



mesmer+

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

Country report

BELGIUM

PROJECT NO. 101052222

2023



Co-funded by
the European Union

Country report of the **Mapping European Social Economy: Employment, Social Dialogue and the European Pillar of Social Rights (MESMER+)** project, led by **DIESIS Network** with the financial support of the **European Commission** (Project no. 101052222)

Author Anne Guisset

Project manager Melinda Kelemen

Design and layout Christian Deligia

Proofreading Toby Johnson

ACKNOWLEDGEMENTS

For their committed participation in the MESMER+ project, DIESIS Network thanks:

- **Research Institute for Work and Society, Katholieke Universiteit Leuven (HIVA - KU Leuven)**
Belgium
- **Association for Research, Communications and Development “Public” (Public)**
North Macedonia
- **Coompanion Sverige Ekonomisk Förening (Coompanion)**
Sweden
- **Institute for Social and Trade Union Research, Education and Training (Isturet)**
Bulgaria
- **The associated partners of the project and external experts.**

Published by:

DIESIS Network

Boulevard Charlemagne 74

1000 Brussels, Belgium

Tel: +32 2 543 1043 diesis@diesis.coop

© DIESIS, 2023

Please see DIESIS's other publications at: <https://www.diesis.coop/>

Reproduction is authorised provided that the source is acknowledged.

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or European Commission. Neither the European Union nor the European Commission can be held responsible for them.



Contents

01 Introduction	4
02 Industrial relations: national context	6
03 Social dialogue	7
3.1 Legal framework.....	7
3.2 Levels of social dialogue	7
3.3 Social dialogues bodies	8
3.4 Main actors	9
3.5 Main practices and related outcomes.....	11
04 Social economy	12
4.1 Brief history.....	12
4.2 Official definition	12
4.3 Legal forms	14
4.4 Main sectors where SE entities can be found and employment share	15
4.5 Representative social economy organisations.....	15

05 Social dialogue and the social economy	17
5.1 Social dialogue in the social economy.....	17
5.2 Social economy in the social dialogue.....	20
06 Conclusion	23
References	26

/01

Introduction

This national contribution covers the interrelations between industrial relations, social dialogue and the social economy in Belgium in the framework of the MESMER+ project. The research objective of the MESMER+ project is to provide a better and up-to-date critical description and understanding of the representation and participation of the social economy in the social dialogue institutions as organised in one candidate country and eight member states, including Belgium.

In line with this objective, this report aims to provide answers with regard to the situation in Belgium regarding the two research questions raised in the MESMER+ project:

- ✦ *How inclusive are social dialogue institutions towards social and solidarity economy players?*
- ✦ *How do social and solidarity economy players make their voice heard within national industrial relations systems?*

This national contribution is based on desk research and semi-structured interviews conducted with key stakeholders and experts on the topic of social economy and social dialogue, from one cross-sectoral social profit national employers' organisation (UNISOC), one social economy organisation playing a representative role at regional level both in the Brussels-Capital Region and in Wallonia (ConcertES), one trade union representative involved in the social dialogue within the social economy sector (ACV-CSC), and one legal expert in labour law and social economy. One policy lab was organised on 22 June 2023. In total, 13 participants from a variety of backgrounds (social economy organisations, trade unions, sectoral and interprofessional employers' organisations, civil servants) joined the event, allowing for a fruitful discussion to be held and insightful perspectives to be collected.

The structure of this report is organised to provide a comprehensive exploration of the interplay between industrial relations, social dialogue and the social economy. It first delves into the national context of industrial relations in Belgium, shedding light on the overarching framework (legal underpinnings, levels and practices) within which social dialogue unfolds. Then the report shifts its focus to the social economy, providing a concise history and discussing existing

definitions. Legal aspects, including forms recognised in national and regional legal frameworks, key actors and bodies, are expounded upon. The synthesis of social dialogue and the social economy as a central theme is explored in the last chapter “Social dialogue and the social economy”.

These sections investigate social dialogue within the social economy and, reciprocally, the role of the social economy in the broader social dialogue context.

/02

Industrial relations: national context

Belgium has a long tradition of social dialogue and collective bargaining, together referred to as “social concertation”.

At the cross-sectoral level, social concertation has been institutionalised at the national level from 1945 onwards (Cassiers and Denayer 2010). Belgium’s current social concertation and social protection systems were born during the occupation period of World War II. Elites from employers’ federations and trade unions, as well as senior officials, gathered to prepare the post-war economic and social future of Belgium and the reduction of inequalities through the implementation of unemployment insurance, health insurance, retirement and family allowances (Luyten 1995). From these discussions emerged the 1944 Social Pact (*Projet d’accord de solidarité sociale*). This document sets out the basic principles of the social protection system as well as the social concertation framework that was to develop after the war (Luyten and Vanthemsche 1995), institutionalising the role of social partners in policy-making processes.

Belgium has a coordinated market economy with a social partnership industrial relations regime which correspond to the Centre-Western industrial relations

model (Visser 2009). This model is characterised by the participation of social partners in public policy, a dual system of employee representation¹, extensive collective bargaining coverage, and a high level of trade union membership (Lenaerts et al. 2021). These features of the Belgian social concertation system have proved to be resilient over time (Marx and Van Cant 2018). This resilience enables social dialogue to remain a stable way of taking decisions, involving highly professionalised organisations from both the workers and the employers’ sides and apparently playing an important role in the prevention of the rise of inequalities in socio-economic policies (Cantillon 2016). Belgium is also a federal state that has undergone six state reforms over the last 50 years. As a consequence, the country now has a pluralistic industrial relations landscape based on sectoral, ideological, and regional dimensions (Marx and Van Cant 2018).

1 In twin or dual-channel representation systems, employees have the option to endorse the trade union organisations without formally joining them. Instead, they can express their support by casting votes for its candidates in social elections.

/03

Social dialogue

3.1 LEGAL FRAMEWORK

The law of 5 December 1968 provides a legal status for collective bargaining agreements and sectoral joint committees. In addition, this law extends the scope of collective labour agreements to include all employees, including non-unionised staff, resulting in collective bargaining coverage of up to 96% of the workforce.

Although social partners were originally granted autonomy in their negotiations, the state's involvement has increased over time. Since 1989, wage negotiations have been subject to a margin based on projected pay trends in neighbouring countries such as Germany, France and the Netherlands. This norm was extended in 1996 by the law of 26 July 1996 on employment promotion and preventive safeguarding of competitiveness. This law of 1996 was revised in 2017. These legal reforms made it more and more challenging for social partners – especially trade unions – to reach agreements, by reducing the room for bargaining in collective negotiations (Vandaele 2019).

The involvement of social partners in policy-making is mostly organised through formal or

informal consultation. Each consultative body at the national and subnational levels has its own legal framework regarding the thematic scope and process of its consultation. For instance, the Central Economic Council, established by statute in 1948, has a recognised advisory function to the federal government on 'issues related to the national economy', whereas regional socio-economic councils are typically granted an advisory role on regional competences by decree. The scope of consultation of regional socio-economic council is therefore much broader than solely economic and employment issues.

3.2 LEVELS OF SOCIAL DIALOGUE

Collective bargaining in Belgium operates in a hierarchical manner, where national interprofessional agreements establish a framework for sectoral-level negotiations, and sectoral collective agreements concluded in joint committees set a framework for negotiations at the company level. According to the Law of 5 December 1968, collective agreements must usually adhere to the higher-level frameworks.

The most active level of collective bargaining is the sectoral level, where trade unions and employers'

organisations negotiate agreements that establish minimum wages and working conditions for workers in a particular sector.

Collective bargaining can also occur at the workplace level, where a trade union delegation negotiates directly with the employer. Additionally, company-level bodies, such as the committees for prevention and protection at the workplace and the work councils, have information rights and a consultative function. The consultation and tripartite concertation (between trade unions, employers' organisations and state representatives) functions of social dialogue reflect the political (federal) structure of the country, with the most significant bodies located at the federal and regional levels.

3.3 SOCIAL DIALOGUE BODIES

There are nine bodies for interprofessional concertation in Belgium at the federal and regional levels. Whether bi- or tripartite (depending on the presence of state representatives or not), the social partners are always represented on a parity basis. Belgium was still a unitary state until the 1970s and consequently interprofessional bodies were established at the national level. After that, successive institutional reforms have gradually led to the creation of interprofessional bodies in the three regions (Walloon Region, Flemish Region, Brussels-Capital Region), in the form of economic and social councils.

Table 1: OVERVIEW OF INTERPROFESSIONAL SOCIAL DIALOGUE BODIES

Level	Body	Function	Composition
Federal	National Labour Council	Collective bargaining and consultation.	bipartite
	Central Economic Council	Consultation	bipartite
	Group of Ten	Collective bargaining, consultation, tripartite concertation	bipartite
Brussels-Capital Region	Economic and Social Council of the Brussels-Capital Region (Brupartners)	Consultation	bipartite
	Brussels Committee for Economic and Social Concertation	Tripartite concertation	tripartite
Flanders	Economic and Social Council of Flanders	Consultation	bipartite
	Flemish Economic Social Concertation Committee	Tripartite concertation	tripartite
Walloon Region	Economic and Social Council of Wallonia	Consultation	bipartite
	Group of Walloon Social Partners	Tripartite concertation	tripartite

The nine above-mentioned interprofessional social dialogue bodies are not monolithic institutions: they are made up of different technical and advisory sub-bodies whose membership is sometimes open to organisations from civil society or other representative organisations, for instance those representing the interests of the social economy.

At sectoral level, in 2023, there are 100 joint sectoral committees and 64 sub-sectoral committees. In the framework of sectoral social dialogue, each enterprise falls under a joint committee (commission paritaire) based on the nature of its economic activity. Collective labour agreements adopted by these committees are made obligatory through royal decrees and apply to all workers and employers within their scope. Joint committees serve as venues for collective bargaining between employer and worker representatives within a specific sector.

In Belgium, workplace-level employee representation takes three forms. When a company has over 50 employees, a health and safety committee, comprising trade union and employer representatives, must be established. For companies with over 100 employees, a works council with equal employer and employee representation is required, offering advisory and limited decision-making powers (Van Gyes, 2015). Additionally, a trade union delegation can be formed upon request, regardless of employee numbers. Notably, there is no employee representation at the board level in Belgium. The legitimacy and representativeness of collective bargaining are ensured through social elections held every four years.

3.4 MAIN ACTORS

Parity remains a core principle at the basis of the equal representation of every social dialogue body with trade unions on one side and employers' organisations on the other.

Back at the time of the 1944 social pact, socio-economic groups which could offer certain democratic guarantees were theoretically allowed to participate in the process of building social concertation. Guarantees concerned the number of members (to favour groups with a large membership), democratic elections for groups' leaders, the respect of parliamentary democracy and of cooperation between classes (Luyten 2015). At the time of installation of interprofessional social dialogue institutions in Belgium, the main trade unions and employers' organisations (the latter being different according to the region) became involved and were formally recognised as social partners which would together make up the various social dialogue bodies. Their composition has remained more or less unchanged until now, with the exception of the representation of the social profit sector, as explained in the next sections. This decision-making style remained relatively stable and avoided competition amongst the different actors. Belgian civil society was originally organised around three philosophical pillars: Christian, socialist, and liberal (Lijphart 2002). Pillarisation introduced a pluralist dimension into interest representation, namely of trade unions but also of some social economy organisations (such as cooperatives).

There is one trade union confederation from each of the pillars:

- ✦ For the socialist pillar: FGTB-ABVV (Fédération Générale du Travail – Algemeen *Belgisch Vakverbond*)
- ✦ For the Christian pillar: CSC-ACV (Confédération des Syndicats Chrétiens – *Algemeen Christelijk Vakverbond*)
- ✦ For the liberal pillar: CGSLB-ACLVB (*Centrale Générale des Syndicats Libéraux de Belgique – Algemene Centrale der Liberale Vakbonden van België*).

Union membership is relatively high in Belgium (50%) due, in part, to the country's partial Ghent system, where trade unions play a role in the allocation of unemployment benefits.

Employers' organisations vary in terms of the sizes of the enterprises they represent (Léonard and Pichault 2016). Specific employers' organisations for the agricultural and the social profit sectors are also part of employers' organisations represented at the interprofessional level. Besides national employers' organisations, there are distinct Dutch-speaking and French-speaking employers' organisations.

National employers' organisations:

- ✦ VBO-FEB (*Verbond van Belgische ondernemingen – Fédération des entreprises de Belgique*)
- ✦ UNISOC (*Union des entreprises à profit social*)

Dutch-speaking employers' organisations:

- ✦ VOKA (*Vlaams netwerk van ondernemingen*)
- ✦ UNIZO (*Unie van zelfstandige ondernemers*)
- ✦ VERSO (*Vereniging voor social profit ondernemingen*)
- ✦ Boerenbond (*agricultural organisation*)

French-speaking employers' organisations:

- ✦ UWE (*Union wallonne des entreprises*)
- ✦ UCM (*Union des classes moyennes*)
- ✦ UNIPSO (*Union des entreprises à profit social*)
- ✦ FWA (*Fédération wallonne de l'agriculture*)

Employers' organisations in the Brussels-Capital region:

- ✦ BECI (*Brussels Enterprises Commerce and Industry*)
- ✦ BRUXEO (*Confédération des entreprises à profit social bruxelloises*)

The above-mentioned trade unions and employers' organisations hold a monopoly of representation. For organisations represented at the national level, the law of 5 December 1968 put into place a framework delimiting representativeness: "organisations recognised as representative shall be organised at the national level and represented in the Central Economic Council (CEC) and in the National Labour Council (NLC)". Social partners – trade unions and employers' federations – therefore gained legitimate access to all social dialogue bodies because they were already part of the first ones. As a consequence, according to Léonard and Pichault (2016: 56): "these criteria lock representativeness by limiting it to organisations already in place".

In order to be recognised as a representative social partner, an organisation must meet the following criteria:

- ✦ Representative employers' organisations are the most representative organisations at the national level, whose mission is dedicated to the representation of employers' interests, and who represent the employers from the majority of sectors in industry, business and services, agriculture and social profit. Representative organisations of autonomous workers are considered representative if they are represented in the High Council of Autonomous workers and SMEs.
- ✦ Representative trade unions confederations must be organised at national and cross-sectoral level; must represent the great majority of sectors and workers' categories in the public and private sectors; must have at least 125,000 contributing members; and must have the defence of workers as a statutory mission.

In most cases, the principle of mutual recognition also partially prevails, meaning that social partners acknowledge each other as legitimate interlocutors (Eurofound 2016).

Each of the trade union and employers' organisations acts as an umbrella organisation for sectoral members.

3.5 MAIN PRACTICES AND RELATED OUTCOMES

Social dialogue in Belgium takes place at various levels, including the national, sectoral and company levels. It fulfils three functions:

- ✦ Consultation (bipartite dialogue between social partners that results in advice to governments);
- ✦ Tripartite concertation (including various formal and informal exchanges between social partners and governments);
- ✦ Collective bargaining: social partners can negotiate autonomously in bipartite dialogue which results in collective agreements on topics such as minimum wages and working conditions. The outcomes of negotiations by social partners (at the federal level) for the private sector cover 96% of the employed workforce (Visser 2016), increasing the expectations for actors to be representative (interviewed actors have different opinions of what a good representation is).

With these functions, social dialogue also plays a significant role in shaping economic, employment and social policy in the country. Social partners are also represented on the governing boards of social security institutions and vocational training and public employment services. They are also represented in the supervisory boards of other bodies such as the National Bank of Belgium.

/04

Social economy

4.1 BRIEF HISTORY

Social economy initiatives have been part of Belgian economic and social history since its beginning (the Belgian state was created in 1831), but they remained largely outside the scope of social dialogue until the 1980s, since most of their activities took place without employment contracts being signed, and were mostly aimed at organising solidarity outside work *stricto sensu*. From this period onwards, some actors of the social economy have attempted to contain the rise of unemployment by setting up “work integration social enterprises” (WISEs) (Nyssens, Lemaître and Platteau 2004). WISEs are part of a “new wave” of the social economy that was seen in the years 1980-1990, when the weakening of the welfare state and the increasing level of unemployment created demand for the creation of new forms of employment and ended up by setting up a “second market programme” (Defourny and Nyssens 2010). From then on social enterprises have been more and more in the spotlight, and have recently gained the support of Belgian (regional) governments, thanks to their ability to provide a growing number of jobs and to propose a particular type of social cohesion model through training and work integration (De Bucquois 2015). In particular, enterprises from the social economy have set up “work integration missions” for various target groups as well as to train job-seekers for jobs that are in short supply with the aim of facilitating their reintegration into the labour market.

Social economy activities always had a strong local and regional anchorage. Since the last state reform (the sixth state reform in 2014) social economy-related competences have been totally under the responsibility of the regions (Brussels-Capital, Flanders and Wallonia). The social economy’s actors have therefore focused their attention on the regional governments. The following mapping of actors, legal frameworks and representative practices therefore takes their regional anchorage into account.

4.2 OFFICIAL DEFINITION

Given the importance of the regional anchorages of social economy there is not one unique definition of social economy at national level but rather regional approaches and definitions of what the social economy is. Besides, the social economy in Belgium encompasses various definitions and visions depending on stakeholders, ranging from a sectoral perspective that focuses on the social and work integration activities of vulnerable groups to a broader view that encompasses alternative ways of undertaking and conducting economic activities in different sectors. These two milestones are sometimes described as corresponding to a “narrow” and a “broad” vision of the social economy. For adherents to the broad approach, social economy is more of a movement made up of a variety of actors and practices. For this reason, an interprofessional

approach to social economy should be used when it comes to social dialogue. For adherents to the narrow approach, social economy is rather to be considered through a sectoral lens.

In Wallonia and in the Brussels-Capital Region, the legal definitions of the social economy refer to all economic activities conducted by enterprises, primarily co-operatives, associations and mutual benefit societies, whose ethics convey the following principles:

- ✦ placing service to its members or to the community ahead of profit;
- ✦ autonomous management;
- ✦ democratic decision-making process;
- ✦ primacy of people and work over capital in the distribution of revenues (Defourny & Develtere, 1999:16).

This definition was used by various Belgian French-speaking actors from the social economy at the end of the 1980s in the process of launching the Walloon Council for Social Economy (Defourny 1991). This definition, with a few nuances, became the legal definition of the social economy of the Walloon Government Decree of 20 November 2008. A definition of social enterprises can be found in the Order of the Government of the Brussels-Capital Region of 23 July 2018 on the approval and support of social enterprises and is also fully in line with this definition.

In Flanders, the approach to and definition of the social economy exhibit a distinctive character, marked by a narrower and more sectoral vision that

places a pronounced emphasis on work integration. The conceptualisation of social economy in Flanders is encapsulated in its composite nature (various forms of work guidance to diverse target groups), based on two main overarching policies: (1) **collectief maatwerk** (a work integration policy framework with a focus on supporting enterprises and organisations), and **individueel maatwerk** (a work integration policy framework focused on workers from the target groups), with the ultimate purpose of transitioning these workers into the regular economy and labour market.

There is also a “social profit sector” in Belgium, formerly known as the “non-profit sector”, that distinguishes itself from the social economy and encompasses diverse fields and sectors, including education and socio-cultural activities. The social profit sector is organised separately from the social economy but there can be overlaps. Representative organisations from the social profit sector participate as social partners at both interprofessional and regional levels of social dialogue. When it comes to policy-making, social profit representative organisations active in the work integration sectors are actively involved and consulted. Their input is valued in shaping policies related to these sectors. UNISOC, the national representative organisation for social profit, defines the social profit sector around missions of general interest and service to the population, which align to some extent with the core principles of the social economy. However, there are varying perspectives on whether the social profit sector truly belongs to the social economy and *vice versa*.

4.3 LEGAL FORMS

Despite the fact that social economy enterprises strive to respect defined principles, they are not easily recognisable in the socio-economic landscape since they cover a wide range of legal statuses, sizes, sectors of activities and resources (De Cuyper, Jacobs and Gijssels 2015). Social enterprises are therefore close to the private sector but denoted by their intention to pursue economic activities in favour of a social or societal need rather than as a profit-seeking mission only. Therefore, they present themselves as a third sector alongside the private profit-seeking sector and the public sector (Mertens 2007). They adopt various legal statuses under Belgian law:

- ✦ associations (the great majority)
- ✦ cooperative societies (National Cooperation Council accreditation),
- ✦ companies with a social purpose (until 2019²)
- ✦ foundations
- ✦ mutual organisations

However, there is no guarantee that all the organisations corresponding to these legal forms actually apply the principles enunciated in the definition of the social economy.

For certain activities of public utility, social economy

² Following the reform of the Companies and Associations Code (CSA) adopted in 2019 by the federal government, so-called “companies with a social purpose” are destined to disappear and are replaced by the federally certified “social enterprise.” To obtain this certification, companies must have the legal form of a cooperative. The transition phase of legal forms is ongoing until the end of 2023. Companies that had a “social purpose” legal form before the reform of the CSA came into effect are “presumed approved as social enterprises” (Observatoire de l’Economie sociale, 2023).

enterprises are recognised by specific regional legal frameworks through accreditation. Decrees establish the obligations they must meet and the funding or benefits they are entitled to:

- ✦ Walloon Decree for Social Economy (20 November 2008): The Walloon legal framework for social economy is grounded in the principles mentioned above. To invigorate these enterprises, the Walloon authorities have implemented numerous initiatives: Initiatives for the development of employment in the sector of social-purpose proximity services (Initiative de développement de l’emploi dans le secteur des services de proximité à finalité sociale, IDESS); Socio-professional Insertion Centres (Centres d’Insertion Socio-Professionnelle, CISP); Work Training Enterprises (Entreprises de formation par le travail, EFT); social economy consulting agencies (Agences Conseil en économie sociale); social economy initiatives (Initiatives d’économie sociale, specific decree in 2016); supported employment enterprises; and Accompaniment Structures for Self-Employment Creation (specific Decree of 21 December 2022). In line with the 2019-2024 Regional Policy Declaration, the Walloon government encourages the development of social economy through support mechanisms for launching and developing social economy enterprises. For this purpose, the Walloon government enacted in 2019 a specific social economy strategy: the AlternativES Wallonia Strategy (2019-2024).
- ✦ Brussels Order (23 July 2018): The Brussels legal framework, via the order on the approval and support of “social enterprises”, established regulatory approval conditions related to an economic project’s

characteristics, social purpose, and democratic governance practices. The 2018 ordinance, adopted with an employment perspective, is implemented by the regional administration (Department of Work and Economy). The administration primarily focuses on financing social enterprises. The recognition process for social enterprises involves a significant administrative burden, as accreditation and mandate need renewal every five years. Alongside social enterprises, the Local Employment Development Initiative (Initiative locales de développement de l'emploi, ILDE) and Work Training Workshops (Ateliers de Formation par le Travail, AFT) can also benefit from specific recognitions and subsidies in Brussels.

- ✦ Flemish Decree (17 February 2012, to be renewed in 2023): Recognition and funding of social economy entities in Flanders are based on activities primarily aligned with labour market integration. The implementation of a new legal framework (individueel maatwerk, decree of 14 January 2022), particularly in Flanders, has raised concerns about the potential risks of social washing, as the framework is open to regular companies deemed to be “socially responsible” because they employ workers from specific target groups. The classification into target groups is based on assessments by the regional public employment service regarding occupational disability or distance from the regular labour market. Although standards exist, they are not as stringent as those imposed on existing Work Integration Social Enterprises (collectief maatwerk) companies.

In all three regions, the social economy spans various domains. Even though each regional government has appointed a minister to oversee the social economy

and related accreditations (Huybrechts et al. 2016), some social economy-related issues fall under the jurisdiction of other ministers, causing uncertainty about the competent authority. For example, it is sometimes unclear whether responsibility lies with the Minister of Work and Employment, the Minister of Economy, or even the Minister of Agriculture (in cases like ‘short circuits’ of food production and distribution), among others. As a result, ministers may not feel accountable or may not be truly responsible or aware of social economy initiatives and the need for support.

4.4 MAIN SECTORS WHERE SE ENTITIES CAN BE FOUND AND EMPLOYMENT SHARE

In Belgium, social economy entities are prevalent in key sectors such as personal services and leisure activities. Additionally, social economy entities play a crucial role in the “human health and social action” sector, addressing essential needs for well-being (Observatoire de l'économie sociale, 2023). The employment impact is substantial, with 405,413 full-time equivalents, constituting 12.0% of the workforce in 17,861 social economy entities (economiesociale.be, 2023). Associations dominate this landscape.

4.5 REPRESENTATIVE SOCIAL ECONOMY ORGANISATIONS

The oldest kind of organisations are the **federations of consumers' cooperatives** linked to the socialist (FEBECOOP) and Christian (ARCO) pillars (the same pillars as the biggest trade unions). In the past, consumers' cooperatives were represented by the trade union side in the Central Economic Council and the National Labour Council. Cooperatives constitute a branch of the social economy, and were represented

in some parts of the interprofessional social dialogue when it was launched. Cooperatives of consumers were recognised in the Central Economic Council (in 1948), because at the time they were important players in Belgian economic life, before almost disappearing with the development of the retail sector. Today FEBECOOP focuses on consulting activities in the creation process of cooperatives. Other organisations such as *Coopkracht* and the *Union des SCOP Wallonie-Bruxelles* represent and support the development of **cooperatives and workers' participation** in such entities.

There are also **“social economy federations”** that present themselves as pluralist organisations representing a high variety of members (neither workers nor employers only). They are the most hybrid actors representing the social economy and they are the ones that struggle the most to adapt the framework of social dialogue institutions to social economy interests. They embody the social economy as a movement for alternative economic activities. Examples of such social economy federations are SAW-B and ConcertES. Creating a cohesive identity within these federations, such as in the case of ConcertES, which is involved in consultative social dialogue, is a task that is complicated by divergent visions among its members, requires substantial upfront efforts to reconcile differing perspectives. The challenge lies in managing potentially conflicting opinions to establish a shared identity. The complexity increases as members may have specific expectations regarding ConcertES's stance, supporting either workers or employers, adding an additional layer of intricacy to its identity.

Sectoral employers' organisations representing social economy enterprises aim to reintegrate some categories of individuals into the labour market (WISEs). They differ with each other regarding the categories of people they target for reinsertion (low-educated, with a physical or mental disability, etc.) and/or the economic activities of the enterprises they represent (mostly reintegration, but also recycling, bike repair, sustainable food production etc.). These representative organisations are mostly active at the sectoral level. Examples are Herwin, Groep Maatwerk, FEBISP, Sociare, FEBRAP, L'Interfédé, EWETA and Ressources. Given the regional anchorages of the legal frameworks applying to their activities, these organisations are mostly organised at the regional level.

Social profit sector representative organisations (UNIPSO, VERSO, BRUXEO, UNISOC): these organisations represent the “social profit sector” at the interprofessional social dialogue level and count as formal social partners at the national level and in the regions. Some of the sectoral organisations mentioned in the previous paragraph are members of these interprofessional organisations for the social profit sector. Additionally, some sectoral organisations are also members of social economy federations.

/05

Social dialogue and the social economy

5.1 SOCIAL DIALOGUE IN THE SOCIAL ECONOMY

Workplace level

The social dialogue frameworks, encompassing mandatory company-level bodies like the prevention and protection committees and the work councils, as well as trade union delegations, are also applicable in entities applying social economy principles. However, challenges arise in social economy entities, especially workers' cooperatives, where individuals may wear multiple hats, blurring the lines between the employee and employer roles. This can complicate social dialogue and create confusion among employees. While there is no profit motive in the social economy, economic objectives exist, leading to potential ethical disparities within management boards. Additionally, the involvement of trade union representatives may induce tensions in social economy entities such as workers' cooperatives.

Addressing these challenges necessitates a nuanced approach. Some advocate a new legal framework tailored to cooperative contexts, which would acknowledge the unique nature of employee participation within self-managed enterprises. On

the positive side, employee engagement in governing bodies enhances information transparency and fosters a sense of identification with the company, that can have a positive impact on mental health. However, building and mastering such a framework is time- and energy-consuming, with risks of self-exploitation. Also, it seems that there are few audible requests from social economy representative organisations on institutionalising other models of social dialogue. Instead, those social economy entities that wish to implement their own democratic practices regulate their internal organisation at workplace level without scaling up initiatives. Alternatively, adapting existing social dialogue frameworks to diverse contexts is seen as feasible, including by trade union representatives, with flexibility to accommodate enterprise or sector-specific needs. This approach also prevents sidelining the social object of social dialogue and, while acknowledging the room for improvement, emphasises the importance of maintaining the existing framework, avoiding the potential risks of creating additional structures.

Sectoral level

Social economy principles are not recognised at the sectoral level. Besides, due to the organisation of sectoral social dialogue following economic activities, social economy entities do not always feel represented by the social partners active at sectoral level. However, the social economy, understood in a narrow sense as the work integration social economy, is characterised by well-organised social dialogue between employers and unions. Employers' organisations and trade union branches in the work integration sector are represented in joint committees no. 327 for Sheltered Work Enterprises, Social Workshops, and 'maatwerkbedrijven' and no. 329 for the socio-cultural sector (with regional sub-committees for each of them). These joint committees present a unique structure in sectoral social dialogue. Representatives, especially in the joint committee no. 327 are grouped based not on economic activities but on the target groups employed by the enterprises represented. In sectoral social dialogue, sectoral organisations within the social economy function as employers' organisations in bipartite social dialogue structures. The sectoral level is, therefore, a platform where actors in the social economy assume the role of employers, engaging in negotiations and maintaining frequent communication with trade unions.

This approach to organising sectorial social dialogue for the work integration social economy aligns well with the pyramid structure of social dialogue but hinders the specificities of social economy principles and organisational models. According to social partners represented in them, there is a constructive

bargaining climate in these joint committees. The good social climate allows for collective labour agreements to be reached. The negotiation topics within this framework cover a range of concerns that fall under traditional social dialogue topics. Key issues include wages, working conditions, work pressure, unfair competition, and challenges posed by highly specialised tasks for target groups. For instance, automation and specialisation have impacted on certain target groups. Addressing financial constraints is crucial due to the dependency on public subsidies, which are limited and require work integration companies to generate revenue for essential aspects like wages and working conditions. Facilitating the transition of individuals from the different target groups into the regular economy is also a significant focal point, although challenges persist in entering the regular workforce.

This organisation aligns well with the sectoral social dialogue framework but is not without criticism from both social economy representative organisations and social partners (trade unions and employers' organisations). One of the issues at hand is the determination of the joint committees under which social economy entities are classified. It is not always a clear-cut determination, and entities and companies are sometimes reclassified from one joint committee dealing with work integration activities to other ones dealing with other sectors and vice versa. The consequence is that the standards in terms of wages and working conditions differ from one joint committee to another, leading to strategic behaviours.

Interprofessional collective bargaining in the social profit sector

Approximately every five years, social profit agreements are negotiated for the interprofessional social profit sector through tripartite agreements involving trade unions and UNISOC or its sister organisations (BRUXEO, UNIPSO, VERSO) in the regions, and government representatives. The activities of the social profit sector rely on public authorities for subsidies. These agreements are contingent on the social profit sectors' needs, and representative organisations must persuade the governments to come to the table with a budget. The agreements are subsequently concretised at the level of the sectors that composed the social profit sector.

Consultative bodies dedicated to social economy at the interprofessional level

At the interprofessional level, the social economy is mostly represented within consultative bodies. These bodies dedicated to the social economy are part of the regional socio-economic councils structure. Their composition is hybrid and brings together social partners and various social economy representative organisations.

In the Walloon region, half of the members of the **Walloon Council of the Social Economy** (*Conseil wallon de l'économie sociale*) are social economy representatives, while the other half are social partners. The council was created in 1990 and has been reformed twice since then, with its current form established in 2008. Its function is purely consultative, as its main mission is to provide advice and informed positions on delimited social economy policies to the Walloon government upon request or on its

own initiative. Within the concertation framework, the council is a satellite of the Economic, Social and Environmental Council of Wallonia, which provides its secretariat and logistic support. The Economic, Social and Environmental Council of Wallonia also has the power to complement the advice and positions formulated by the Council of the Social Economy, potentially reducing its influence and resulting in a disinvestment by the social partners represented in it. The organisations representing the social economy reflect the social economy's diversity, including pillarised cooperative movements, sectoral employers, and social economy federations. Among social economy actors, one organisation (ConcertES) has been designated as the chair of the Council of the Social Economy and the formal social economy interlocutor with the Walloon government. This organisation regularly advocates a reform of Walloon social dialogue to bypass its paritarian structure and include organisations that represent neither employers nor workers.

In Flanders and Brussels, there are also dedicated advisory bodies for the social economy: the **Commission on Social Economy** (*Commissie Sociale Economie*) in Flanders and the **Advisory Council for Social Entrepreneurship** (*Conseil consultatif de l'entrepreneuriat social*) in Brussels. The "social economy bench" is mostly composed of sectoral employers' associations of the WISE sector. The scope of intervention of these councils is therefore exclusively linked to policies related to work integration, with little room to discuss the roles the social economy can play in society. However, in Brussels, the current legal framework has opened the regional definition

of social economy, which focused mainly on work integration and socio-professional reinsertion, to other different kinds of enterprises that would tend to apply the guiding principles of social economy.

It is the public authorities who designate the “most representative” groups to sit on these consultative bodies. The criteria for this selection are generally informal and quite vague (for example representing the sector in its diversity or having a certain experience) and usually involve consulting the representative organisations involved. However, some stakeholders argue that the issue of balancing interests, segments, sectors, and legal forms within the representation of the social economy should be raised, asserting that there is at times an overrepresentation of actors in the work integration social economy.

At the national level, there is a National Cooperation Council that deals with one precise segment of the social economy (cooperatives). Only representatives of cooperatives sit on it, with the main purpose of approving those cooperative societies (defined by their legal status) that truly respect cooperative principles (as adopted by the International Cooperative Alliance).

5.2 SOCIAL ECONOMY IN THE SOCIAL DIALOGUE

Interprofessional collective bargaining and consultation

From the perspective of the traditional social partners, the social economy seems to be perceived as a sector which is not yet sufficiently developed to play a role in social dialogue at the interprofessional level. Doubts about the economic weight that the social economy actually represents are raised on the regular

employers’ side. There is a considerable distance to cover for trade unions and regular employers’ organisations to better recognise the social economy beyond work integration activities. At the same time, social economy representative organisations are not always willing to join interprofessional social dialogue in its current shape. Consequently, the social economy is absent from bipartite interprofessional collective bargaining. Currently, observations of social economy actors and topics are limited to advisory bodies related to regional social and economic councils, except for the social profit sector which is represented in interprofessional social dialogue bodies, including those active in collective bargaining.

In Belgium, the “social profit” sector encompasses significant segments of the economy in healthcare and social services. The social profit sector has gradually gained a representation on the employers’ bench in social dialogue bodies at the regional and federal levels in the years 1990s and 2000s. The integration processes of the social profit sectors varied across regions and at federal level, with attention paid to maintaining paritarianism. The social profit sector is usually not formally represented in social security governing bodies, although representative organisations receive substantial information and are occasionally invited by social partners as “guest experts”. However, formal social partners retain control over bargaining and final agreements. This situation has its advantages and disadvantages for social profit organisations. On the positive side, it allows for collaboration with interprofessional social partners, notably evidenced during the COVID-19 crisis, where the social profit sector played a crucial

role. Additionally, this participation occurs without the burden and responsibility of formalising a presence in these bodies. However, the downside includes a lack of immediacy and indirect information, which relies on the goodwill and interest of formal social partners.

The gradual inclusion of the social profit sector in the interprofessional social dialogue is an interesting phenomenon to examine. It allows for anticipating opportunities and obstacles that could be encountered by other social dialogue outsiders which wish to join such bodies. However, concerning their affiliation with the social economy, representative organisations from the social profit sector are not always comfortable with being assimilated into the social economy, with regional variations in this position. Similarly, some social economy federations do not consider that they are represented by social profit sector organisations within the social dialogue framework.

Challenges in social dialogue for the social economy

A first challenge addresses the inclusiveness of social dialogue institutions towards diversity in the world of work. Social economy organisations are intricately tied to broader concerns surrounding the representation of social partners and the diversity of enterprises and worker statuses. Similar recognition issues encountered by social economy actors resonate with those faced for instance by seasonal and interim workers, who, despite often performing identical tasks to regular employees with indefinite contracts, navigate different employment statuses. This diversity is prevalent across all sectors and is

exacerbated by the degradation of the status of employees' representatives and employers who do not always fully embrace their roles.

A second challenge relates to the ability of social economy organisations to be taken into account in policy concertation on broad socio-economic topics. While social economy organisations maintain robust connections with ministerial cabinets and administrations, particularly regarding specific social economy issues like work integration, they grapple with challenges in gaining attention on broader socio-economic topics. Despite their involvement with cabinets and the social economy committee within consultative social dialogue bodies, their contributions often go unnoticed in wider societal and socio-economic discussions. The fragmented governance structure that stems from the federal landscape further hinders the development of coherent short-term and long-term strategies, including the advancement of concepts like the doughnut economy.

For the future development and recognition of the social economy, emphasis should be placed on the cross-sectoral dimension to wield influence at the interprofessional level of social dialogue. To amplify their voices, social economy actors must forge alliances and present a more unified front. However, representing the social economy comprehensively across all sectors poses a third challenge, as it is not well comprehended among traditional social partners and even within social economy entities. Constructing collective positions to advocate for the social economy as a whole proves challenging.

Additionally, gaining recognition as a social economy actor within civil society faces hurdles due to the stark distinction between the private and public sectors. Despite its inherent advantages, the hybrid role of social economy organisations is not widely understood, which contributes to the complexities of their positioning in the broader societal landscape.

/06

Conclusion

In conclusion, social dialogue – also called social concertation – in Belgium is deeply embedded in the institutional fabric, featuring established trade unions and employers' organisations that hold significant representativeness and legitimacy as social partners. It encompasses various levels, including an impact on the federal structure of the State, with the existence of well-rooted regional social concertation. Social concertation encompasses a variety of practices shared between three categories: consultation, tripartite concertation, collective bargaining. All these practices allow social partners to play an important role in policymaking in Belgium.

The recognition of social economy entities within the social dialogue institutions remains a complex challenge, with challenges affecting both the political representation and the internal dynamics within the social economy.

Social economy organisations find themselves excluded from interprofessional collective bargaining institutions, indicating a misalignment between the organisation of social dialogue and the distinctive features of the social economy. The social profit sector is involved in interprofessional social dialogue but does not especially identify with the core principles defining the social economy. In interprofessional

consultation, social economy federations often find themselves participating in secondary bodies at the regional level, supplementing the functions of primary social dialogue bodies alongside other social partners. In the realm of sectoral social dialogue, particularly in work integration activities, the representation of social economy entities within main social dialogue bodies (sectoral joint committees) exist even if it is not always straightforward. At workplace level, the traditional legal social dialogue framework is supposed to be applied, but tensions can emerge in some specific segments of the social economy such as workers cooperatives, which have different democratic mechanisms for workers representation at the workplace.

For social economy representatives, securing a more prominent role in social dialogue is crucial, as it plays a fundamental role in the economy. However, not all social economy organisations agree on being better represented in the current social dialogue framework, they rather claim for a more diversified representation of interests beyond the bipartite and tripartite traditional structures. For others, enhancing social dialogue in the social economy is feasible without the need for a dedicated legal framework, emphasising the role of awareness, education, and adaptation within existing structures. The alignment of positions of

social economy organisations towards social dialogue is a topic in itself, requiring for some coordination work among the social economy landscape. This work is a complex endeavour for multiple reasons, including the variations in the identification of social economy entities and organisations to social economy principles, the different situations of the social economy components depending on their legal statutes and the economic sector they are active in, as well as the regional variations in definitions of the social economy, policies, legal frameworks, and representative organisations across Belgium's regions. Addressing these challenges requires nuanced approaches to align the distinct characteristics of the social economy with the existing social dialogue frameworks.

To this aim, several recommendations were identified in the course of the policy lab organised in Leuven on 22 June 2023.

Recommendations

- ✦ Improve existing political tools to better acknowledge and support the role of the social economy in economy and society
 - Educate policy-makers, employers' organisations and trade unions on the significance and potential of the social economy to foster understanding and garner greater support;
 - Establish connections between social economy organisations and the federal government benefiting from social economy outcomes (such as a contribution to reducing unemployment);
 - Make financial resources available to promote an alternative economic organisation, and
- underscore the tangible impacts of the social economy;
- Safeguard against the risk of "social washing": establishing clear boundaries between social enterprises and traditional private companies as they embrace a growing social dimension.
- ✦ Improve capacity building and shared identity within the social economy
 - Develop governance training modules tailored to different social economy governance models to enhance involvement and information-sharing among social economy actors;
 - Ensure that social economy players acquaint themselves with one another, thereby preventing internal conflicts. ;Foster collaborations and alliances within and beyond regional boundaries to establish an interprofessional approach that transcends the traditional boundaries and to highlight shared goals and dispel misconceptions about the diversity of the social economy.
- ✦ Acknowledge the challenges faced by the social economy with regard to social dialogue
 - Raise attention to the diversity of statutes within the social economy: for instance, there is limited visibility regarding self-employed individuals working within the social economy;
 - Clarify the distinction between social enterprises and traditional private companies with a growing social dimension, ensuring a clear boundary;
 - Monitor the evolution towards "social entrepreneurship" to prevent social washing through rigorous social inspection, especially in the context of new decrees in Flanders;

Country report: **BELGIUM**

- Focus on educating social partners in sectoral bodies about the intricacies of the social economy, emphasising awareness, education, and adaptation within existing structures;
- Update representation in different joint committees to better reflect reality.

References

Cantillon, Bea. 2016. *De Staat van de Welvaartsstaat*. Leuven: Acco.

Cassiers, Isabelle, and Luc Denayer. 2010. 'Concertation Sociale et Transformations Socio-Économiques Depuis 1944'. In *Dynamiques de La Concertation Sociale*, Bruxelles: CRISP, 75–92.

De Bucquois, Patrick. 2015. 'La Stratégie Européenne Pour ou Contre les Entreprises Sociales'. *Politiques sociales* 75(1/2).

De Cuyper, Peter, Laura Jacobs and Caroline Gijssels. 2015. 'More than Work Delimitation Strategy for the Delimitation of a Population of Social Economy Actors for a Monitor of the Social Economy in Flanders'. *Annals of Public and Cooperative Economics* 86(2): 267–90.

Defourny, Jacques, and Marthe Nyssens. 2010. 'Social Enterprise in Europe: At the Crossroads of Market, Public Policies and Third Sector'. *Policy and Society* 29(3): 231–42.

Eurofound. 2016. *The Concept of Representativeness at the National, International and European Level*. Luxembourg: Publication office of the European Union.

Huybrechts, Benjamin et al. 2016. 'Social Enterprise in Belgium: A Diversity of Roots, Models and Fields'. ICSEM *Working Papers* (27).

Lenaerts, Karolien, Flore Debruyne, Sem Vandekerckhove and Ine Smits. 2021. *Report on National Case Study: Belgium*. Brussels: HIVA - KU Leuven.

Léonard, Evelyne, and François Pichault. 2016. 'Belgique, l'adaptation d'un "Modèle" de Concertation Sociale'. In *Syndicats et Dialogue Social. Les Modèles Occidentaux à l'épreuve*, Bruxelles: P.I.E. Peter Lang, 292.

Lijphart, Arend. 2002. 'The Evolution of Consociational Theory and Consociational Practices, 1965-2000'. *Acta Politica* 37(Spring/Summer): 11–22.

Luyten, Dirk, and Guy Vanthemsche. 1995. *Het Sociaal Pact van 1944. Oorsprong, Betekenis en Gevolgen*. Bruxelles: VUB Press.

Marx, Ive and Lien Van Cant. 2018. 'Belgium: Robust Social Concertation Providing a Buffer against Growing Inequality'. In *Reducing Inequalities in Europe. How Industrial Relations and Labour Policies Can Close the Gap*, Cheltenham, UK: Edward Elgar Publishing, 73–113.

Mertens, Sybille. 2007. 'Définir l'Economie Sociale'. *Les cahiers de la Chaire Cera 2*.

Monzón, José Luis, and Rafael Chaves. 2017. *Recent Evolutions of the Social Economy in the European Union*. Bruxelles: European Economic and Social Committee.

Nyssens, Marthe, Andrea Lemaître and Alexis Platteau. 2004. 'Quelle Place et Quels Enjeux pour es Entreprises Sociales d'insertion en Belgique'. *Reflets et perspectives de la vie économique* 3(XLIII): 25–36.

Observatoire de l'Economie sociale, 'L'état des lieux de l'économie sociale 2021', *Les Cahiers de l'Observatoire*, n°17, 2023.

Vandaele, K. (2019). 'Belgium: Stability on the surface, mounting tensions beneath'. In T. Müller, K. Vandaele & J. Waddington (Eds.), *Collective bargaining in Europe: Towards an endgame* (pp. 53–76). ETUI.

Van Gyes, G. (2015). 'Het Belgische beleidskader geïntegreerd in de Europese traditie'. In S. De Spiegelaere (Ed.), *De onderneming is van ons allemaal*. Acco.

Visser, Jelle. 2009. *The Quality of Industrial Relations and the Lisbon Strategy*. Luxembourg: European Commission.

<https://economiesociale.be/decouvrir/definition>, consulted on 29 November 2023.



mesmer+

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