on social enterprise and the social economy for future social workers.

Second, several education and training sessions are also organised regularly by several networks and supporting structures. A non-exhaustive list of structures providing training under different formats includes in-C, *Sociale InnovatieFabriek*, Oksigen Lab, Escala, SAW-B, Unipso, Agès, Ashoka, etc. Three organisations have been particularly active in co-organizing events with universities and higher education institutions: SAW-B ('*Semaine de l'économie sociale*' on several campuses), in-C ('*Sociale economie op de campus*') and Poseco ('*Inspiration Days*' at UGent, ULB and ULg).

Third, it is worth mentioning that the topics of social enterprise and the social economy are also increasingly promoted in secondary schools. Several organisations and support structures have developed projects with this target group, for example, Terre, SAW-B and the *Agence pour l'Entreprise et l'Innovation* (AEI) in Wallonia.

4.4.2. Research institutions and observatories

The universities mentioned above play an important role as observers of the emergence and development of social enterprise in Belgium. Most of the centres and professors conduct research on social enterprise as a whole, on specific topics (for example entrepreneurship, financing, HRM, governance, partnerships, public policies, etc.) or on specific fields of activity (e.g. cooperative entrepreneurship at KUL, microfinance and social finance at ULB, proximity services, fight against poverty and development at UCL, education and health at VUB, work integration at UGent and UHasselt, etc.).

Universities and higher education institutions are also much involved in making research available to field actors and the general public. For example, at the University of Liege, the *Académie des Entrepreneurs Sociaux*, supported by CBC, and three chairs (Cera,

Sowecsom and Baillet Latour), regularly publishes reports to support practitioners and decision-makers. Through the '*Baromètre des Entreprises Sociales en Belgique*', the *Académie* also provides annual figures and trend analyses around social enterprise. On cooperatives, the Cera Chair at ULg and the new Chair created at the KUL provide more specific expertise.

Most networks and federations also have an observatory function, which is sometimes more explicitly formulated. For example, in French-speaking Belgium, in the context of an Interreg project together with the *Nord Pas-de-Calais* region, ConcertES has been running the 'Observatoire de l'Economie Sociale' to collect annual data and analyses on the social economy through the '*Etat des lieux de l'économie sociale*'.

In Flanders, research and monitoring of social enterprises is conducted by the regional administration, more particularly the '*Steunpunt WSE*' as well as the research service within the Department of Work and the Social Economy.

With a greater focus on the business approach to social enterprise, Oksigen Lab has also been involved in monitoring and researching social enterprises through several European projects: Selusi on social enterprise and open service innovations (2009-12), Seforis (Social Entrepreneurship as a Force for more Inclusive and Innovative Societies) (2012-15), Benisi on 'Scaling Social Innovation' (2013-16), etc. Oksigen Lab and more broadly the Oksigen 'ecosystem' have become an important reference in Belgium and in Europe regarding new trends around market-oriented social entrepreneurship.

4.4.3. Advice, consultancy and skills development

A large number of structures also provide advice to social enterprises. For example, Oksigen Lab 'offers a professional coaching trajectory, tailored to the specific needs of a social entrepreneur willing to start up or grow a social business' (Oksigen Lab website). Thanks to an insurance scheme, the tariffs for coaching can be adapted to each social entrepreneur.

In Flanders, the third decree specific to supporting social enterprises organizes and funds support and advice measures. Part of this support is delivered by the support structure (now in-C). In addition, the Flemish Government provides grants for consultancy services by one of the accredited consultancies in the social economy (currently, Febecoop, Hefboom and Mentor). Another key advisory structure active in Flanders is the *Sociale InnovatieFabriek*.

In French-speaking Belgium, advisory structures are publicly regulated as '*agences-conseil*' under a decree passed in 2004 (and now updated). There are currently seven *agences-conseil*, most of which are related to a network or funding structure: Agès, Crédal Conseil, Febecoop, Progress, PropagES, SAW-B and Syneco. These seven agencies play a very important role in supporting both nascent and established social enterprises and help them to achieve both their social and economic goals in better ways. The '*agences-conseil*' have also been recognized as important actors for the 'economic animation' of the territories by stimulating economic redeployment. In order to do so, they are encouraged to build partnerships with the regional agency for enterprise and innovation (AEI).

Finally, it is worth mentioning that traditional consulting agencies are increasingly interested in supporting social enterprises. This is also the case of agencies supporting HRM administration (*sociale secretariaten/secrétariats sociaux*). For example, the *secrétariat social* organised by the French-speaking business network 'Union des Classes Moyennes' (UCM) has created a specific unit for social enterprises.

4.4.4. Incubators

There is currently no specific social enterprise incubator in Belgium, although several initiatives play an incubation role. Oksigen Lab, in particular, devotes particular attention to start-up social enterprises and provides them with funding (through the SI2 fund) and

advice. The *Sociale InnovatieFabriek* supports several emerging projects, most of which can be seen as social enterprises.

Other structures that play an incubation role are the 'activity cooperatives' which are themselves regarded as social enterprises but which incubate projects that are not necessarily socially entrepreneurial. Activity cooperatives include Gusto, De Punt, Go-Actief and Co & Go in Flanders; Dies, Job Yourself and Bruxelles Emergences in Brussels; and Azimut, Avomarc, Challenge, Start Construction, and Step by Steppes in Wallonia. The latter cooperative is run by Agès and includes a growing part of social enterprises. De Punt is more than an activity cooperative and is involved in advice and incubation. Other incubators in Flanders include *De Kempische Brug* and Trividend.

Finally, other entrepreneurial incubators have social enterprises among their supported projects, for example Cide-Socran, and student entrepreneurship incubators such as Solvay Entrepreneurs (ULB) and the Venture Lab (HEC Liège).

4.4.5. Knowledge exchange and facilitation

The transversal networks and supporting structures mentioned before, such as ConcertES and its member structures or In-C, play an important role in learning and knowledge exchange between social enterprises. More recent actors such as the Positive Entrepreneurs Network and Ashoka also play an important role, but, compared to the social economy networks, they focus much more on individual entrepreneurs and less on the whole organisational setting and its internal decision-making rules and division of power

Several on-line platforms have also been created to enable information sharing, mostly focusing on the social economy (e.g. Socialeconomie.be, Econosoc.be, etc).

Support structures have also developed advice to facilitate the interaction of Belgian social enterprises with the EU level. For example, *Kenniscentrum Sociaal Europa* is a support unit set up by several Flemish networks of social (or 'social profit') enterprises to provide support in European funding, networking and regulation. At the European level, it is also worth mentioning the increasing role of 'think tanks', or 'think and action tanks', in terms of research and advocacy. One important Belgium-based actor operating at the EU level is '*Pour la Solidarité*', which is involved in numerous research projects and awareness-raising events related in various ways to social enterprise and the social economy.

4.4.6. Prizes and awards

Several prizes and awards have been created to highlight successful or inspiring social enterprises. In French-speaking Belgium, for several years now, the Social Economy Prize (*Prix de l'Economie Sociale*, formerly Roger Vanthournout Award) rewards four innovative and societally relevant social enterprises (two emerging and two established). The Prize is jointly organised by Agès, Cera, Crédal, *Quelque-chose à faire* and SAW-B, with the financial support of Cera, Crédal and the regional governments of Brussels and Wallonia. UNIPSO organizes the Social Innovation Award to reward three non-profit organisations that are highlighted as particularly socially innovative.

In Flanders, in the context of a European Social Fund programme, social enterprises are highlighted each year as ESF-Ambassadors. Another interesting recent initiative is the *Radicale Vernieuwers* award. This award is organised by *De Standaard* (a major newspaper) and the *Sociale InnovatieFabriek*, with the support of Cera, Coopburo, IWT, the King Baudoin Foundation and the Flemish Government. It aims to support people who develop radical innovations addressing pressing societal needs.

Another scheme deserving attention is the 'Sustainable Partnerships Award' organised by The Shift – however this award is not aimed at social enterprises but rather at a broader set of organisations related to the civil society.

Several awards are also given for the best university Master's thesis in this domain: *Prix de l'Economie Sociale*, including publication of the thesis as an e-book by the publisher

Luc Pire; and 'Student Positive Economy Award' by Poseco. Other awards exist for specific sub-domains, for example the HERA Cooperative and Sustainable Entrepreneurship Award funded by Cera and organised by the *Fondation des Générations Futures/Stichting voor Toekomstige Generaties*.

4.4.7. Connectors with the business world

The connections between social enterprises and the world of conventional enterprises are of particular interest to more recent social enterprise and social entrepreneurship supporters. Structures such as Ashoka, Poseco and the *Sociale InnovatieFabriek* for example, aim to put social and 'classical' entrepreneurs in touch with each other. Ashoka is particularly involved in promoting 'Co-creation', i.e. joint social innovation resulting from collaboration between social enterprises and businesses. Oksigen Lab also organizes mutual coaching and advice schemes to foster exchanges between the two 'worlds'. The Shift also organizes networking events, thematic workshops, and other inspirational events (such as the previously mentioned 'Sustainable Partnerships Award') in order to allow co-creation for societal value between companies, NGOs and other organisations. Building bridges between the social and regular economy is also one of the tasks of the support structure for the Social Economy (currently in-C). In relation to this, the Department of Work and Social Economy also calls for innovation projects on an *ad hoc* basis.

Many other contacts exist at the inter-organisational level without necessarily being managed by a third-party structure. Buyer-seller contracts, in particular, have the potential for becoming long-term partnerships in fields such as fair trade (for example with cases such as Oxfam Fair Trade and Ethiquable), integration of low-skilled or handicapped workers, and sustainable food.

4.5. Financing

4.5.1. Demand for finance

Social enterprises need financing both to cover operational costs and for capital and loans for investments. These needs are important at the time of creation but even more in periods of growth and development. Indeed, while collecting a few dozens or even hundreds of thousands of euro to launch an activity may not be out of reach for social enterprises relying on a solid business plan, it is more difficult to convince funders to provide more significant amounts such as millions of euro. Banks, in particular, remain cautious over funding for projects that are neither totally market-based nor totally out of the market.

During the creation of social enterprises, the collection of funding for the manager's salary can be difficult. As innovative social enterprises often operate in emerging fields with little market maturity (e.g. organic food, fair trade, etc.), the break-even point takes longer to reach. Yet expenses must be covered whilst awaiting for sales to grow. Since the social entrepreneurs are not supposed to fully appropriate future profits, it may be more difficult for them to sacrifice their revenues in the hope of future gains.

With regard to balance funding, according to a recent study (Mertens & Marée, 2012), Belgian associations are very cautious in terms of investments and thus credits.

Except for a few activities and investments such as real estate, social enterprises often take risks similar to those of other economic activities that make funders cautious. However, because of their social mission, social enterprises also often need funding for activities that cannot be fully covered by a market price and thus require specific funding.

Social enterprises organised as associations and foundations and corresponding to the 'Entrepreneurial approach to the general interest' model generally supply collective services that, by definition, require collective funding. As the social challenges are increasingly pressing (e.g. migration, elderly care, environment, exclusion, etc.) and public funding rarely increases, social enterprises of this type need to diversify their

income sources and maintain the support of funders who are committed to their collective services.

Finally, a number of social enterprise activities related to awareness raising among stakeholders (workers, consumers, suppliers, etc.) and the lobbying of public authorities cannot easily be funded. Stakeholder support, however, is key to the long-term success of social enterprises. For this and other reasons, social enterprises tend to group together into networks to promote their distinctive model collectively at the same time as running their own organisations.

4.5.2. Supply of finance

The financing needs of social enterprises are not fundamentally different from SMEs and, therefore, classical financial instruments may in some cases be relevant and sufficient for social enterprises. In other cases, however, when pursuit of the social mission affects the business plan and requires specific non-market resources (such as volunteering and donations), more tailored instruments are needed. In Belgium, several public and private financing schemes have been developed over recent years and together they form a rich supply eco-system.

- *Grants*

Grants for social enterprises are mainly provided by foundations such as the King Baudouin or the Philipson Foundations, and by networks such as Ashoka. Private grants are also collected through crowd-funding via platforms such as Kisskissbankbank and the newly created Oksigen Crowd, now part of Gingo. The Belgian market for crowd-funding is very small but has slowly started growing and while there are no platforms specifically targeted at social enterprises, a number of initiatives do provide financing for projects with social aims (which could include social enterprises). The Belgian authority for financial services and markets (FSMA) has provided specific advice to potential users of crowd-funding, directing them to the relevant legislation and explaining the risks involved.

Public grants are also available for start-up social enterprises, for example in the context of the Bruxell-ES programme in Brussels, or through the Agency for Enterprise and Innovation in Wallonia.

- *Public social investors*

In Flanders, two publicly supported investment schemes exist. The Social Investment Fund (SIFO, *Sociaal Investeringsfonds*) was set up in 2009 as a co-financing fund with recognized financial partners Trividend, Hefboom and Netwerk Rentevrij, of which the former two are still operational. It increases the possibilities for social economy enterprises to obtain investment loans, working capital loans, bridge loans and subordinated loans. The recognized partners are accredited investors who administer applications for 'solidarity co-financing' by SIFO for up to EUR 100 000 and less than 50 % of the total loan (the other part is supplied by Hefboom or Trividend).

The Flemish Participation Fund (*Vlaams Participatiefonds*, Trividend) was set up in 2001 as a capital investor for social entrepreneurs, whether corporations or non-profit organisations. Trividend offers temporary capital participation and subordinated loans for up to EUR 150 000 and less than 50 %. Moreover, it also offers risk management, management support and follow-up.

In Wallonia, the public agency in charge of investing in social enterprises is the Sowecsom (*Société wallonne d'économie sociale marchande*). The Sowecsom is a subsidiary of the SRIW (*Société régionale d'investissement en Wallonie*) specifically devoted to supporting market-oriented social enterprises through funding (loans and capital investment). The Sowecsom was created in 1995 and has since supported more than 200 social enterprises, among which are more than one hundred new-established organisations. The support is available to all social enterprises complying with the criteria of the social economy as defined in the 2008 decree and accepted by the credit

committee and the board of directors. Moreover, support for specific social enterprises (ETA and EFT) has been delegated by the Walloon region.

In 2015, through the Sowecsom, a specific support programme for new cooperatives, called 'Brasero', was created. Brasero financially supports emerging cooperatives in parallel with their own capital collection through members. In other words, Brasero doubles the capital collected by the cooperatives, provided that a set of conditions are complied with. Other public policies and funding measures have been developed to support social enterprises in specific sectors such as work integration, fair trade, short supply chain farming, proximity services and recycling/re-use. The programme was further reinforced in 2016 and given more visibility.

Finally, in Brussels, the regional public investment company (*Société régionale d'investissement de Bruxelles*, SRIB) has located EI and ILDE support within BRUSOC, its subsidiary focused on SMEs. BRUSOC provides loans to EIs and ILDEs (up to EUR 75 000) as well as cash flow loans. BRUSOC works together with a set of local agencies to interact with SMEs and social enterprises.

- *Private social investors*

Private social investors are of various types. Social and ethical financial institutions have long supported social enterprises in different sectors:

- Crédal, a cooperative active in Wallonia and Brussels, was set up in 1984. Thanks to the shares of more than 360 members and funding from institutions, Crédal has a fund of more than EUR 31 million at its disposal to provide loans to social enterprises but also to individuals. In 2015, 2 449 loans credits were granted totalling nearly EUR 30 million.
- Hefboom is a cooperative active in Flanders and Brussels that was set up in 1985. It provides investments in different forms. In 2015, it provided 360 loans to 40 cooperatives, 70 WISEs, 50 other non-profit organisations and 150 starting social entrepreneurs, totalling EUR 22.5 million. Hefboom also provides advice to social enterprises and more particularly cooperatives regarding the interaction with their members.
- Incofin Investment Management CVA: it has 300 shareholders, invests in 10 microcredit institutions and operates worldwide.
- Oiko-Credit: in 2009, its start-up capital was EUR 4.5 million, operating worldwide and mainly active in the sectors of micro credit, fair trade, cooperatives and SMEs.
- Socrowd is a social purpose cooperative itself and offers loans to initiatives 'with added value for society'. It has currently funded over 100 projects for EUR 3.3 million.

New types of social investment funds seeking both social and financial returns have also developed, such as:

- King Baudouin Foundation, a public welfare foundation set up in 1976, provided EUR 22.3 million in 2012 to organisations and individuals mainly located in Belgium (80%). About EUR 21 million was provided through grants and the rest in loans and equity;
- SI² Fund, an impact investment fund set up in 2012 with the mission to generate high social impact and a fair financial return through sustainable investments in social enterprises;
- Oksigen Accelerator: this is an 'insurance' fund of EUR 100 000 that helps to facilitate access to professional coaching for social enterprises and to ensure results-oriented coaching;
- KOIS Invest, another impact investor set up in 2010. It invested about EUR 5 million in 'high impact companies' in equity (in Belgium and its bordering countries as well as in India);
- Oya Seed, provides impact funding (loans or equity) to starting social enterprises;
- Bank Degroef Foundation, encourages entrepreneurship and has a few programmes that include elements of social entrepreneurship support. It includes the 'Brussels

Pioneers' that was founded in 2005, an incubator supporting women entrepreneurs and focused on 'projects with economic potential and creators of sustainable employment'.

- *Banks*

Triodos Bank's Belgian branch was set up in 1993. In 2015, it counted 122 workers and more than 66 000 clients. At the European level, Triodos had a capital of EUR 781 million and more than EUR 7.2 billion of deposits. In 2015, Triodos Belgium had EUR 1.5 billion of deposits, EUR 1.1 billion out of which were transformed into 2 875 loans in the areas of social enterprise, renewable energy, sustainable housing, health and education.

A second initiative worth mentioning is a 'bank-in-being' called NewB. NewB is a cooperative bank currently under construction and supported by more than 100 civil society actors and about 50 000 citizen-shareholders. NewB aims to collect deposits from citizens and institutions and invest them in projects with high social and environmental added-value, including social enterprises.

Finally, it should be noted that traditional banks are increasingly interested in supporting social enterprises. CBC and BNP Paribas Fortis, in particular, have developed specific units and support schemes for these organisations.

- *Social impact bond*

The first Social Impact Bond in Belgium was launched in April 2014. This new Social Impact Bond brings together actors from the public sector (Actiris, the Brussels agency for employment), a non-profit (Duo for a Job) and social investors (gathered by Koïs Invest) in a quest for a common objective: reducing unemployment among young migrants in Brussels. The Brussels-based 'Duo for a Job' has been selected to serve that objective and will benefit from the capital raised via this new financing mechanism. Duo for a Job's innovation is a new approach to the professional insertion of young people with a migrant background: migrant jobseekers are 'matched' with experienced local retirees, and the so-called 'duos' work together during a period of six months to connect the migrant to local networks and help him/her find a professional opportunity. The Brussels region will pay back the private investors to the extent that the social goals have been achieved in terms of the integration of migrants into the labour market.

4.5.3. Market gaps and deficiencies

The number and scope of social finance providers have largely increased over recent years. Beyond the specific needs of social enterprises in times of growth, it can be said that this increase in social finance was due more to the willingness of certain actors to support social enterprises in new ways. Hence, the issue is not so much lack of funding as the lack of new and convincing projects and the growth prospects of existing actors.

Several funding initiatives, instead of just replying to pre-existing demand, also aim to stimulate the emergence and consolidation of social enterprises. For example, the Impulcera (until 2014) and Bruxell-ES programmes specifically aim to support the emergence of social enterprise through funding feasibility studies and business plan writing. Brasero aims to foster the emergence of new citizen-based cooperatives. Grants given by networks such as Ashoka aim to support social entrepreneurs in their early years, as do institutions such as Crédal. Other social finance institutions and funds instead target the consolidation and growth of existing social enterprises. Sowecsom, Brusoc and Triodos also reflect this aim, as do more recent funds such as KOIS Invest and SI2 Fund.

Overall, it is not too difficult for social entrepreneurs to find access to financial support. However, the supply of finance does not always entirely fit with their needs. With regard to traditional business funding, social enterprises are required to demonstrate a solid economic grounding, but internally and with regard to other stakeholders they need to combine their economic development with continuous social added-value. This can be challenging to explain to traditional banks and financial institutions. With regard to funding for social activities, social enterprises may be hampered by the fact that, unlike non-profit organisations relying totally on subsidies and donations, social enterprises also

generate at least some of their own revenue. Hence, when applying for support, social enterprises may 'fall between two stools' and may end up with no support at all. However, the supply of specific funding that takes into account this double bottom line has increased dramatically over the last years and most social enterprises can now count on funding possibilities tailored to their needs.

5. PERSPECTIVES

Without aiming to be exhaustive, this section reviews some of the debates, drivers, obstacles, trends and challenges to the development and diffusion of social enterprise in Belgium.

5.1. Overview of social enterprise debate in Belgium

An implicit but important debate on social enterprise continues in Belgium fuelled by the different conceptions of and visions behind social enterprise. The emergence of more recent, market-based approaches to social enterprise and social entrepreneurship, widely diffused through appealing communication strategies, initially received a cool reception from the established 'social economy' networks. Criticism was expressed towards the new wave of social entrepreneurship supporters, who were suspected of favouring public relations over in-depth action and critical sense. In particular, enthusiastic views concerning the ability of social entrepreneurs to solve all social problems was seen as rather naive and potentially problematic for the legitimacy of the role of the state as guarantor of the general interest. Other concerns related to these actors' exclusive focus on market-based discourses, tools and resources; the focus on individual 'heroic' entrepreneurs instead of collective action anchored in broader networks in the civil society; and the excessively broad definitions that lacked clear boundaries and more particularly organisational guarantees of the primacy of the social mission. Several social economy networks thus perceived these new concepts and their supporters as a threat to the understanding of, and support for, social enterprises as an alternative to be differentiated from the mainstream for-profit business realm.

In contrast to this, more recent social entrepreneurship networks had concerns about the established actors for being too restrictive in their definitions (typically in terms of legal form and governance), too dependent on subsidies and other types of public support, too focused on particular social aims (such as the integration of low-skilled workers), too rigid with regard to generating innovative solutions to contemporary social needs, and too reluctant to legitimize and enter into dialogue with the new approaches. Beyond this mutual suspicion, however, exchanges and collaborations have recently increased and led to some recognition of the complementarities and possible synergies. More explicitly, the social entrepreneurship networks have recognized the importance and expertise of established social economy actors, while the latter have conceded to some extent that the new actors can offer an opportunity to give more visibility to the sector and to introduce and connect different actors across traditional sectoral boundaries (typically with the business sector). Nevertheless, important differences remain in terms of emphases and 'political' visions.

Another debate concerns whether the way in which social enterprises deal with societal challenges complements the action of the State in a win-win perspective, or if, on the contrary, it represents a threat to the general interest and contributes to privatisation dynamics at the expense of public action. This debate is visible in fields such as education, proximity services, healthcare, etc. It may even happen that certain social enterprise initiatives are supported by stakeholders with opposing views on this matter. Hence, whilst social enterprise can form a bridge between different sets of previously disconnected stakeholders, it can also hide fundamental political divergences.

5.2. Constraining factors and opportunities

Several factors can be identified that favour the development of social enterprise in Belgium as such and in comparison with other notions and realities.

First, for more recent actors with a more market-oriented approach, social enterprise appears to be a slightly more flexible and legitimate notion than the social economy, which is associated with a limited set of legal forms with strict governance arrangements. Moreover, as social enterprise refers to the organisational level, it is a more flexible concept that may appear more accessible for other organisations (e.g. small businesses).

Indeed, in their eyes, it does not necessarily require adherence to a structured and regulated 'sector', as the idea of the social economy implies.

On the other hand, some networks and actors within the social economy have also embraced the social enterprise notion to display a more modern, market-oriented approach with regard to the perceived legitimacy deficit – a phenomenon well described in the literature (e.g. Dart, 2004). The term 'social enterprise' has also been favoured on some occasions as a shorter and thus more communicative label than 'social economy enterprise'.

Finally, the international context also plays a role in that, except for a few countries in 'Latin' Europe, Latin America and Canada, the notion of 'social economy' tends not to be used, or to be used in a very different way. In the European context more particularly, the term 'social enterprise' emerges as a common umbrella for a set of diverse roots and approaches. This may provide an opportunity in Belgium for identifying a common phenomenon across internal differences in cultures, regional contexts and approaches.

In spite of these drivers, there are also several obstacles that hinder the development of social enterprises in Belgium.

First, the different types of organisation covered by this notion do not necessarily identify themselves as such. Rather, they tend to identify themselves with the field of activity in which they are involved (e.g. ethical finance, fair trade, renewable energy, etc.) and/or with the precise organisational form they embody. Cooperatives, in particular, affiliate themselves with the cooperative movement and its related federative structures (e.g. Febecoop in Belgium). Non-profit social enterprises involved in sectors traditionally associated with the general interest, such as education and health, have also tended to gather either in sector-based federations and networks, or in 'social profit' federations. Hence, a global and transversal vision of social enterprise across different forms and fields of activity is lacking.

In addition, the structuring of the political actions also emphasizes this distinction between different activity sectors as well as, typically, between the 'economic' and the 'social'. Social enterprise has tended to be restricted to specific public policies, although more recent developments in political actions in Flanders and Wallonia have tended to acknowledge and support a more diverse range of social enterprises.

Such practice and political segmentation is also reinforced in a country such as Belgium, in which there is a rather clear divide in the media and in public opinion between the 'market' sphere on the one hand (understood as 'for-profit business') and the 'non-market' sphere on the other hand (the public and non-profit sector). Hence, everything in the 'grey zone', on the boundary between the 'profit/*marchand*' and the 'non-profit/*non-marchand*' faces greater difficulty in gaining recognition beyond a small group of experts and supporters.

5.3. Trends and future challenges

Social enterprises in Belgium face numerous trends and challenges. Instead of an exhaustive overview, we focus here only on diversification, market recognition, social impact and communication.

- *Diversification*

First, there is a growing recognition by public authorities and other stakeholders that social enterprise should not be restricted to a specific organisational form or activity sector but that it should appear as an umbrella notion for a broad scope of initiatives. Public policy evolution in Flanders (e.g. *Ondersteuningsdecreet*) and Wallonia (e.g. Sowecsom funding) is indicative of this trend, with the creation of the Social Purpose Company framework. In this context, the organisational focus of the social enterprise notion, contrasting with notions such as the social economy that presuppose some kind of 'sector', facilitates the understanding of an organisational type that lies across virtually all socio-economic sectors (e.g. education, health, social services, energy, agriculture,

finance, manufacturing, retail, etc.). Nevertheless, despite this recognition, in concrete matters of support, regulation, or funding, social enterprises are still likely to find themselves working at the crossroads of several policy areas (e.g. education and environment). When applying for support in these policy areas they often 'fall between two stools' and may end up with no support at all.

- *Market recognition*

Aiming for social impact and often relying partly on non-market resources such as subsidies and donations, social enterprises are not always considered as 'true businesses' in spite of their important economic relevance. Social entrepreneurs often report that the challenge of being both economically sustainable and socially relevant requires even more innovation and professionalism than in conventional enterprises. At the macro level, especially in sectors such as health, education, social services etc., social enterprises may be associated with costs and seen as dependent on the 'market' economy in spite of the major economic added-value of their products and services. There is thus a major challenge for social enterprises and their supporters to be recognized as genuine enterprises that contribute to the broader economy.

- *Social impact*

Another key trend (and challenge) for social enterprises is to demonstrate their social impact. Funders and other stakeholders increasingly require social enterprises to demonstrate precisely what added value they can bring in developing solutions to social needs. This may be a complex and costly process for social enterprises taken individually, which is why networks and federations, together with support structures and universities, have started exploring the most relevant ways to measure and communicate their social impact. Instead of a common cross-sector measure such as the social return on investment (SROI), more tailor-made and multi-indicator measures have been favoured. The actors who have explored this issue include Oksigen Lab, the *Sociale InnovatieFabriek*, as well as a consortium including, amongst others, ConcertES, SAW-B, the *Académie des Entrepreneurs Sociaux* and the Ciriec at the University of Liège. Social impact measurement methods have also been developed within an Interreg project ('VISES').

- *Communication and visibility*

Finally, one obstacle to visibility and communication is the fact that several terms still co-exist and are each supported by specific actors, leading to a set of scattered communication actions that fail to diffuse any of these notions successfully. Social enterprise indeed co-exists with the social economy, social or societal entrepreneurship, social profit, the positive economy, etc. This variety of terms is a challenge when communicating to the media and the general public. Several social enterprise networks and support structures have started working together to assess how this challenge could best be overcome. Much energy is certainly required to educate and sensitize Belgian society to the importance and relevance of social enterprise.

6. ANNEXES

6.1. Operational definition of 'social enterprise'

The following table represents an attempt to implement the definition of social enterprise based on the Social Business Initiative promoted by the Commission.

Main dimension	General definition	Relevant Indicators (not exhaustive list) (yes/no or range from low up to very high)	Initial minimum requirements (yes or no)	Examples/boundary cases comments
Entrepreneurial/ economic dimension	Social enterprises (SEs) are engaged in carrying out stable and continuous economic activities, and hence display typical characteristics shared by all enterprises ⁽²⁾ .	<ul style="list-style-type: none"> - Whether the organisation is incorporated (included in specific registers). - Whether the organisation is autonomous (or is controlled by public authorities or other for-profit/non-profits) and the degree of such autonomy (total or partial). - Whether members/owners contribute risk capital (how much) and whether the enterprise relies on paid workers. - Whether there is an established procedure in case of SE bankruptcy. - Proportion of income generated from private demand, public contracting, and grants (proportion over total sources of income). - Whether and to what extent SEs contribute to delivering new products and/or services that are not delivered by any other provider. - Whether and to what extent SEs contribute to developing new processes for producing or delivering products and/or services. 	SEs must be market-oriented (proportion of trading should ideally be above 25 %).	- We suggest that attention be paid to the development of dynamic SEs (i.e. SEs at an embryonic stage of development may rely only on volunteers and mainly on grants).

⁽²⁾ Under Articles 48, 81 and 82 of the Treaty, as interpreted by the Court of Justice of the European Communities, 'an enterprise should be considered to be any entity, regardless of its legal form, engaged in economic activities, including in particular entities engaged in a craft activity and other activities on an individual or family basis, partnerships or associations regularly engaged in economic activities.'

Social enterprises and their eco-systems

Updated country report: Belgium

Main dimension	General definition	Relevant Indicators (not exhaustive list) (yes/no or range from low up to very high)	Initial minimum requirements (yes or no)	Examples/boundary cases comments
Social dimension (social aim)	<p>The social dimension is defined by the aim and/or products delivered.</p> <p>Aim: SEs pursue the explicit social aim of serving the community or a specific group of people that shares a specific need. By promoting the general-interest, SEs overcome the traditional owner-orientation that typically distinguishes traditional cooperatives.</p> <p>Product: when not specifically aimed at integrating disadvantaged people to work, SEs must deliver goods/services that generate a beneficial societal impact.</p>	<ul style="list-style-type: none"> - Whether the explicit social aim is defined at statutory/legal level or voluntarily by the SE's members. - Whether the product/activity carried out by the SE is aimed at promoting the substantial recognition of rights enshrined in the national legislation/constitutions. - Whether the SE's action has induced changes in legislation. - Whether the product delivered, while not contributing to fulfilling fundamental rights, contributes to improving societal wellbeing. 	<p>The primacy of the social aim must be clearly established by national legislation, the statutes of the SE or other relevant documents.</p>	<ul style="list-style-type: none"> - The goods/services to be supplied may include social and community services, services for the poor, environmental services or public utilities, depending on the specific needs emerging at the local level. - In EU-15 countries (and especially in Italy, France and the UK) SEs have traditionally engaged in the provision of welfare services; in new Member States, SEs have played a key role in the provision of a much wider set of general-interest services (e.g. educational services through to water supply). - What is conceived to be of meritorial/general-interest nature depends on contextual specificities. Each national expert should provide a definition of what 'public benefit' means in her/his country.

Social enterprises and their eco-systems

Updated country report: Belgium

Main dimension	General definition	Relevant Indicators (not exhaustive list) (yes/no or range from low up to very high)	Initial minimum requirements (yes or no)	Examples/boundary cases comments
Inclusive governance-ownership dimension (social means)	<p>To identify needs and involve the stakeholders concerned in designing adequate solutions, SEs require specific ownership structures and governance models that are meant to enhance to varying extents the participation of stakeholders affected by the enterprise.</p> <p>SEs often limit the distribution of profits. The profit distribution constraint is meant to ensure that the general-interest is safeguarded. The non-profit distribution constraint can be implemented in different ways.</p>	<ul style="list-style-type: none"> - Whether SEs are open to the participation and/or involvement of new stakeholders. - Whether SEs are required by law or do adopt (in practice) decision-making processes that allow for a well-balanced representation of the various interests at play (if so, through formal membership or informal channels - giving a voice to users and workers in special committees?). - Whether a multi-stakeholder ownership structure is imposed by law (e.g. France). - Whether SEs are required to adopt social accounting procedures by law or do so in practice without being obliged to. - Degree of social embeddedness (awareness of the local population of the key societal role played by the SE versus isolation of the SE). - Whether the profit distribution constraint is applied to owners or to stakeholders other than owners (workers and users): whether it is short-term (profits cannot be/are not distributed or are capped) or long-term (asset lock); or both short and long-term. - Whether the cap is regulated externally (by law or defined by a regulator) or it is defined by the SE by-laws. - Whether limitations on workers' and/or managers' remuneration are also imposed (avoiding indirect distribution of profits). 	<p>SEs must ensure that the interests of relevant stakeholders are duly represented in the decision-making processes implemented.</p>	<ul style="list-style-type: none"> - Ownership rights and control of power can be assigned to one single category of stakeholders (users, workers or donors) or to more than one category at a time – hence establishing a multi-stakeholder ownership asset. - The SE can be the result of collective dynamics or be created by a charismatic leader (in principle a sole owner is admitted by some national legislations provided that the participation of stakeholders is enhanced through inclusive governance) or public agency. - Different combinations concerning limitations on profit distribution envisaged (e.g. the most successful solution: capped dividends supported by total asset lock – Italian social coops, CIC, SCICs).

6.2. Illustrations

Thanks to the collaboration of several scholars working on social enterprise in both Flanders and Wallonia, five fields of activity have been highlighted that have recently witnessed important developments in social enterprise. These fields include personal services, organic food, social finance, fair trade and renewable energy. Each of them is briefly presented here and referred to at several points in the main text.

6.2.1. Illustration 1: Personal services (prepared by Marthe Nyssens and Florence Degavre, UCL)

Historically, in Europe, personal services were confined within the domestic sphere. The 'outsourcing' of these services has generally been initiated by associative dynamics. The state, acting as 'guardian' of the beneficiaries, has gradually recognized the services (home care, childcare...) provided by non-profit organisations through regulation and financing (Gardin & Nyssens, 2010).

In the field of home care, home care service associations (HCSOs) have a prominent place as service providers alongside local public providers. HCSOs are non-profit organisations that offer a range of care services primarily for vulnerable families, elderly or isolated people, the disabled and the sick, and those coping with financial difficulties or who have suffered a loss of autonomy. Home care constitutes the core of those services, i.e. help with personal care, educational tasks, administrative tasks, cleaning etc. Access to services is subject to an evaluation based on a social investigation carried out at the potential user's home by a social worker. The hourly rate is set by law, based on the users' income, in order to ensure universal access to these services. HCSOs are regulated by regional authorities through a 'tutulary' system (Henry et al., 2009). Developed over the years, first at the national and then at the regional level, the system supports the provision of personal care services by allocating public funding to providers who comply with a set of standards and requirements, mainly regarding inputs. In other words, in order to perform this type of activity with vulnerable users, these organisations must all be accredited by the regional authorities (in Wallonia, Brussels and Flanders) and comply with a regional regulatory framework on quality of service and employment. Indeed, care workers must hold a specific certificate; the degree of supervision and coaching of the workers is defined by law; and an assessment of the user's needs is required. This regulated activity is limited by a quota far below demand, so there is, *de facto*, no competition between the providers.

The Belgian personal services sector has been greatly affected by the creation of a quasi-market based on service vouchers. This quasi-market system is designed to foster the creation of regular salaried jobs for low-skilled persons doing housework (mainly cleaning). As already mentioned, the provision of these services is open to all kinds of organisations: a range of for-profit and not-for-profit providers (both social enterprises and providers from the public sector) compete on the market. Care for vulnerable people is still under tutelary regulation and the monopoly of HCSOs. Hence, the service voucher system was not designed as a substitute for existing social policy programmes in the field of home care, under which only HCSOs and public organisations are accredited and financed by regional authorities to provide personal care to dependent users. However, it has been observed that some elderly and vulnerable people also use the service voucher system to receive home care. Hence, besides public and for-profit organisations, two types of social enterprise compete on this quasi-market: HCSOs and WISEs (Nassaut et al., 2008). After some hesitation, HCSOs have entered the voucher system on the basis of their expertise in domiciliary care, but also in order to monitor the opening of their sector to quasi-market regulation. Specifically, they fear that other organisations operating within the 'service voucher' framework, though only authorized to deliver housework, might actually offer home care services without being accredited for that purpose (and thus without offering any quality guarantee for the service and protection of the worker) (Defourny et al., 2008). As the service voucher system constitutes an employment policy in the field of housework, WISEs (see previous section) have also entered this quasi-market and therefore the sector of personal services. Their

motivations were linked, on the one hand, to the low level of qualification needed to perform house work and, on the other hand, to the fact that this enabled them to gain access to more financial resources.

HCSOs and WISEs involved in proximity services can both be related to the entrepreneurial non-profit model; this is even true of WISEs that have adopted the cooperative form (see previous section). Indeed, these organisations have a central general interest orientation (both through the services offered and the employment conditions), a high level of public subsidy (through the channel of quasi-markets), and governance structures mainly made up of non-beneficiary members.

6.2.2. Illustration 2: Organic food and short food supply chains (prepared by Thomas Pongo, UCL)

Organic food and more particularly short food supply chain (SFSC) initiatives embrace a broad range of realities, from 'community supported agriculture' to other initiatives whose main activity consists in distributing local farming products, such as local cooperatives, farmer markets, groceries, organisations delivering pre-defined 'baskets' and so on. More recently, similar practices have also been emerging among large retailers. Each of these organisations differs as to its resource mix balance, economic risk sharing, producer origins criteria, producer-consumer relationships, and favoured distribution circuits.

All the initiatives share a willingness to relocate food trade and overcome some of the limitations of the current globalized food industry. However, the implementation of this goal varies greatly between the organisations. For example, not all farmer markets or farmers' direct-selling initiatives necessarily result from an awareness of health and environmental concerns. Some initiatives can rather be seen as merely exploiting lucrative niches. The same phenomenon can be observed among cooperatives: although some of them clearly aim to pursue social goals, creating jobs for disabled people and/or people excluded from the job market, others tend to behave more opportunistically and, rather, surf on the 'green wave' to create economic value.

With regard to governance arrangements, diversity can also be observed in relation to the centrality of democratic principles. Most informal SFSCs (e.g. the 'collective buying groups' [*groupes d'achat collectif*] or 'solidarity buying groups' [*groupes d'achat solidaires*]) rely heavily on democratic functioning, involving the beneficiaries of the activity. Small formal SFSCs, such as farmers' direct-selling initiatives, farmers' markets, groceries and cooperatives, rely either on democratic or domestic principles. By contrast, larger formal SFSCs tend to centralize power in the hands of managers and/or shareholders. On the other hand, some large retailers and franchisees seem to genuinely collaborate with small producers in order for both parties to run a profitable business and meet new environmental and economic standards.

In terms of resources, the more democratically run and/or socio-politically or environmentally sensitive SFSCs show a higher dependence on voluntary work and/or build stronger relationships with citizens and/or producers, at the expense of market interactions with mere consumers. Such structures also tend to be more concerned not only by their socio-political and environmental impact but also by the work conditions of their members. In such systems, the food distribution service is not seen as an end in itself but rather as a means to create social bonds between members or citizens. In contrast to this, the more profit/shareholder-oriented SFSCs show a higher dependence on market resources and build stronger relationships with consumers at the expense of the relationships with producers and citizens. Such organisations also tend to be more concerned by their economic survival/growth and the professionalization of their practices.

To summarize, as an emerging field, SFSCs are characterized by a broad diversity of models, some of which share features with the social enterprise models of social cooperatives and social ventures; others do not, because they are either very informal or formalized as large businesses. As in other fields, such as fair trade and social finance, a

crucial issue for social enterprises is to build sustainable organisations whilst differentiating themselves from for-profit businesses in the eyes of consumers and other stakeholders.

6.2.3. Illustration 3: Social finance (prepared by Anaïs Périlleux, UCL)

Social finance can be defined as bringing together financial institutions or practices that do not primarily aim for profit maximization but rather look for other benefits such as social, environmental or ethical outcomes. It involves a wide spectrum of initiatives, ranging from large institutions such as social or alternative banks to small informal initiatives such as savings groups, and includes microfinance as well as collaborative finance and social crowd-funding. Only the models that are closest to the social enterprise ideal type will be considered here, i.e. neither the more informal initiatives nor banks that, while retaining the cooperative form, have evolved towards the traditional banking model.

Unlike these historical cooperative banks, social banks and microfinance institutions comprise two types of alternative financial institutions that can be seen as social enterprises and have emerged in the context of the 'new social economy'. Social banks represent a new wave of cooperative banks that are closer to cooperative values than traditional cooperative banks and that have a general interest dimension. Triodos, which focuses on investments with clear societal added value, is an emblematic example here. NewB is a more recent example, but it is still in the creation phase. It is supported by number of Belgian associations and unions that decided to create a major alternative bank with a strong general interest orientation (Bayot, 2012). Despite the success of its launch, with 50 000 members who have contributed more than EUR 3 million in capital, there is still a long way to go in terms of overcoming regulatory barriers and raising the EUR 60 million that are needed to meet the legal requirements for operating as a bank (Bayot, 2011).

Microfinance refers to the provision of financial services to marginal people who do not have access to traditional banking services (Périlleux et al., 2012). Six main organisations provide microfinance services in Belgium, among which four are cooperatives. Belgian legislation is rather favourable to microfinance; indeed, while non-banking institutions are not allowed to open savings accounts, they can borrow money and provide loans.

Finally, the more recent social finance initiatives include collaborative and local community-based social finance, which takes place when citizens directly finance entrepreneurs' social projects without any intermediaries. However, most of these initiatives are very small and informal, or they are carried out under a non-profit association form, without necessarily having paid workers. Consequently, although they have a strong social mission and democratic governance, they are somewhat distant from the EMES social enterprise ideal type.

To conclude this section on social finance, we can say that social enterprises active in this field are still quite marginal in Belgium. Social cooperatives represent the dominant institutional model, but entrepreneurial non-profits and social ventures also exist. Although they are small, these organisations represent a valid alternative to traditional finance and are becoming an important source of funding for social entrepreneurs.

6.2.4. Illustration 4: Fair trade (prepared by Benjamin Huybrechts, ULg)

Inherent in fair trade is the use of trade to achieve the social mission of supporting small-scale producers in the South. And, beyond such support, fair trade also aims to educate citizens and lobby governments and corporations to make international trading rules and practices fairer. Social enterprises engaging with fair trade (importing, transforming or retailing fairly traded goods) combine these economic, social and political

dimensions to varying extents and through diverse organisational models and practices (Becchetti & Huybrechts, 2008; Huybrechts, 2012).

Pioneer fair trade social enterprises were relatively uniform in terms of organisational structures and practices, including: non-profit legal forms, massive use of volunteers, retailing through worldshops and sympathetic networks (such as church groups), low turnovers and reliance on other funding sources than sales, such as gifts and public subsidies. The configuration of the fair trade landscape dramatically evolved throughout the 1990s with the development of product-based labelling, increasing corporate participation, and the growth of both sales and public awareness. While some pioneer social enterprises remained relatively stable throughout this evolution, others adapted by changing their initial organisational structures and practices to reinforce their commercial profile and competitive position. In parallel, many new entrepreneurs and companies with a '100 % fair trade focus' emerged in the 2000s.

In Belgium, fair trade has achieved a high level of awareness among the general public. Although an increasing proportion of the market is in the hands of mainstream businesses and despite the economic situation that followed the recent financial crisis, fair trade social enterprises continue to develop their activities. They do so under the umbrella of the 'Belgian Fair Trade Federation' (BTF).

Based on the combination of their legal form, governance model, leaders' profiles, goals, activities and resources, three main organisational categories, that seem more-or-less to fit the three major social enterprise ideal types identified in Section 2 can be distinguished among fair trade organisations (Huybrechts, 2012): volunteer-based non-profit social enterprises, multi-stakeholder cooperatives and social ventures. While some organisations can be located on the boundary between two categories, most of them can clearly be associated with organisations from one category – and differentiated from others – across several key elements.

First, most 'volunteer-based non-profit social enterprises' are pioneers of fair trade that were created between the mid-1970s and the early 1990s. Most of the members of these organisations' governance bodies are volunteers, and the representation of other stakeholders in these bodies is limited. These organisations rely partly on subsidies and donations, even though most of their revenues are generated through sales. Their main activities and goals are, on the one hand, supporting producers in the South through training and capacity-building and, on the other hand, engaging in education and advocacy in the North. The trading activity is thus clearly a means to an end and is managed either totally within the structure or partly outsourced.

Secondly, 'multi-stakeholder cooperatives' combine several aims and include diverse stakeholders in their governance structures, possibly including a sister or a parent structure that holds part of the shares. Other stakeholders include consumers, volunteers, employees, public investors and partner social enterprises and NGOs. Organisations in this second category share with organisations in the first category a collective dynamic and strong connections with NGOs and activists within the broader social movements surrounding fair trade; and with the third one (see below), they share a strong commercial dynamic as well as mainly market-based resources. However, these market resources are reinvested in producer support, education and advocacy through the sister or parent organisation, to which the profits are partly allocated.

Thirdly, 'fair trade social ventures' are much more recent in the field. They were created by one or a few persons who often developed their activity after a personal experience with producers in the South. The key feature of these organisations is that they are managed and governed by the entrepreneur(s) in question, who play(s) a central role in the social and commercial activities (education and advocacy being significantly less important in these organisations). In particular, personal relationships are maintained by the entrepreneur(s) with a small number of producer partners (directly in the case of import and indirectly in the case of retail). The vast majority of the revenue is generated through sales. Governance is not developed beyond the legal requirements, but

entrepreneurs tend to favour 'extra-organisational governance' processes, such as participation in a network, in order to increase their legitimacy.

Among these three social enterprise categories active in the field of fair trade, volunteer-based non-profits appear to be the most vulnerable and declining category. The existing organisations have consolidated their model by securing volunteers and subsidies; however, their influence now lies more in their mobilisation capacity than in their economic weight. Newly-created fair trade social enterprises tend to emerge as entrepreneurial ventures led by one or a few leaders. Most of them still remain small and rather vulnerable, but growth could strengthen their position. Finally, multi-stakeholder cooperatives seem to be the most stable form, balancing multiple goals and stakeholders into a coherent social enterprise model, at least as long as they remain connected with their sister or parent organisation and hence with the social and political goals of the broader fair trade movement. In a competitive environment, with mainstream businesses gradually taking up the lion's share of fair trade sales, social enterprises increasingly need to differentiate themselves by targeting innovative niches and putting forward not only what they do (fair trade) but also what they are (social enterprises), emphasizing the consistency between their organisational model and the values and goals of fair trade.

6.2.5. Illustration 5: Renewable energy cooperatives (prepared by Thomas Bauwens, ULg)

The emergence of renewable energy cooperatives (RECs) in recent years has been stimulated by an increasing interest in renewable energy on the part of the public and by the implementation of policies, at European and national levels, seeking to raise the share of energy consumption based on renewable resources. In line with the European 20-20-20 energy targets, the objective of Belgium is to produce 13 % of its final energy consumption from renewable energy (RE) by 2020. However, the Belgian institutional context is not particularly conducive to social enterprise and cooperative initiatives. In Flanders, wind power has been developed in a top-down way, based on a few large companies, and little bottom-up development can be observed. In Wallonia, the energy generation and supply markets are also dominated by two or three large companies. However, new regulation adopted by the Walloon government now makes it compulsory for wind farm developers to open up to 24.99 % of the capital of any new project to citizen participation and up to 24.99 % to the participation of municipalities. In order to promote the renewable energy cooperative model in Belgium, a national federation, REScoop.be, has been created and brings together various RECs. In 2014, this federation was split into two regional sections, one for Flanders and one for Wallonia.

Renewable energy cooperatives are organisations that enable consumers themselves to co-own and invest in renewable energy generation units, such as wind turbines, photovoltaics, hydropower or biomass installations. Their most common legal form is the cooperative company with limited liability (where members are only personally liable to the extent of their contribution). Most RECs are companies with a social purpose and/or have been approved in the context of the National Council for Cooperation.

Renewable energy cooperatives, while they may share with traditional cooperatives a principle of service to their members when they supply them with electricity, can be located close to the social enterprise ideal type through their strong orientation towards the general interest, expressed within two main types of activities:

- first, the production and supply of green energy, since green energy generates positive externalities, e.g. in the form of reduced greenhouse gas emissions or reduced dependence on imported resources;
- secondly, activities undertaken to encourage energy saving and rational energy use, since no one can be excluded from the benefits generated by avoiding greenhouse gas emissions through energy saving.

These cooperatives represent 4.6 % of the wind power installed capacity in Wallonia (Apere, 2014). Ecopower and BeauVent, the two largest Flemish cooperatives, represent

3.8 % of the total wind power installed capacity in Flanders. A total of 23 REC and 11 local citizen organisations are registered across the entire territory. Most initiatives are volunteer-based, with the notable exceptions of Ecopower and BeauVent, which hire respectively 22 and 5.37 full-time equivalent workers.

The recent institutional changes towards more participation of citizens and municipalities in new wind projects described above are favourable for the creation of RECs in the future. However, there are also various threats that may hinder the development of RECs: reductions in public subsidies, public opposition to onshore wind power, and abuse of the cooperative model by private actors not sharing cooperative values. A major challenge for RECs is thus to gain legitimacy by asserting their distinctive social enterprise features compared to other actors.

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