

## Chapter 3

# SAW-B: A training and advisory services federation, Belgium (Wallonia-Brussels)

*SAW-B is a federation of social economy actors, as well as a research and training centre, offering integrated support to social enterprises and shaping, through lobbying activities, an institutional landscape favourable to their development. This chapter presents the organisation's objectives, rationale and main activities, along with the impact achieved and the challenges faced. It concludes with the lessons learnt and conditions for transferring this initiative to other contexts.*

### Summary

Solidarité des Alternatives Wallonnes et Bruxelloises (SAW-B) was launched in Wallonia in 1981 as a response to the lack of political support for the growing number of producer co-operatives and work integration social enterprises (WISEs). The federation aimed to bring together social-economy actors, regardless of their sectors of activity, to exchange practices and highlight their concerns at the political level.

SAW-B numbered 124 members (mostly social enterprises) in 2014. Soon after its creation, it broadened its activities to include training, research and advisory activities. SAW-B now offers integrated support to social enterprises, acting at both the micro level (individual enterprises) and macro level (institutions). It is a recognised actor, which grants legitimacy to its members and shareholders in the social-economy sector, ultimately facilitating social enterprises' access to the market and finance.

SAW-B is heavily dependent on public subsidies, which accounted for 87% of total revenues in 2014 (SAW-B, 2015).

SAW-B developed its activity portfolio over time, and therefore falls under various policy areas. It is first and foremost a support structure that advises and represents social enterprises at the political level. Second, it is active in education and training, in a bid to strengthen social entrepreneurs' skills. Third, it grants legitimacy to social enterprises in general, and its own members in particular. Finally, it indirectly fosters access to the market and funding, by entering into partnerships with private and public actors for specific projects aiming to develop social entrepreneurship (for example, SAW-B initiated ImpulCera,<sup>1</sup> a public-private programme allocating grants to nascent social entrepreneurs so that they can perform feasibility studies).

The main impact of SAW-B resides in shaping the institutional landscape, by offering a variety of complementary activities that meet the needs of early-stage social enterprises. Advisory services (e.g. identifying and providing training on issues such as legal forms, financing or volunteer management) anchor SAW-B in the daily life of social entrepreneurs. SAW-B also conducts research that builds on its knowledge to develop practical tools (e.g. a guide on responding to public calls for tenders), and informs its political positioning and lobbying to shape the regulatory environment for social enterprises.

SAW-B could be successfully replicated in other regions, taking into account four critical factors. First, the initiative's geographical scope should not be too broad and should factor in the subsidiarity principle, both to keep the federation close to its advisory and training activities, and to determine which political level has the most influence on social enterprises. In the case of SAW-B and Belgium, the regional level is competent for most aspects of the ecosystem in which social enterprises evolve. Second, activities should be transversal, to embrace the overall social economy and maintain awareness of innovations lying at its frontiers. Third, engaging a wide variety of actors (beyond the sole founders and managers) will contribute to the development of social enterprises. Finally, public authorities should rapidly provide substantial financial support if the replication aims to develop all three activity poles transversally.

## Key facts

Solidarité des Alternatives Wallonnes (SAW) was founded in 1981 in response to the emergence of producer co-operatives, as well as new concepts and initiatives (e.g. fair trade and sustainable development) with the goal of pooling organisations intent on building a social economy in Wallonia (Belgium). In 2004, the initiative officialised its presence in the Brussels region and became SAW-B (with B standing for "Bruxelloises").

Over time, SAW-B has broadened its portfolio of activities. It now acts as a federation supporting and lobbying on behalf of social enterprises, as a research, education and training centre, and as an advisory agency. It has entered into a broad variety of partnerships with both traditional partners (including institutional actors, e.g. academic research centres and concertation platforms on the social economy) and innovative actors (e.g. active communities and citizens' initiatives), depending on the activity undertaken. Some partnerships extend its actions (e.g. projects and/or lobbying activities) beyond its predominantly regional scope to the transregional, national and European levels. For example, SAW-B is a member of Social Economy Europe, the European federation of social enterprises and the social economy.

SAW-B is transversal and comprises members from various activity sectors, as well as the social economy at large (Table 3.1.).

Table 3.1. **SAW-B 2014 membership breakdown**

Dimension	Breakdown (124 members)
<b>Legal form</b>	<ul style="list-style-type: none"> <li>● Non-profit organisations (<i>Associations sans but lucratif</i>) – 73%</li> <li>● Co-operatives – 23%</li> <li>● Social-purpose corporations (<i>Sociétés anonymes à finalité sociale</i>) – 2%</li> <li>● Foundations/others – 2%</li> </ul>
<b>Size</b>	<ul style="list-style-type: none"> <li>≤ 10 full-time employees (FTEs) – 43%</li> <li>≥ 11 and ≤ 30 FTEs – 27%</li> <li>≥ 31 and ≤ 50 FTEs – 7%</li> <li>≥ 51 and ≤ 100 FTEs – 11%</li> <li>≥ 101 FTEs – 12%</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>&lt; 5 years old – 29%</li> <li>≥ 5 and ≤ 30 years old – 65%</li> <li>&gt; 30 years old – 6%</li> </ul>

Source: SAW-B (2015).

SAW-B derives the bulk (87%) of its resources from public sources, only EUR 50 940 (euros) of which (3.9% of total funding) stem from European funds.<sup>2</sup> The SAW-B budget (Table 3.2.) primarily covers human resources (71%), and the organisation of professional and promotional activities (16%).

Table 3.2. **Summary of SAW-B statement of income and expenses (2014)**

<b>Financial structure (2014)</b>	<b>EUR</b>	<b>%</b>
Sales (advising agency, room rental, etc.)	123 600	10%
Donations, membership	31 000	2%
Structural subsidies (public financing depending on accreditations, e.g. for training and social-economy advising agency)	449 000	35%
Occasional subsidies (public financing for specific projects)	454 700	35%
Subsidies for services (private financing for specific projects)	40 800	3%
Others (tax returns, interest rates, etc.)	192 100	15%
<b>Total</b>	<b>1 291.200</b>	
<b>Expenses (2014)</b>	<b>EUR</b>	<b>%</b>
Production, activities	202 600	16%
Operations	95 600	7%
Human resources (wages, compensations, etc.)	915 200	71%
Training of SAW-B workers	1 400	1%
Amortisation, etc.	16 800	1%
Other operating expenses	41 000	3%
Financial expenses (interests, bank charges, etc.)	9 400	1%
<b>Total</b>	<b>1 282</b>	

Source: SAW-B (2015).

## Objectives

According to the most recent (2004) version of its statutes, SAW-B “aims to pool together, defend, represent, promote and develop enterprises and field actors of the social or solidarity economy in Wallonia and Brussels, in order to develop an economy predicated on human development rather than profit. The association supports groups and individuals who ‘take action’ in one or several aspects of economic and social life, as well as in the areas of healthcare, education, culture, information, housing, energy, consumption, transports... and this, in a perspective of solidarity, co-operation, sustainable development, self-management, democratic functioning, management transparency and quality of life” (free translation by the authors).

Thus, the support provided by SAW-B to social enterprises is both broader and narrower than that defined by the European Commission's Social Business Initiative (SBI), even though both rely on the EMES network's definition of social enterprises (Borzaga and Defourny, 2001; OECD, 2009). SAW-B encompasses all actors and enterprises in the social economy (including foundations and mutual enterprises, some of which are excluded from the SBI concept of "social enterprise"), and supports all groups and individuals (even non-commercial enterprises) wishing to create a more humanistic and democratic economy. However, compared to the European Commission's SBI, it considers that redistribution of surpluses to owners and shareholders should be made on the basis of stricter considerations than their "mere" social impact. In addition, SAW-B clearly advocates a governance system based on the principle of "one person: one vote" at the general assembly.

SAW-B's policy approach supports the development of social enterprises to effect global change in the economic paradigm and rests on the following objectives:

- demonstrate the viability of the social enterprise model in a broad variety of markets and areas, by covering all actors in the social enterprise ecosystem: social entrepreneurs, managers and workers; political authorities; other support structures (i.e. other federations of social enterprises); and more general audiences (students, citizens, etc.);
- endorse innovative projects, set the groundwork for future similar projects and help social enterprises enter new sectors of activity, by providing business-development services and financial participation in equity shares of individual social enterprises;
- develop the professional skills of both social entrepreneurs and workers through training and education;
- more recently, contribute to social enterprises' rationale and legitimacy on the market by performing research.

## Rationale

In the 1970s, numerous bankrupt enterprises in Belgium were taken over by their workers and became co-operatives. Echoing the emergence of 19th-century Utopian movements, they advocated self-management and transforming capitalism. In the early 1980s, initiatives promoting fair trade and WISEs surfaced, but were barely acknowledged by the government or recognised by the two existing co-operative federations (which mainly focused on producer co-operatives). These movements needed a place to meet and share ideas.

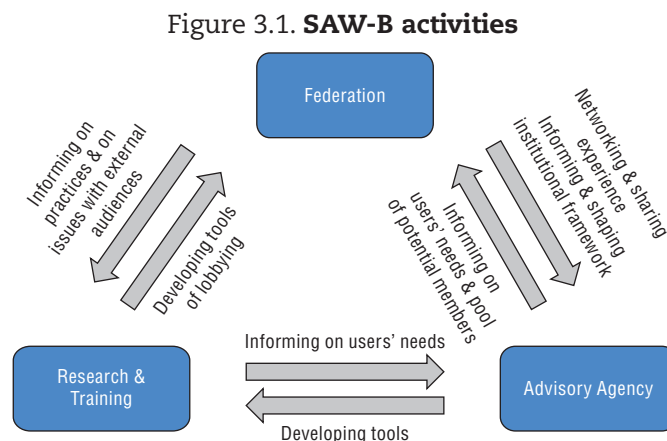
SAW was created under Max Delespesse's<sup>3</sup> impulse in 1981 as the first pluralistic federation ensuring representativeness, co-ordination, promotion and development of alternative initiatives (SAW-B, 2006). Its initial objective was to "open people to a state of mind: that of co-operatives" (SAW-B, 2006), by working on the legal framework and garnering support (particularly for socio-professional integration) from both the public and private sectors.

The growing number and diversity of social enterprises in Wallonia created a need to bring public policy closer to the needs and reality of the field. SAW decided to train and educate these "alternative" entrepreneurs, recognising that professionalising the sector would foster their legitimacy as economic actors. The training provided by SAW initially amounted to sharing good practices, but subsequently evolved into formal training programmes (SAW-B, 2005).

In 1985, with the financial support of the Walloon authorities, SAW launched advisory services to drive successful start-ups by alternative entrepreneurs and promote the social economy.

## Activities

SAW-B has three broad functions: it is a federation pooling social economy actors, an advisory agency for both nascent and established social enterprises, and a research and training centre. These roles support one another (see Figure 3.1.) and ultimately enhance the role of SAW-B as a major actor in social entrepreneurship.



**Federation:** SAW-B aims to pool and represent social enterprises in the political arena, and influence the institutional framework by monitoring public policy and engaging in lobbying (for example, SAW-B established a consultative body on social economy in Wallonia<sup>4</sup>).

In addition to active lobbying, SAW-B is sometimes called on to provide advice (for example, it advised the Belgian Federal Parliament in 2015 on a new legal form for worker co-operatives, and counsels public bodies willing to integrate social clauses in their procurement). It also organises awareness-raising activities on social entrepreneurship for citizens and students.

SAW-B provides legitimacy and signals its endorsement by buying shares in some social enterprises. Such funding is quite limited, and is often directed towards innovative initiatives and social enterprises entering less traditional sectors of activity, or very large-scale projects (for example, SAW-B holds shares in New-B, a co-operative ethical bank project).

**Training and research:** SAW-B has always provided training to social enterprise managers and entrepreneurs; more recently, it began to train their workers. SAW-B is an official “lifelong learning organisation”<sup>5</sup> (since 2009). As such, it receives some funding, providing it organises events, trainings and practice sharing (e.g. on stimulating worker participation), and performs research on a different topic, selected annually. It also publishes around 15 shorter analytical notes every year in the following areas: 1) social economy outlines, objectives and functioning; 2) the social economy and political challenges; 3) the social economy and work; and 4) alternative production and consumption in various fields (culture, food, housing, services, etc.). A recent trend has been to address more specifically what it means to be a social enterprise stakeholder (worker, shareholder, beneficiary, or consumer).

**Advisory agency:** SAW-B provides advice and business development services supporting social-enterprise creation, scaling and/or restructuring in all activity sectors. Its consultancy services include legal, financial, human resource-related and governance advice, as well

as drafting business plans and communication tools, and/or helping to obtain agreements from public authorities. This broad spectrum of services is backed by methodological tools, such as adapted spreadsheets for financial plans, technical notes (e.g. on legal forms), field experience, and the SAW-B network of entrepreneurs and experts. SAW-B does not apply a standardised support track; instead, it tailors advisory activities to each social entrepreneur's needs. Thus, it may provide advice during face-to-face meetings, follow the social entrepreneur on site, organise group discussions with other entrepreneurs with similar or complementary needs, etc.

SAW-B recently started to gather different actors (e.g. a social enterprise, traditional sector actors, social workers and political authorities) around a common project, to identify the necessary actions to institutionalise or develop a new activity sector (for example, social agriculture for the benefit of people at risk of exclusion<sup>6</sup>).

### Challenges encountered and impact

According to its managing director,<sup>7</sup> the main challenge for SAW-B lies in overcoming resistance to change (mainly on the part of public authorities) in the face of the initiatives' innovative and alternative character. This struggle for recognition and structuring of the field through dedicated policies (e.g. public funding agreements) and legal acts (e.g. specific legal forms and official recognition of the social economy's role) underpins the existence of SAW-B.

The growing interest of citizens and political authorities in social entrepreneurship has shone a light on the values and dynamics of the social economy, and led to the development of new financial products (e.g. social impact bonds and impact investment). However, the emergence of new actors (e.g. collaborative or sharing-economy platforms) that only partially endorse the values of the social economy and focus on compensating – rather than complementing – public action tends to blur the definition of social enterprise and create confusion with other organisational models. While the ability of SAW-B to collaborate with new actors makes it a central actor in the social enterprise ecosystem, it can also endanger its capacity to defend the social enterprise model. Hence, the challenge lies in taking into account these evolutions, without diluting the principles of economic democracy and limited surplus redistribution.

As a federation, SAW-B has a mandate to co-ordinate actions supporting social entrepreneurship. This may give the advisory agency a competitive advantage, leading to possible confusion over its role (as both a federation co-ordinating various actors and an advisory agency included in the actors to be co-ordinated). SAW-B continuously works on allaying this weakness.

The transversal nature of SAW-B helps innovative social enterprises flourish through tailor-made generalist support activities in a wide array of sectors. In the future, however, this broad approach may render SAW-B incapable of devising more tailored solutions meeting the needs of some social entrepreneurs requiring a higher degree of specialised expertise.

Table 3.3. presents a strengths, weaknesses, threats and opportunities (SWOT) analysis of SAW-B.

Table 3.3. **SWOT analysis of SAW-B**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>● Transversal, open character</li> <li>● Complementary activities, also helping SAW-B operations reach a critical size</li> <li>● Funding by public authorities and recognition as a legitimate interlocutor</li> </ul>	<ul style="list-style-type: none"> <li>● Lack of specialisation (causing potential loss of legitimacy) and in-depth knowledge</li> <li>● Potential for principal-agency problem</li> <li>● Fragile financial structure owing to reliance on public funding</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>● Growing interest on the part of citizens and public authorities in social entrepreneurship</li> <li>● Increased visibility of social economy values and dynamics</li> <li>● Emergence of new actors</li> <li>● New financing tools</li> </ul>	<ul style="list-style-type: none"> <li>● Blurred boundaries in the social-economy sector</li> <li>● Decrease in external funding owing to long-lasting effects of the financial crisis<sup>1</sup></li> </ul>

1. For example, subsidies provided to WISEs for disabled people decreased by EUR 500 000 in 2014 in Brussels (Baelle, 2014).

### Impact

Although SAW-B regularly evaluates its processes (in terms of human-resource management, production, etc.), no data are available on the cost-effectiveness, efficiency or measured social impact of its actions. Because its action mainly targets the long term and cannot be summarised in yearly analyses (for example, its lobbying activities impact on the legal framework and political support for social enterprises), SAW-B performs an ex-post qualitative analysis of its processes and activities that provide a partial indication of their social impact. Its advocacy work has directly contributed to the establishment of a consultative body on social economy in 1988; the adoption of a legal definition of the social economy, thanks to close contacts with members of parliament; the creation of an organisational legal status (the social-purpose company [*société à finalité sociale*]); and the formulation of public agreements or labels (e.g. WISE).

At the micro level, SAW-B fosters the creation or development of individual social enterprises: an estimated 50 social enterprises benefitted from its advisory services in 2014 (SAW-B, 2015). It also assists with their financing through capital participation, as well as managing grant programmes (e.g. ImpulCera) on behalf of other public and private actors.

## Lessons learnt and conditions for potential replicability

### Lessons learnt

First, the success of SAW-B highlights the added value of offering a range of complementary services under the same umbrella. SAW-B provides support at different levels of action throughout a social enterprise's lifecycle, enabling it to reach critical size, and reinforcing its legitimacy in the eyes of both social enterprises and external stakeholders.

Second, engaging in collaborative partnerships with other actors has allowed SAW-B to build on their strengths, as well as offer new services and use resources more efficiently, thereby helping to structure the field and attract new actors to the sector.

### Conditions for potential replicability

SAW-B is deeply embedded in the Walloon and Brussels regional context, and while it collaborates and shares good practices with other European actors, it has never sought to replicate its model elsewhere.

Nevertheless, its multi-level institutional work supporting social enterprises and social entrepreneurship, stemming from a combination of both bottom-up and top-down activities, seems quite unique (Battilana, Lena and Boxenbaum, 2009). Notwithstanding the principle of subsidiarity, this approach is probably replicable at a regional level, depending on which public authority has the most power on social enterprise development (in Belgium, regional authorities design many policies related to the social economy). The regional level also ensures a degree of coherence among activities conducted as a federation and activities directly targeting social entrepreneurs.

The transversal character of the SAW-B membership and activities (especially its advisory activities) helps it identify areas of innovation, and should be considered for replication.

Actions targeting a broad variety of stakeholders – that is, not only founders and managers, but also workers, public authorities, social-movement actors (e.g. labour unions or activist networks), consumers and citizens – most effectively support the emergence and scaling of social enterprises, and are vital to replication in other contexts.

Finally, some support from public authorities – notably through funding – appears to be a condition for replicating the SAW-B model.

## Notes

1. For more information, please visit: <http://www.impulcera.be>.
2. This figure should increase in the 2015 accounts, thanks to a European Regional Development Fund project for research and advising activities.
3. Max Delespesse is a former priest and philosopher; he was an employee of the provincial administration at the time of the founding of SAW. By personal interest, he has always been in close contact with initiatives aiming to support workers, particularly worker co-operatives.
4. As a result of lobbying by SAW, in 1988 the regional authorities established the Walloon Council for Social Economy (Conseil Wallon de l'Économie Sociale), comprising representatives of employers, labour unions, social enterprises and academic institutions who provide advice on policy making affecting the social economy and social enterprises. With this body and in collaboration with scholars, SAW helped delineate an official definition of the social economy and social enterprises in Wallonia. Adopted in 1990, this definition helped structure the field, providing it with legitimacy and ensuring the design of specific policies, including public financial support.
5. *Décret du 17 juillet 2003 relatif au soutien de l'action associative dans le champ de l'Éducation permanente* (French-speaking community of Belgium), consolidated version available on: <http://www.ejustice.just.fgov.be/loi/loi.htm>.
6. <http://www.saw-b.be/spip/Agriculture-sociale>.
7. Interviews were conducted on 22 April 2016 with Marie-Caroline Collard, managing director of SAW-B, and on 22 April and 7 June 2016 with Frédérique Konstantatos, co-ordinator for communication and advocacy. The authors also exchanged several mails with both. A set of 15 newspaper clippings since 2012 was also used as background information.

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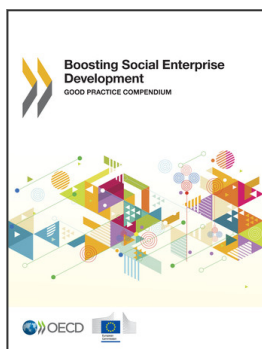
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