

## MESMER+

### Mapping European Social Economy: Employment, Social Dialogue and the European Pillar of Social Rights

Project nr. 101052222

#### Policy lab – Belgium

22 June 2023

From 9.30 to 15.30

Venue: SW 122-01 -Faculteit Sociale Wetenschappen

Parkstraat 45, 3000 Leuven,

Lokaal 00.113 - Ruth Benedictzaal

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### Event Summary

The Belgian policy lab aimed at collecting an updated overview from insiders and practitioners on the stakes posed by social dialogue in the field of social economy. In total, 13 participants from a variety of backgrounds joined the event (see Annex).

The agenda of the policy lab was divided along 4 thematic lines:

- Session 1: Belgian model of social dialogue: how should the specificities of the social economy be taken into account?
- Session 2: Cooperative social dialogue, a variant or an alternative to social dialogue at company level?
- Session 3: The public management of regional policies relating to the social economy, what trends and what consultation with the field?
- Session 4: Participation of social economy actors in policy-making

#### **Session 1: Belgian model of social dialogue: how should the specificities of the social economy be taken into account?**

The first session of the policy lab focused on the Belgian model of social dialogue and how the specificities of the social economy should be taken into account. The social economy in Belgium encompasses various definitions and visions, ranging from a sectoral perspective that focuses on the social and work integration activities of vulnerable groups to a broader view that encompasses alternative forms of economic activity in different sectors.

One key aspect highlighted is the boundary between social economy entities and traditional private companies that are increasingly adopting a social dimension. While every business should strive to be inclusive, it does not necessarily mean that it falls within the social economy. The social economy is often considered more of a movement comprising diverse actors and practices. Therefore, an interprofessional approach to social dialogue is advocated to address the specificities of the social economy, understood from an interprofessional perspective as well. However, there is a lack of consensus among stakeholders regarding the definition and representation of the social economy. This diversity is reflected in the different ways organizations describe themselves, which

may change over time. For example, the "social profit" sector in Belgium, which includes significant segments of the social economy in healthcare and social services, used to be referred to as the "non-profit" sector. While the social profit sector has gradually gained representation in social dialogue institutions, some participants argue that it does not fully belong to the social economy.

Positive evolutions have been observed in interprofessional social dialogue bodies, such as the inclusion of the social profit sector in social dialogue institutions at the regional and federal levels. Consultative bodies, collective bargaining bodies, and management boards of social security institutions have gradually recognized the social profit sector. However, the representativeness of the social economy beyond the social profit sector remains mixed, with a combination of interprofessional organizations, representatives of specific sectors, and companies, and limited to consultative social dialogue bodies.

In terms of collective bargaining, certain segments of the social economy have their own joint committees (social dialogue bodies at sectoral level), particularly work integration social enterprises. Constructive bargaining climates exist in these joint committees, allowing for the negotiation of collective labour agreements on topics such as public subsidies, unfair competition, broken prices, and integration into the regular economy. However, social profit companies sometimes feel underrepresented in the consultative bodies or joint committees, leading to calls for better sector representation and updated joint committee structures.

Some social economy organizations are not included in collective bargaining bodies at interprofessional and sectoral level, which hinders effective social dialogue for them. Additionally, trade unions and their sector branches still need to better recognize and prioritize the social economy. The social economy entities regulate their internal organization, and there is a need for stronger support and leverage from the European Union to avoid hindrances and create opportunities. The issue of inclusiveness within social dialogue institutions for social economy organizations is intertwined with the broader challenge of inclusiveness in social dialogue and representation of workers in various statuses. Similar recognition problems faced by social economy entities and organisations are also encountered by seasonal workers, interim workers, and others. There is a need to expand representation in social dialogue to encompass a broader range of workers and economic models. The importance of Europe as a lever for the social economy is stressed, highlighting the need to overcome regulatory barriers that impede the employment of people with disabilities, for example.

To bring more structure to the debate on the articulations between social dialogue and the social economy, participants agree that the first question to address is the place of social dialogue in the social economy, followed by the recognition of the social economy within social dialogue institutions. This necessitates considering the political representation of the social economy separately from what happens internally within the sector. The representation of the social economy within social dialogue consultative bodies also raises questions about balance, segments, sectors, and legal forms. Current representation often exhibits an overlap between formalized and less formalized actors in social dialogue, necessitating clarification and improvement.

Overall, while acknowledging some positive evolutions (increasing recognition of the social sector in the social dialogue), the session calls for a more nuanced understanding of the social economy within the context of social dialogue and emphasizes the need for better representation, inclusiveness, and recognition of the social economy's distinctiveness.

## Session 2: Cooperative social dialogue, a variant or an alternative to social dialogue at company level?

The second session delved into the concept of cooperative social dialogue and explores whether it can serve as a variant or alternative to social dialogue at the workplace level. The social economy in Belgium places a strong emphasis on democracy at work and seeks to reinforce it based on the type of labour organization within enterprises, particularly in cooperative enterprises. Workers' cooperatives, which have a different relationship between capital and labour compared to traditional enterprises, are often overlooked in social dialogue and industrial policies. For example, available subsidies and support mechanisms tend to favour companies with a Crossroads Bank for Enterprises number, creating challenges for cooperative representation.

The session discusses two prominent examples: USCOP (Union des Sociétés à gestion Coopérative et Participative) and SMART. USCOP presents alternative proposals and advocates for organizing democracy at work differently from traditional social dialogue institutions and trade union representation. They emphasize the need for trade unions to understand and support alternative models. SMART, initially an association and later transformed into a cooperative, has undergone a reflection on cooperative participation, resulting in the creation of an ethics committee besides traditional social dialogue bodies at company levels (health and safety committee, work council). Challenges related to involving employees in cooperative governance structures are identified, such as potential confusion between employee and employer roles and variations in decision-making approaches within boards of directors. However, there are notable benefits as well, including increased employee engagement, better understanding of decisions, and potential positive effects on employees' mental health.

The conclusions of this session highlight two conflicting views. On one hand, there is a call for a new institutional and legal framework to organize worker participation in cooperative contexts. Social dialogue is experienced differently in self-managed enterprises, and a specific social dialogue model for the social economy is proposed. On the other hand, there is an argument against creating additional separate structures and instead adapting existing structures to accommodate the diverse interests and contexts of the social economy. The flexibility of the existing social dialogue framework is emphasized, suggesting that adjustments and creative solutions within the existing framework can address the needs of cooperatives and self-managed enterprises.

The session underscores the importance of building understanding, exploring innovative models within existing legal frameworks, and ensuring the social object of social dialogue is not overshadowed. It also highlights the need for governance training modules tailored to different governance models used in the social economy.

## Session 3: The public management of regional policies relating to the social economy, what trends and what consultation with the field?

Session 3 explores the types of dialogue social economy actors have with government officials and administrations. It focuses on the public management of regional policies related to the social economy in Belgium's three regions: Brussels-Capital, Flanders, and Wallonia. Each region has its own interpretation of the social economy, in terms of supported initiatives, and legal frameworks, leading to variations in policies and practices. One significant challenge is the fragmentation of responsibility across different ministers, making it

uncertain who is accountable for social economy issues. The responsibility may lie with the Minister of Work and Employment, the Minister of Economy, the Minister of Agriculture, or others, resulting in a lack of awareness and proper focus on the social economy. The absence of a designated minister for the social economy further complicates matters.

In Flanders, new legal frameworks such as "individueel maatwerk" have raised concerns about the risk of social washing. Proper guidance is needed for the classification of individuals into target groups based on assessments conducted by the regional public employment service. While standards exist, they may not be as stringent as those applied to existing Work Integration Social Enterprises (WISEs). Social inspection plays a crucial role in monitoring compliance and preventing social washing. Representative organizations from the social profit sectors in Flanders actively contribute to policymaking related to work integration sectors, providing valuable input in shaping policies. Associations and social enterprises from the social profit sectors have historically been excluded from VLAIO, the regional public agency responsible for supporting enterprises and promoting innovation. However, in recent years, social profit representative organizations have been included in VLAIO, allowing their members to access subsidies, training courses, and other resources.

In the Brussels-Capital Region, the 2018 ordinance, primarily focused on employment, is implemented by the regional administration. An evaluation phase of the ordinance is underway to adapt it to meet on-the-ground requirements. The administration primarily focuses on financing and maintains contacts with social partners, particularly employers' organizations and companies, although interactions with trade unions are less frequent. The distinction between accreditation and mandate within the ordinance creates administrative burdens, as both need to be renewed every five years.

The Wallonia region follows a logic of pilot projects in the social economy, supported by the minister's cabinet. These projects involve co-management between the administration and project leaders, with specific monitoring bodies in place. While pilot projects are temporary in nature, they receive genuine support and guidance from the administration. A roadmap is being developed within the Walloon administration to sustain ongoing work and anticipate changes in the next legislature.

The session highlights the need for clearer jurisdiction, better coordination among ministers, and increased awareness and accountability for social economy issues. It also emphasizes the significance of social inspection, the involvement of representative organizations in policymaking, and the need for sustained support and guidance from regional administrations.

## Session 4: political representation

The fourth session explored the channels available for social economy organizations to participate in policy-making and have their voices heard in politics, particularly with the upcoming elections in Belgium in 2024. Social partners and social economy organizations are preparing memoranda to influence the policy agenda and advocate for their key demands. These memoranda often focus on topics such as the employment of disadvantaged groups. However, the current weight of social economy organizations in policy debates is limited.

Social economy organizations maintain good contacts with ministerial cabinets and administrations, particularly regarding specific social economy issues like work integration. However, they face challenges in being heard on broader socio-economic matters. Their inputs in wider societal and socio-economic discussions are often

overlooked. The fragmented governance structure across federal and regional levels complicates the development of coherent short-term and long-term strategies. Insufficient funding is also a significant obstacle for social economy organizations. While regional governments provide support, there is a need for stronger financial contributions from the federal government.

Building alliances is seen as vital for the social economy's development and recognition. Various international alliances exist, such as the International Cooperative Alliance (ICA) and the European Confederation of Industrial and Service Cooperatives (CECOP). Recognition and collaboration between different social economy actors are crucial. However, there are challenges in representing the diverse social economy sector and achieving unity. Internal cohesion and avoiding internal conflicts are essential steps toward stronger collective positions.

Within the European Union, there is an important role for policies and regulations that facilitate the growth and success of social economy initiatives. Simplifying complex procedures and removing unnecessary barriers are essential steps. The social economy's identity and impact should be embraced and showcased, and collaborative efforts should be made to ensure its continued growth and recognition. This final session emphasizes the importance of dialogue between social economy actors, unions, and political representatives, as well as the need for education, awareness, and support to foster understanding and appreciation of the social economy's potential. By championing the social economy's identity, engaging in constructive dialogue, and forging alliances, positive change can be achieved, further establishing the social economy as a transformative force within society.

## Annex – overview of organisations and functions of participants to the Belgian Policy Lab

Organisations represented	Functions of the participants
Trade union	Research department, focus on democracy at the workplace
Cooperative	Advisor
Cooperative	Lifelong learning department
Cooperative	Organiser, workers involvement, representative in the work councils at the workplace
Employers' organisation (social profit)	Responsible and representative for social dialogue related activities
Social and circular economy representative organisation	Policy advisor
University	Coordinator Research chair on social economy
Administration (Brussels-Capital Region)	Director Work and Employment department
Administration (Walloon Region)	Manager for pilot projects in social economy
Social economy representative organisation	Advocacy
Social economy advisory agency	Coach social enterprises
University	Researcher in social economy and social dialogue
University	Researcher on social dialogue and trade unionism