

Assessing the social and solidarity economy in Luxembourg

Francesco Sarracino and Chiara Peroni

Contents

1	Introduction	3
2	Social enterprises: a working definition for Luxembourg	4
2.1	Size of social enterprises	12
2.2	Trend of social entrepreneurship in Luxembourg.	14
3	Employment in social enterprises in 2012	17
3.1	Employment by gender	23
3.2	Employment by firm-size	28
4	Conclusion	32
A	Appendix	34

List of Tables

1	Social economy defined as entities belonging to “Social work activities”	7
2	Social enterprises in 2012 as defined by their legal form	7
3	Social enterprises in 2012 by legal forms.	8
4	Legal form of social enterprises by size in 2012	12
5	Legal form of social enterprises by employment category in 2012	13
6	Number of wage earners by size of enterprise in 2012.	17
7	Share of wage-earners by legal form and type of contract in 2012.	23

8	Share of wage-earners by contract type and firm size	28
9	Share of women wage-earners by economic activity in 2012 . . .	31
10	NACE codes rev.1.1	34

List of Figures

1	Presence of social enterprises by canton in 2012	9
2	Density of social enterprises by canton in 2012.	10
3	Legal form of the enterprise by economic activity	11
4	Size of the enterprise by legal form (2012).	13
5	Number of social enterprises from 2000 to 2012.	14
6	Number of social enterprises from 2000 to 2012 by legal form.	15
7	Number of social enterprises from 2000 to 2012 by size.	16
8	Number of wage earners by legal form in 2012	18
9	Employment by firm-size and legal form in 2012	19
10	Number of employees in the social economy	20
11	Average number of employees by year and type of social enterprise between 2000 and 2012	21
12	Full-time and part-time contracts by type of social enterprise between 2000 and 2012	22
13	The growth of creche and elderly houses over time.	22
14	Share of female wage-earners from 2000 to 2012.	24
15	Share of female wage-earners by legal form from 2000 to 2012.	25
16	Women in full-time and part-time contracts by type of social enterprise between 2000 and 2012	26
17	Men in full-time and part-time contracts by type of social enterprise between 2000 and 2012	27
18	Full-time and part-time contracts by firm size between 2000 and 2012	29
19	Women in full-time and part-time contracts by firm size between 2000 and 2012	30
20	Men in full-time and part-time contracts by firm size between 2000 and 2012	31

1 Introduction

A social enterprise is a private and autonomous organisation providing goods or services with an explicit aim to benefit the community, owned or managed by a group of citizens in which the material interest of investors is subject to limits (OECD, 2009).

Policy-makers, scholars and operators regard the social economy as crucial to build sustainable and inclusive growth, i.e. an innovation-based growth compatible with social cohesion and job creation (Rosenblatt, 2013). There are various reasons for this. Firstly, organisations belonging to the social economy – throughout this report referred to as social enterprises independently from their legal status – are considered better fit to address social or environmental issues than public institutions (Borzaga et al., 2010; Becchetti and Borzaga, 2012). Secondly, as highlighted by the Social Economy Intergroup of the European Parliament, social enterprises are better equipped to face the economic crisis than many private companies. Furthermore, social enterprises often pursue long-term action plans, and they are less likely to relocate abroad even if they develop on an international scale (Toia report, 2013). These reasons raised the interest in social entrepreneurship in Luxembourg as well as in the rest of Europe, United States and some regions of the East and far East.

In recent years, government schemes aimed at fostering the social economy have accompanied the emergence of new business initiatives. Luxembourg is the first European country to have established a Ministry of the solidarity economy in 2009, and to have implemented a government program to support this sector. According to the Luxembourgish government, the social economy is an innovative sector offering new solutions for a more sustainable economy. In 2011, the Government implemented the first Action Plan for Solidarity Economy (PLES) aimed at promoting and developing social enterprises. In the same year, Business Initiative launched a new support system for business projects with a social or solidarity aim in Luxembourg (the program is called 1,2,3 GO Social). In 2013, the proliferation of social and solidarity initiatives led to the establishment of the Luxembourg Union of the Social and Solidarity Economy (ULESS) whose goal is to represent, inform, educate and promote the principles and values of the social economy in Luxembourg.

The developments described above have highlighted the need of measuring the social economy and quantifying its economic impact. In 2013 the

National Statistical Office of Luxembourg (STATEC), with the support of the Ministries of Labour and of the Economy, started a research program to identify and monitor social enterprises in Luxembourg (Rückert and Sarra-cino, 2014). In this context, the present report documents key facts of the social economy in Luxembourg using Business Register data (the “Repertoire des Entreprises Luxembourgeois”), focusing on two important variables: the number of enterprises and the number of wage earners. Namely, the re-port presents the evolution of the number of social enterprises from 2000 to 2012, the latest available observation. It also describes patterns and char-acteristics of employment in the same sector. This study investigates the typologies of social enterprises looking at their legal forms, size and classifi-cation of economic activities. Clearly, the evaluation of the number of firms and employment are important steps towards the assessment of the economic relevance of the social economy.

2 Social enterprises: a working definition for Luxembourg

Defining the concept of social economy is a pre-requisite for the reliable mea-surement and the study of its economic impact. Rapid societal changes and lack of shared views among scholars and policy actors, however, make the elaboration of a rigorous definition a difficult task. Various countries and international institutions have adopted different solutions to identify partic-ipating businesses and organisations (Defourny and Nyssens, 2008, 2010).

Reflecting historical developments, social enterprises have been usually identified with organisations such as cooperatives and mutual societies. Cur-rent approaches to the definition and measurement of the social economy focus on the social mission, as well as on principles of conducts and gover-nance (CIRIEC, 2007). Efforts to define the social economy have resulted in the identification of several principles to shape the actions of social enter-prises (European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations, 2002; Conseil Wallon de l’économie sociale, 1990):

- the objective of the social enterprise is to serve its members or the community, and to satisfy people’s needs;

- the social enterprise is an organisation managed autonomously and independently from public authorities, and its membership is open and voluntary;
- in its statute and code of conduct, the social enterprise establishes a democratic decision-making process that implies participation by members;
- the distribution of revenue focuses on people and labour over capital;
- its operations are based on the principles of participation, solidarity, and individual and collective responsibility.
- the interests of the social enterprise’s members and users are reconciled with the general interest.

A comprehensive definition of the social economy was developed by the European Research Network in Europe (EMES). According to the network’s definition, quoting the OECD report (2009), “*a social enterprise is a private and autonomous organisation providing goods or services with an explicit aim to benefit the community, owned or managed by a group of citizens in which the material interest of investors is subject to limits*”.¹

Social enterprises are meant to deliver goods or services. Compared to traditional firms, however, organisations belonging to the social economy are often active in the production and provision of *social goods*, such as societal and professional participation, social services and community-based care. In other words, such enterprises pursue social profitability rather than economic profits (Sullivan Mort et al., 2003). Examples are the contribution to democratic development — such as initiatives to promote active citizenship — or the promotion of labour market participation by supporting the employability of disadvantaged and less able people.

Social enterprises operate in many areas of economic activities such as finance, insurance, construction, health, education, culture, agriculture and retail. For example, Wikipedia is a non-profit organization based on a free and collective participation; micro-finance institutes grant loans to people with low income who could not access the conventional financial system; fair

¹For a review and historical perspective on the definition of the social economy one can see the CIRIEC (2007) report.

trade organisations invoke a more equitable international trade to improve the living conditions of disadvantaged workers.

The democratic governance is one of the main characteristic of social enterprises. This is why social activities have been typically organised according to four main legal forms: cooperatives, mutual societies, foundations and associations (European Commission, 2013). A cooperative is collectively, voluntarily and democratically run by its members, who gather to serve common social and economic goals. A mutual society pursues solidarity and mutual assistance by providing services to its members. A foundation is a group of private donors meant to pursue charitable purposes. An association is a group of volunteers that act in solidarity to address a common non-profit interest.

Thus, the social economy is also referred to as the “third sector”, to mark its distinction with public (ownership dimension) and private economic activities (mission dimension). The ultimate outcome/aim of the social economy is the promotion of inclusiveness and strengthening of social cohesion, through the reduction of income and geographical inequalities and the correction of market imbalances.

This report adopts a definition of the social economy proposed by Rückert and Sarracino (2014). This definition attempts at reconciling the two views that focus, respectively, on social aims and governance, and combines two different identification methods. The first method identifies as social enterprises all businesses and organisations belonging to the Social Action section of the NACE (Statistical Classification of Economic Activities in the European Community), with the exclusion of elderly houses and childcare centers (Allegrezza and Molling, 2005) (see table 1). This includes: the NACE code 85.31, referring to “Social work activities with accommodation”; the code 85.32 that refers to “Social work activities without accommodation”. In light of the important social role that elderly and child care play in modern societies, we extended the first method to include these two forms of enterprises. As shown in table 1, the most numerous group according to this first identification method is “Crèches et garderies d’enfants” with 202 units in 2012. At a first glance this can be surprising as the method includes also *for-profit* activities. Yet, the aim of such organisations is intrinsically ‘social’ because they address social needs and satisfy – to some extent – non-market services.

The second method is based on the definition adopted by the INSEE, the French statistical office, and adjusted for Luxembourg (Peiffer and Hiltgen, 2010). According to this second identification method, an entity belongs to

Table 1: Social economy defined as entities belonging to “Social work activities” according to NACE codes rev.1.1 in 2012.

Item	Number	Per cent
85311 Orphelinats et instituts pour enfants en difficulté	7	1.93
85312 Instituts pour handicapés	9	2.49
85313 Maisons de retraite	20	5.52
85314 Autres activités d’action sociale avec hébergement	8	2.21
85321 Crèches et garderies d’enfants	202	55.80
85322 Ateliers protégés	44	12.15
85323 Autres activités d’action sociale sans hébergement	72	19.89
Total	362	100.00

Source: Répertoire des Entreprises Luxembourgeois

the social economy depending on its legal form (see table 2). Possible legal forms are: cooperative, non-profit organization, charitable organization, fraternal benefit organization, mutual insurance association, cultural association and sports association. In 2012, the “Associations sans but lucratif” were the most numerous social enterprises in Luxembourg with 707 units. The two methods have three legal forms in common: cooperative, non-profit organization and charitable organization.

Table 2: Social enterprises in 2012 as defined by their legal form

Item	Number	Per cent
25 Société cooperative de droit Luxembourgeois	77	8.70
61 Associations sans but lucratif	707	79.89
64 Etablissement d’utilité public	51	5.76
66 Société de Secours Mutuels	2	0.23
67 Associations d’Assurances Mutuelles	3	0.34
72 Association culturelle	19	2.15
73 Association sportive	26	2.94
Total	885	100.00

Source: Répertoire des Entreprises Luxembourgeois

In present work, we consider as social enterprises all the organisations

belonging to the union of the two sets identified with the methods described above (Rückert and Sarracino, 2014).² Following this definition, we identified 1,064 active social enterprises in 2012 (the latest available year in the data) corresponding to 3.2% of the total enterprises present in Luxembourg.³ Among the social enterprises, 362 were performing health and social action activities, while the remaining 702 were cooperatives, mutualities, etc. operating other activities. Table 3 shows results from this exercise and reports the number of active social enterprises in Luxembourg according to their legal forms. The most frequent legal forms were: “Associations sans but lucratif” with 707 units (66.45%), “Société a responsabilité limitée de droit Luxembourgeois” with 154 units (14.47%), and “Société cooperative de droit Luxembourgeois” with 77 units (7.24%).

Table 3: Social enterprises in 2012 by legal forms.

Item	Number	Per cent
1 Entreprise individuelle	8	0.75
22 Société anonyme de droit Luxembourgeois	16	1.50
24 Société a responsabilité limitée de droit Luxembourgeois	154	14.47
25 Société cooperative de droit Luxembourgeois	77	7.24
61 Associations sans but lucratif	707	66.45
64 Etablissement d'utilité public	51	4.79
66 Société de Secours Mutuels	2	0.19
67 Associations d'Assurances Mutuelles	3	0.28
69 Groupement de droit privé	1	0.09
72 Association culturelle	19	1.79
73 Association sportive	26	2.44
Total	1,064	100.00

Source: Répertoire des Entreprises Luxembourgeois

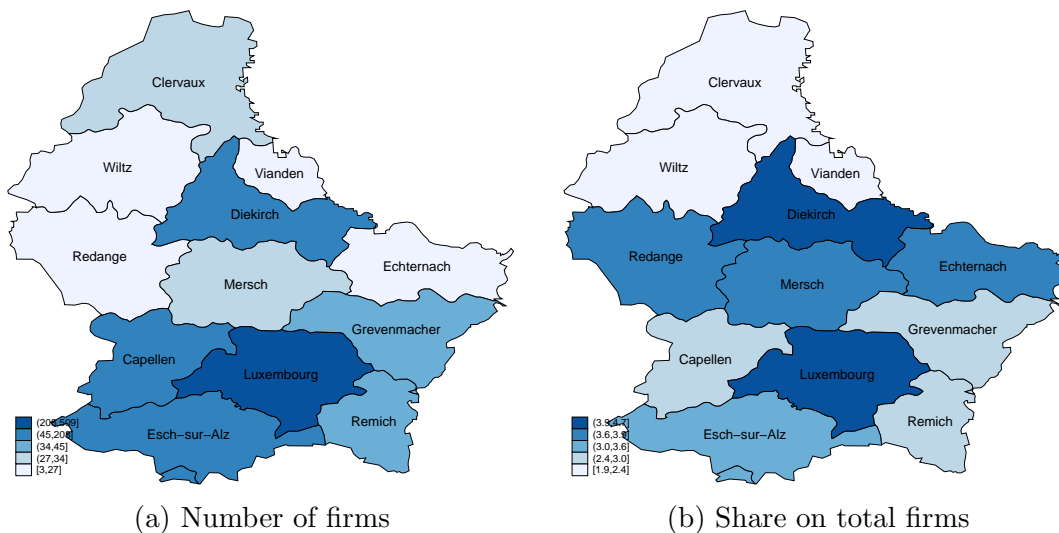
Figure 1 informs on the geographical distribution of social enterprises in Luxembourg for the same year. The left panel shows the the total number

²Possible overlapping social enterprises are considered only once, while the following legal forms have been excluded: administration publique, etablissement public, syndicat de communes, organisation culturelle de droit publique, etablissement sanitaire de droit publique, trade unions, religious and political organisations.

³The total number of businesses registered in Luxembourg in 2012 was 33,490 units.

of firms, while the right panel reports the share of social firms on the total of firms. Darker colors indicate, respectively, a larger number of social enterprises, and a larger share of social enterprises on total enterprises registered in the same canton in 2012 (see figure 1b). In absolute terms, the presence of social enterprises was higher in the cantons of Luxembourg (47.83%), Esch-sur-Alzette (19.54%), Diekirch (5.54%) and Capellen (5.45%) (see also figure 2a). However, if we consider the total number of firms registered per canton, the ranking changes slightly. The highest relative density of social enterprises was recorded in Diekirch (4.70%) and Luxembourg (4.02%), followed by Mersch (3.91%), Redange (3.65%), and Echternach (3.61%) (see also figure 2b).

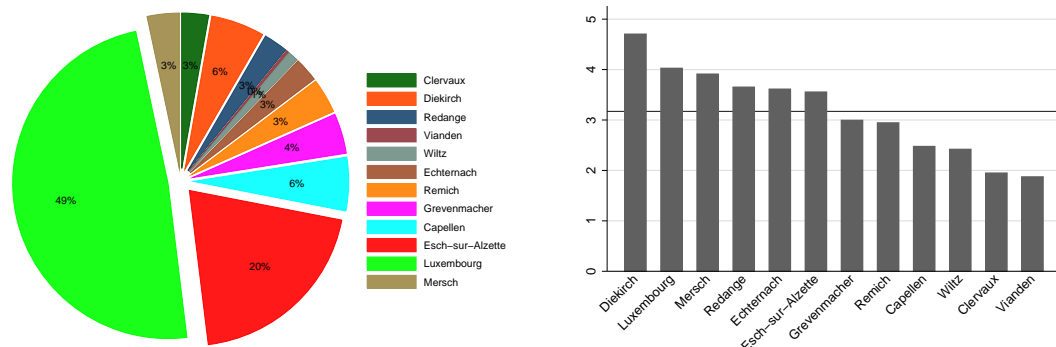
Figure 1: Presence of social enterprises by canton in 2012



What follows studies the distribution of social enterprises in Luxembourg by legal forms and size. To facilitate the interpretation of data and graphics, we regroup social enterprises according to their legal status (Rückert and Sarracino, 2014), as follows:

- private for profit enterprises include the legal form ‘entreprise individuelle’, ‘société anonyme’, ‘société a responsabilité limitée’;
- cooperatives and mutuals include the legal forms ‘société coopérative’, ‘société de secours mutuels’, and ‘associations d’assurances mutuelles’;

Figure 2: Density of social enterprises by canton in 2012.



(a) Share on total social enterprises in Luxembourg.

(b) Share on total firms registered by canton.

- associations include the legal forms ‘associations sans but lucratif’, ‘groupement de droit privé’, ‘association culturelle’, and ‘association sportive’;
- charitable organisations include ‘établissement d’utilité publique’.

We also regroup social enterprises by the following size categories:

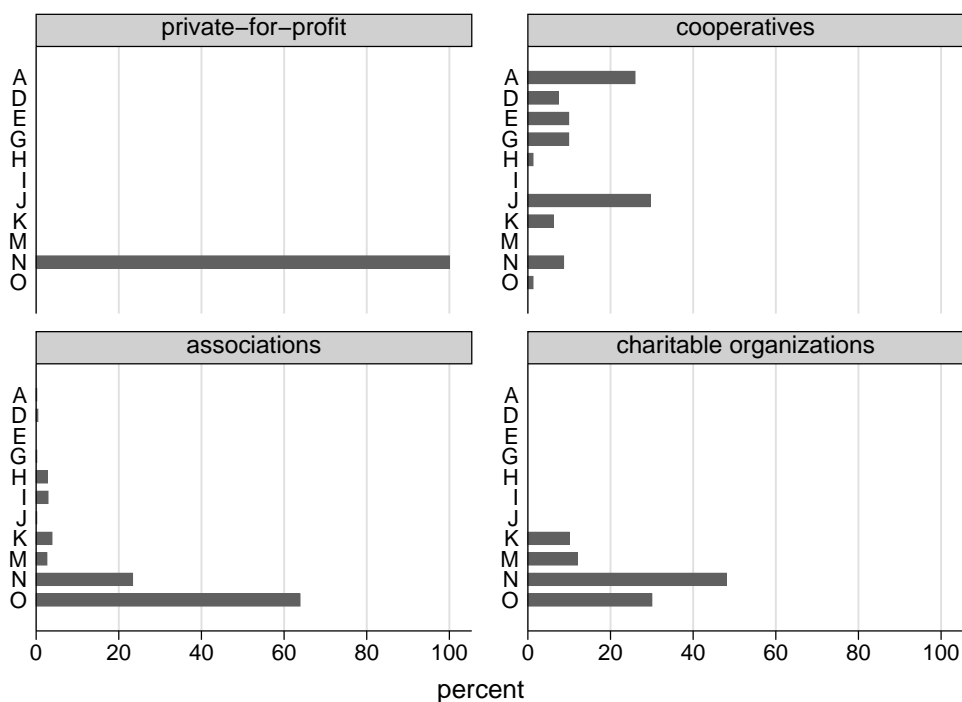
- micro: enterprises that have less than 10 employees;
- small: enterprises that have more than 10 and less than 50 employees;
- medium: enterprises that have between 50 and 250 employees;
- large: enterprises that have more than 250 wage earners.

Figure 3 shows the distribution of these regrouped legal forms across economic activities. According to our definition of social enterprises, it is unsurprising that all private for profit enterprises were accounted for by the NACE code N, that is, the one dedicated to Health and social work (“Santé et action sociale”).⁴ Cooperatives were evenly distributed across economic sectors, with two peaks in Agriculture and hunting (“Agriculture, chasse, sylviculture”) and financial intermediation (“Activités financières”). Associations and charitable organizations were mainly present in Health and social

⁴The detailed list of economic activities by letter is available in table 10 in the appendix.

work, and Community, social and personal service activities (“Services collectifs, sociaux et personnels”).

Figure 3: Legal form of the enterprise by economic activity (Sections NACE rev. 1.1) in 2012.



To confirm our definition, STATEC run a survey of social enterprises in 2013. The aim of the survey was to identify the typologies of social enterprises operating in Luxembourg. About 1000 organisations were sampled from strata identified by their size and legal forms. Respondents were asked, among others, to inform whether the organisation was a social enterprise and to state its social mission. The numbers support our identification strategy: about 70% of the respondents perceived the organisation as a social enterprise and nearly 90% were able to state its social mission. Remarkably, the survey provided some preliminary evidence of another feature of the Luxembourgish social economy which is confirmed by present analysis: the important involvement of women in the labour market of social enterprises.

2.1 Size of social enterprises

The large majority of social enterprises are either micro or small firms. Among these, associations and private for profit enterprises are the most frequent legal forms.

Table 4: Legal form of social enterprises by size in 2012

	size of the firm				Total
	micro	small	medium	large	
private-for-profit	104.00	63	10	1	178
cooperatives	50	21	9	2	82
associations	579	119	41	14	753
charitable organizations	23	10	12	6	51
Total	756	213	72	23	1,064

Source: Répertoire des Entreprises Luxembourgeois

Table 4 shows the number of social enterprises in Luxembourg in 2012 by size and legal form. Figure 4 represents the size of social enterprises by legal form. There, one can see that 71.1% of social enterprises are small or very small (micro). Namely, in 2012 micro enterprises were about 60% of the private for profit and cooperative firms; small enterprises accounted for, respectively, 35% and 25% of those firm, while medium and large enterprises were about 9% of the total. Nearly all associations were micro or small enterprises. Charitable organizations provide a slightly different picture: micro (45%) and small (20%) enterprises were still the most frequent categories among charitable organizations, but larger companies were also present with medium (about 25%) and large (about 10%) entities. Yet, the structure of the social economy is close to the one of the aggregate economy.

It is possible to look in more detail at the size of social enterprises by legal forms by looking at table 5: 26.12% (corresponding to 278 units) of social enterprises in Luxembourg involved between 1 and 5 employees, the majority of whom were employed in associations; a further 20% of social enterprises employed between 10 and 50 people, mainly in associations and private for profit organisations; organizations that on average in 2012 employed less than one person represented the 18.23% of the total, i.e. 194 entities belonging mainly to the legal form ‘associations’.

Figure 4: Size of the enterprise by legal form (2012).

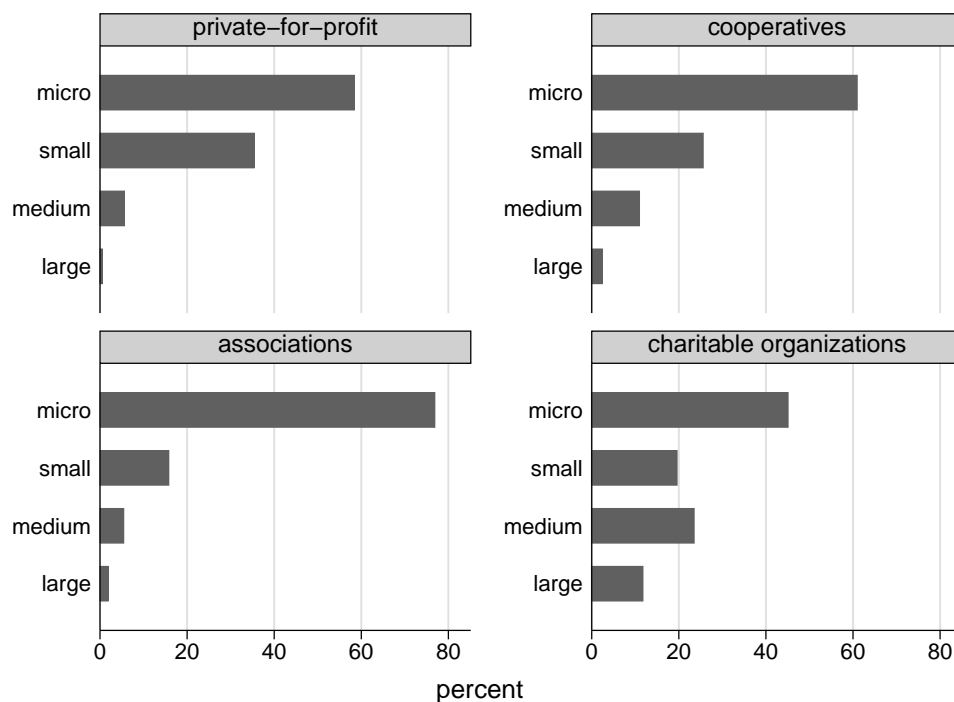


Table 5: Legal form of social enterprises by employment category in 2012

	private- for-profit	cooperatives	associations	charitable organizations	Total
less than 1	10	30	153	1	194
equal to 1	3	6	126	4	139
1 and <5	38	9	217	14	278
5 and <10	53	5	83	4	145
10 and <50	63	21	119	10	213
50 and <100	7	4	28	6	45
100 and <250	3	5	13	6	27
250 and <500	1	1	8	3	13
more than 500	0	1	6	3	10
Total	178	82	753	51	1,064

Source: Répertoire des Entreprises Luxembourgeoises

In summary, in 2012 the highest share of Luxembourgish social enterprises were micro enterprises employing less than 10 wage earners.

2.2 Trend of social entrepreneurship in Luxembourg.

In 2012, 1,064 social enterprises were operating in Luxembourg. Figure 5 shows the evolution of the number of social businesses and initiatives in the country in recent years. One can see that the social economy operators grew steadily over time. From 2000 to 2012 the number of social enterprises increased by 44%, with an yearly growth of about 3.4%. This rate is comparable to the one recorded for the overall economy, where number of businesses increased by 3.2% per year over the same period.

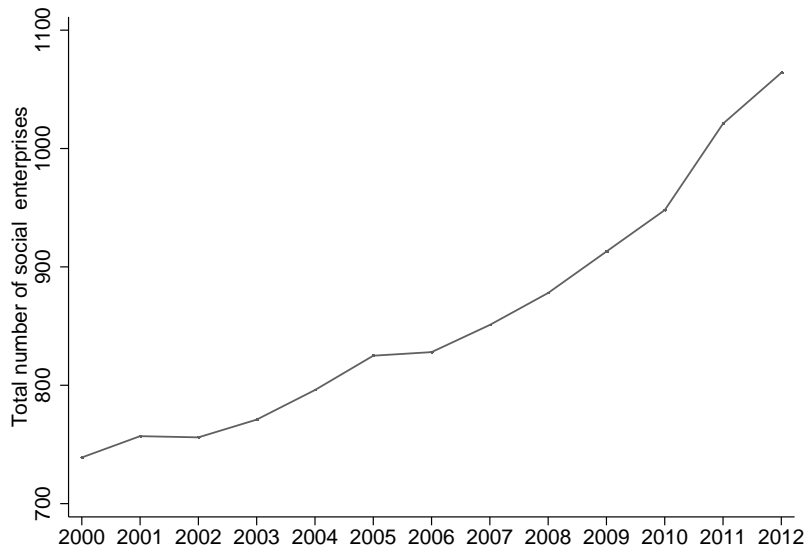
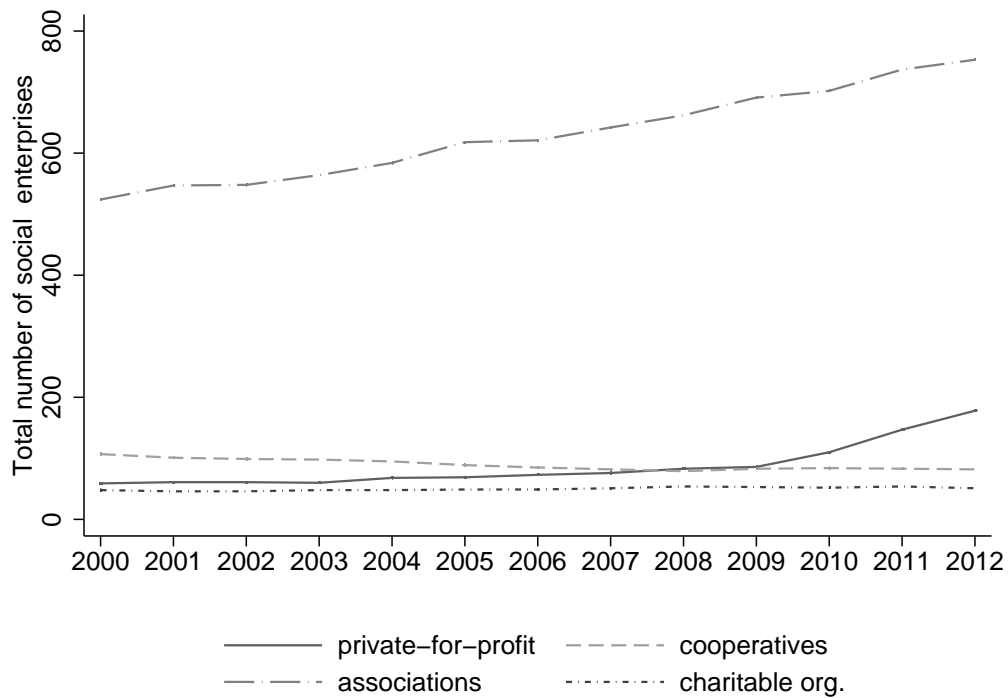


Figure 5: Number of social enterprises from 2000 to 2012.

Figure 6 documents that the number of charitable organizations and cooperatives stayed constant over time, while private-for-profit social enterprises slightly increased since 2000. In particular, the number of private-for-profit companies went from 86 in 2009 to 178 in 2012. Associations remained the most numerous component of the Luxembourgish social economy with 524

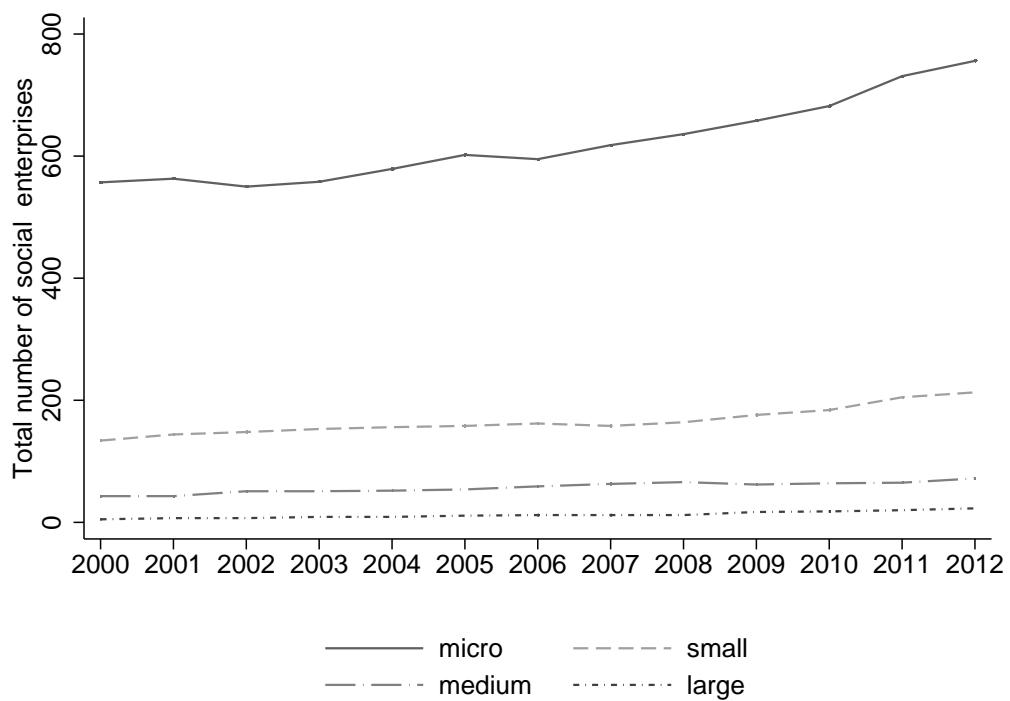
entities in 2000 which steadily grew to 753 in 2012, with an yearly growth rate of 14.56%.

Figure 6: Number of social enterprises from 2000 to 2012 by legal form.



As illustrated in section 2.1, micro enterprises were the most frequent type of organizations in the Luxembourgish social economy in 2012. Figure 7 shows that micro enterprises have been the prevailing form of organization since 2000, when there were 557 micro enterprises growing at a rate of about 3% each year. Small companies were the second most numerous group: in 2000 Luxembourg counted 134 small enterprises that increased to 213 in 2012, with a growth rate of about 4.91% yearly. Medium and large social enterprises show comparatively smaller numbers: in 2000 there were 43 medium sized companies and 5 large ones; in 2012 they were respectively 72 and 23.

Figure 7: Number of social enterprises from 2000 to 2012 by size.



3 Employment in social enterprises in 2012

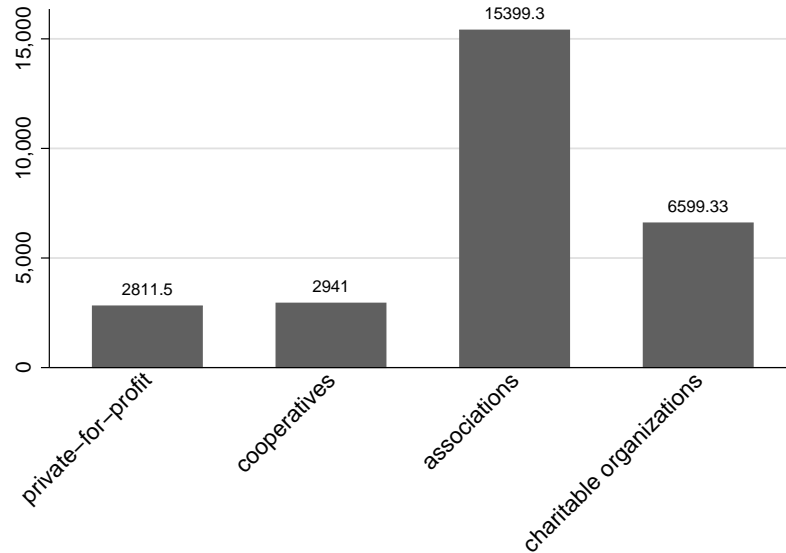
Within the “Repertoire des Entreprises Luxembourgeois”, employment is recorded as the headcount of wage-earners, and computed as an annual average of monthly data from social security records. **These data show that in 2012 the Luxembourgish social economy involved 27,751.17 wage earners, part- and full-time, representing about 8% of total wage-earners.** The 55.5% (equivalent to 15,399.3 wage-earners) of these jobs were created by associations, 23.78% (6,599.33 wage-earners) by charitable organisations, 10.59% (2,941 wage-earners) by cooperatives and mutual foundations, and the remaining 10.13% (2,811.5 wage-earners) by private for profit social enterprises (see figure 8).

Table 6: Number of wage earners by size of enterprise in 2012.

Size	Wage-earners	
	N	%
less than 1	48.75	0.18
equal to 1	139.00	0.50
1 and < 5	748.42	2.70
5 and < 10	1,031.83	3.72
10 and <50	4,435.33	15.98
50 and <100	3,208.42	11.56
100 and <250	4,164.08	15.01
250 and <500	4,386.25	15.81
more than 500	9,589.08	34.55
Total	27751.167	100

In terms of size of the establishment, table 6 shows that 50% of jobs were created by large employers with more than 250 employees despite the fact that they were only 2.16% of the total number of social enterprises in Luxembourg (for more details refer to table 5). Medium-sized organisations were 6.76% of the total number of social enterprises and employed nearly 26.57% of total wage-earners, while small enterprises (20% of the social economy) employed about 16% of the wage-earners. Micro social enterprises – mainly associations – were the most numerous, representing 71% of the social economy, and created 7.1% of total social jobs.

Figure 8: Number of wage earners by legal form in 2012



Large associations employed about 1/4 of the total employees in the Luxembourgish social economy in 2012. Large charitable organizations employed 16.92% of the wage earners, followed by medium sized associations (13.47%). In other words, medium and large associations employed 40.89% of the wage earners present in social enterprises. Private for profit enterprises employed about 10.12% of the total, mainly concentrated in small and medium companies, while a further 10.61% of wage earners belonged to cooperatives, of which the majority pertained to medium and large cooperatives (for more details see figure 9).

Figure 10 shows how the employment in social enterprises was distributed on the territory of Luxembourg in 2012. More intense colors indicate a higher number of wage-earners. The canton of Luxembourg was the one that host the largest number of wage-earners with nearly 18,260 employees. Esch-sur-Alzette was the second most numerous canton with about 5,296 employees, followed by Diekirch (935 wage-earners) and Capellen (902 wage-earners). On the contrary, Wiltz, Vianden and Echternach were the cantons with the lowest presence of employees in social enterprises with 27, 36 and 200 wage-earners respectively. It is highly probable that such discrepancies among cantons reflect the different distribution of enterprises (social and non-social)

Figure 9: Employment by firm-size and legal form in 2012 (in % of total).

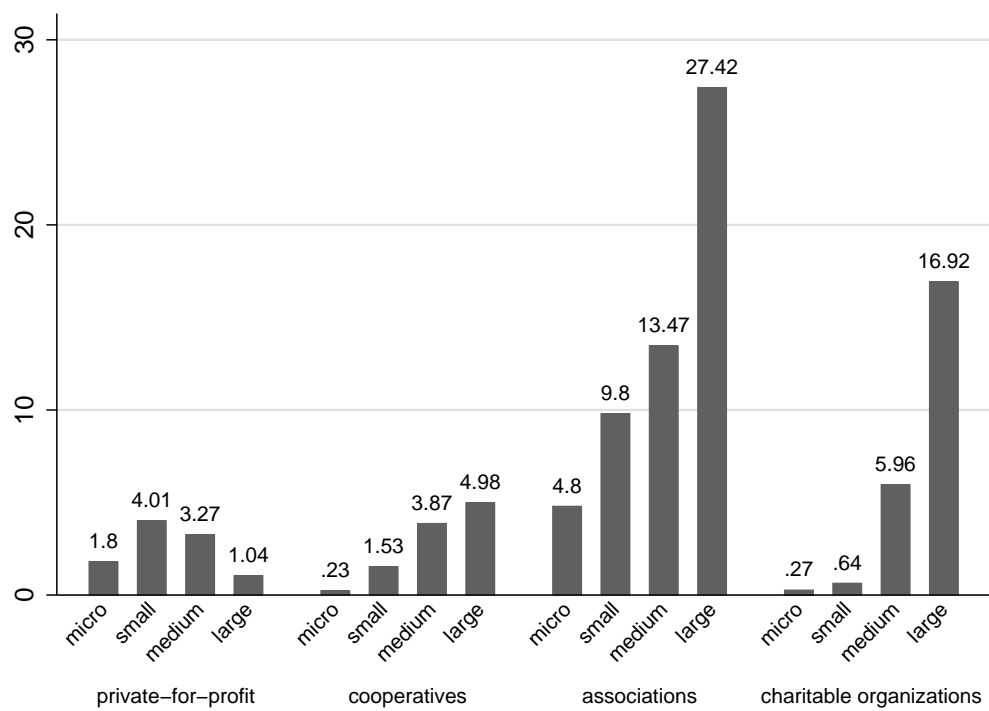
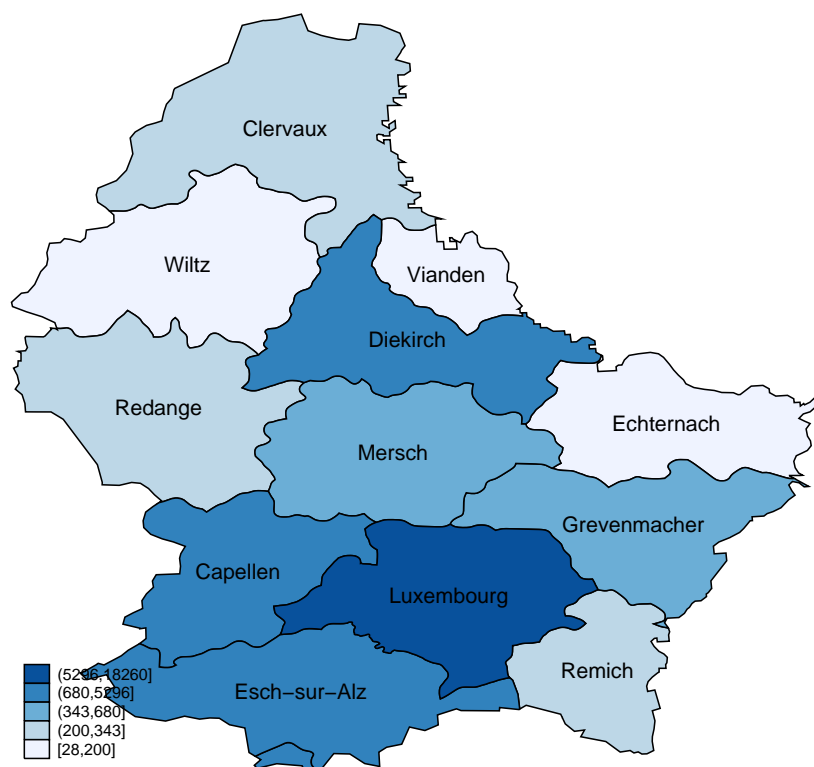
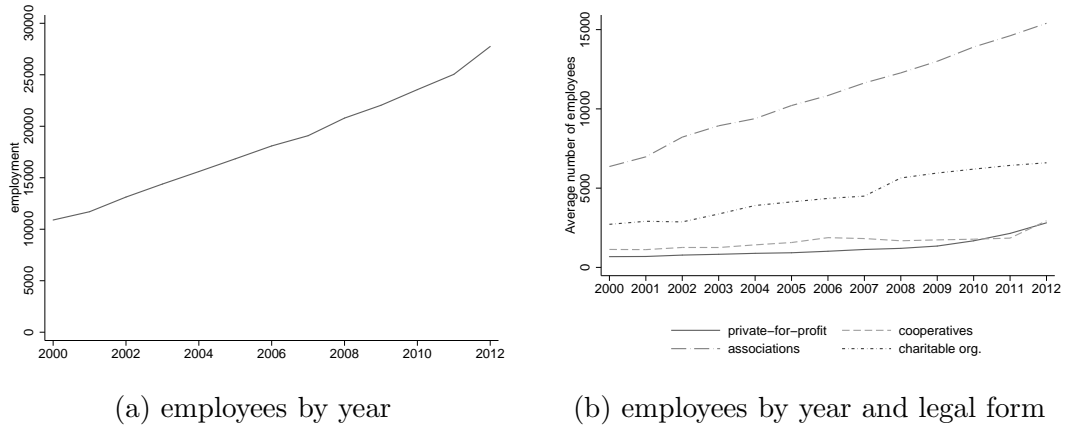


Figure 10: Number of employees in the social economy in 2012.



over the territory of Luxembourg.

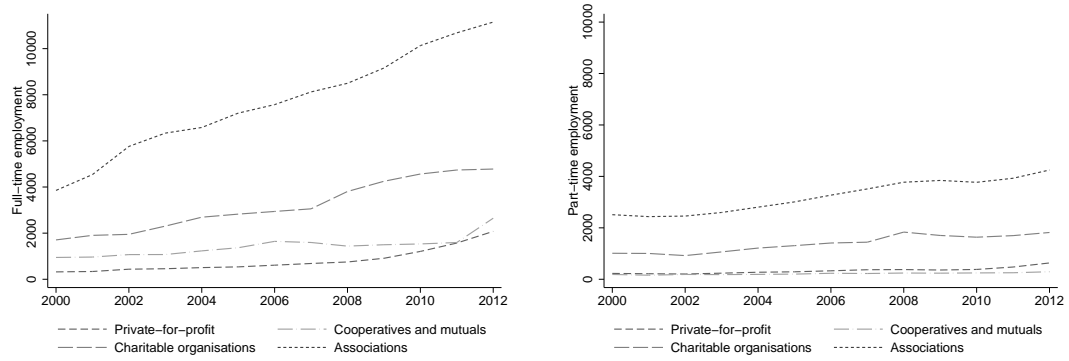
Figure 11: Average number of employees by year and type of social enterprise between 2000 and 2012



Between 2000 and 2012 the number of wage-earners employed in social enterprises raised from 10,897 to 27,751.16 with a growth rate of 12.88% yearly (see figure 11a). Such increase involved all types of social enterprises: in absolute numbers, the largest increases concerned associations (from 6,364 to 15,399 units) and charitable organisations (from 2,718 to 6,599 units). In other words, these figures confirm that the largest employers in the Luxembourgish social economy were associations and charitable organisations (see figure 11b). However, the picture changes if we consider the growth of employment. The yearly growth rate of employment in private for profit enterprises has been 26.17% followed by cooperatives (13.29%), charitable organisations (11.90%), and associations (11.83%). Such growth is mirrored in the growing number of full-time and part-time contracts that characterized each kind of social enterprise from 2000 to 2012 (see figure 12). Full-time contracts in the social economy grew by 16.7% yearly, while in the aggregate economy, the growth rate was 4.1%. Part-time contracts follow a similar pattern: in the social economy they grew by 6.3% each year, whereas the growth rate in the aggregated economy was 2.0%.

These changes are at least partly explained by some deeper social changes. For instance, part of the growth of social enterprises is driven by the increased demand for elderly houses and creche: while social enterprises grew by 32.2% from 2000 to 2012, creche and elderly houses grew by 117.6% (see figure 13).

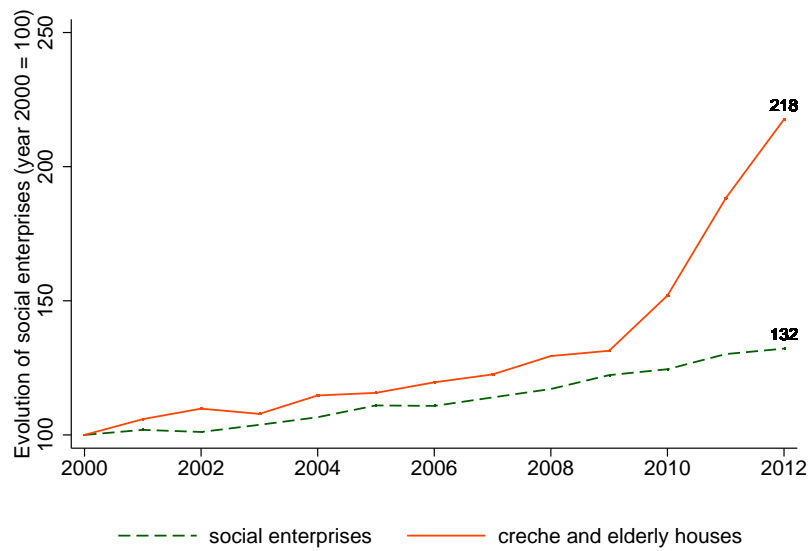
Figure 12: Full-time and part-time contracts by type of social enterprise between 2000 and 2012



(a) full-time contracts

(b) part-time contracts

Figure 13: The growth of creche and elderly houses over time.



3.1 Employment by gender

Of the 27,751.16 wage-earners that were employed in the social economy in 2012, more than 2/3 (69.58%) were women (see table 7). In particular, 90% of the 2,811.5 wage-earners employed in private for profit social enterprises were women, while more than half of the employees in cooperatives were men (55.6%). The share of women employed in associations and charitable organisations is 69.5% and 72.3% respectively. Hence, it is safe to conclude that, with the only exception of cooperatives, women tend to be the majority in social enterprises, especially in case of private for profit companies. Furthermore, recalling that the social economy in Luxembourg is made largely of micro and small enterprises with less than 10 employees, we can infer that women represent the back-bone of the Luxembourgish social economy.

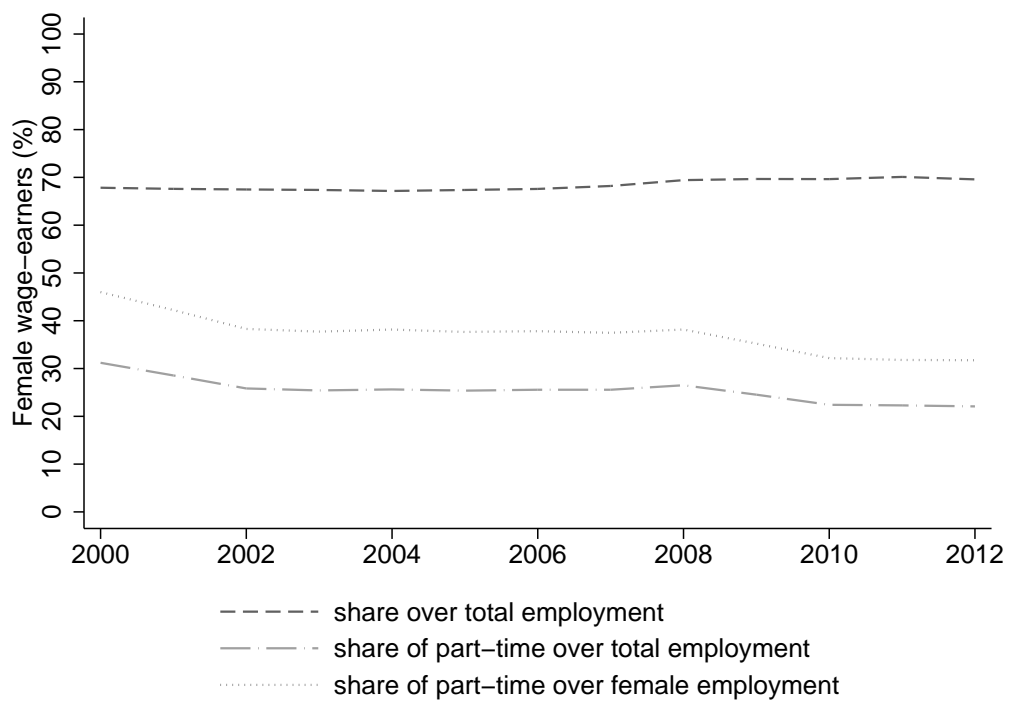
Table 7: Share of wage-earners by legal form and type of contract in 2012.

Legal form	Employment (N)	Women share (%)	Part-time (N)	Part-time share (%)	Women part-time (N)	Women part-time share (%)
private-for-profit	2811.5	90.0	656.2	23.3	619.7	22.1
cooperatives	2941.0	44.4	293.2	10.0	183.4	6.2
associations	15399.3	69.5	4248.2	27.6	3681.8	24.0
charitable organizations	6599.3	72.3	1819.7	27.6	1643.2	25.0
Total	27751.167	69.58	7017.416	25.28	6128.25	22.08

Table 7 informs also that 1/4 of the contracts available in the social economy in 2012 were part-time (25.28%). This contractual form prevailed in associations (27.6%), charitable organisations (27.6%), private for profit (23.3%), and to a smaller extent in cooperatives (10%). Of the 7,017.41 part-time wage earners, 6,124.25 (or 87.32%) are women, i.e. in 2012 nearly 1 every 5 contracts in Luxembourgish social enterprises was a part-time contract held by a woman. The share of women with a part-time contract is 25% in charitable organisations, 24% in associations, 22.1% in private for profit and 6.2% in cooperatives.

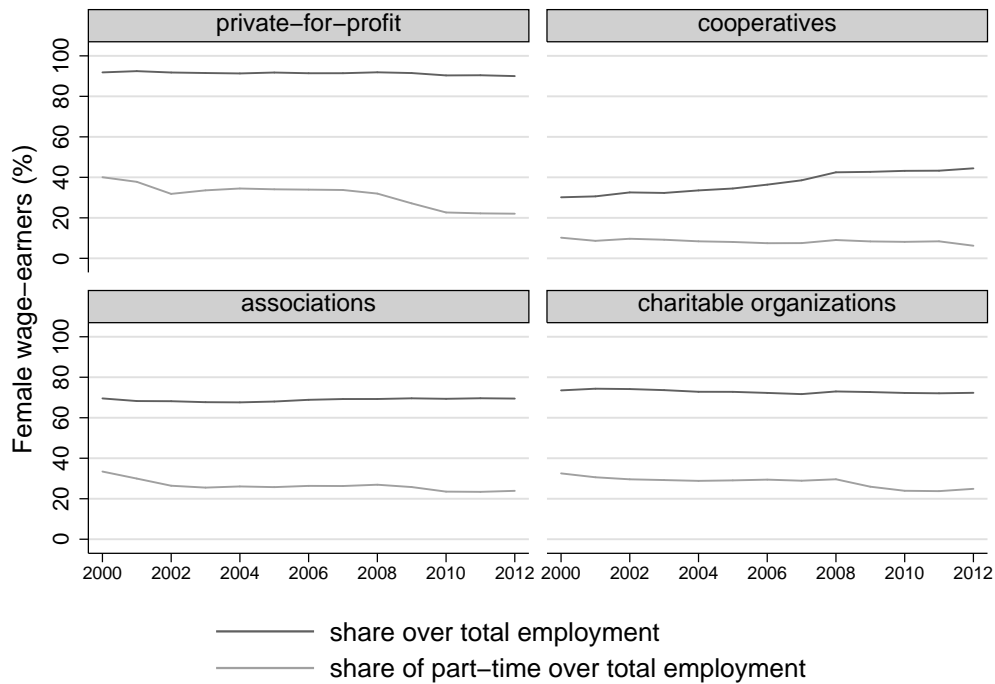
How has the involvement of women in social enterprises changed over time? Such trend has been basically flat since 2000, fluctuating around 70% of total employment (see figure 14). However, the share of female wage-earners with a part-time contract has been sensibly decreasing over time. In 2000 the “Repertoire des Entreprises” recorded 31 part-time contracts for women every 100 contracts. In 2012 such share reduced to 22%. Such decrease seems linked to the withdraw of women with part-time contracts from

Figure 14: Share of female wage-earners from 2000 to 2012.



the market of social economy. As illustrated by the dotted line, the share of female wage-earners with part-time contracts over total female employment has been decreasing over time: it amounted to 46% in 2000, while in 2012 it was only 31.5%.

Figure 15: Share of female wage-earners by legal form from 2000 to 2012.

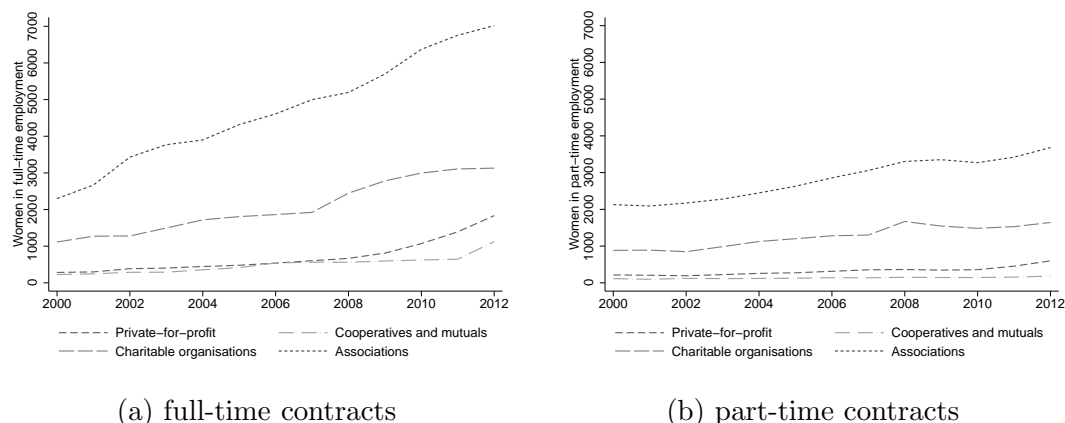


The changes in the composition of employment contracts by gender took place mainly in private for profit companies and in cooperatives (see figure 15). Cooperatives are the only form of social enterprises in which the share of female wage-earners over total employment has been sensibly increasing moving from 30% in 2000 to 44.5% in 2012, i.e. an increase of 965 contracts. In the other forms of social enterprises the share of female wage-earners over total employment did not change significantly since 2000: it fluctuated around 90% in private for profit companies, around 69% for associations, and around 72% in charitable organizations.

The share of female wage-earners with part-time contracts reduced significantly in case of women employed in private for profit companies. In 2000

40% of female wage-earners in such companies had a part-time contract; in 2012 this share amounted to 22%. Based on the available data, it seems that the missing 18% is made of women that left the social economy, or that – at least in part – moved to cooperatives with full-time contracts. In fact, also in the case of the other three legal forms the share of women with part-time contracts decreased, yet not as strongly as in the case of private for profit companies. The share of women with part-time contracts working in associations decreased from 33.4% in 2000 to 23.9% in 2012; from 32.5% to 24.9% for charitable organizations; and from 10% to 6% in case of cooperatives. Hence, it seems plausible that large part of women with part-time contracts in social enterprises gradually quit the social economy, and – possibly – only a minor part moved to a full-time contract in the field of cooperatives. Unfortunately, the unavailability of data on people’s age prevents a more detailed description of what happened over time to women employed in the Luxembourgish social economy.

Figure 16: Women in full-time and part-time contracts by type of social enterprise between 2000 and 2012



Figures 16 and 17 show the trend of the number of women and men employed in social enterprises by contract type and legal form from 2000 to 2012. Associations and charitable organisations are the main providers of jobs for women, both with full-time and part-time contracts. In 2000 associations employed 2,298 women and 1,555 men with full-time contracts. Twelve years later women employed in associations amounted to 7,018, while men amounted to 4,133. Overall, the number of women with a full-time

contract employed in associations increased by 17.11%, and 13.81% in case of men.

Charitable organisations show a similar increase in the number of jobs. In 2000 there were 1,114 women and 592 men employed in charitable organisations. In 2012 women were 3,129 and men were 1,650, with an yearly growth rate of approximately 15% for both men and women. Private for profit companies and cooperatives created comparatively less full-time employment. However, it is noteworthy the acceleration happening in the employment of women in private for profit companies from 2008 on-ward. In such case the number of women employed from 2000 to 2008 went from 283 to 668 with an yearly growth rate of 11.33%. The same number went from 668 to 1,835 between 2008 and 2012 at a pace of 292 new contracts every year, i.e. a growth rate of 43.67%. It is also worth emphasizing that in the period 2000 - 2012 the number of men with full-time contracts employed in private for profit companies remained very low: 37 in 2000 and 241 in 2012. In case of men, the employment in cooperatives and mutuals followed a similar pattern to employment in charitable organisations, with an yearly growth rate of 9.29%. In other words, the number of men employed in cooperatives went from 720 in 2000 to 1,523 in 2012.

Figure 17: Men in full-time and part-time contracts by type of social enterprise between 2000 and 2012

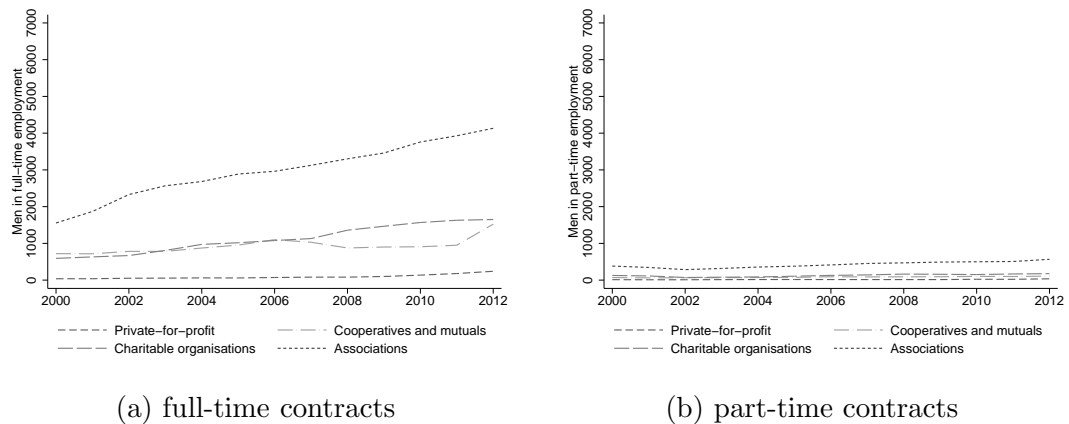


Figure 17b shows that the number of men with part-time contracts was negligible and it did not significantly change over time. The picture changes for women and it resembles more what happened for full-time contracts (see

figure 16b). In such case the lion share of part-time jobs was created within associations and charitable organisations, where the respective growth rates were 18.2% (from 2,128 in 2000 to 3,681 in 2012) and 21.5% (from 884 in 2000 to 1,643 in 2012).

3.2 Employment by firm-size

In 2012 the number of wage-earners in the 756 micro social enterprises was 1,968; in the 213 small enterprises it was 4,435.4; 7,372.5 in 72 medium enterprises, and 13,975.3 in 23 large enterprises (see table 8). As pointed out above, women represented nearly 70% of the total workforce in social enterprises. The second column of table 8 shows that women were fairly distributed across size of enterprises: 73% in large enterprises, 68.4% in small enterprises, 64.8% in medium enterprises, and 66.2% in micro ones. Part-time contracts were relatively more frequent in micro and small enterprises (37.2% and 28.3%, respectively), while in medium and large enterprises the share of part-time contracts amounted to 26% and 22.3%.

By comparing the number of part-time contracts with the number of women with a part-time contract (columns 4 and 6 of table 8) it is evident that almost all part-time contracts were for women (87.33%). Furthermore, the last column informs that about 1/5 of women in medium and large social enterprises had a part-time contract, while in case of micro and small enterprises such share increased to 1 every 4 contracts.

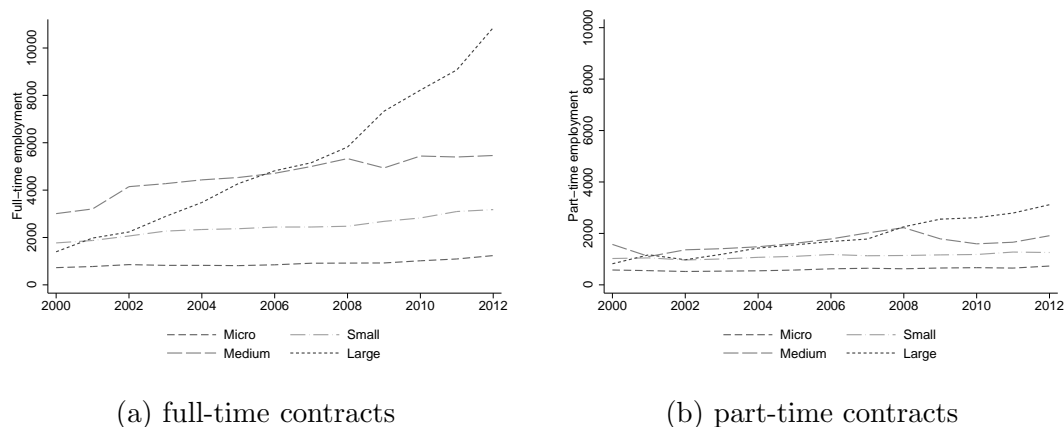
Table 8: Share of wage-earners by contract type and firm size in 2012.

Firm size	Employment (N)	Women share (%)	Part-time (N)	Part-time share (%)	Women part-time (N)	Women part-time share (%)
micro	1968	66.2	731.6	37.2	535.4	27.2
small	4435.4	68.4	1257.8	28.3	1126.7	25.4
medium	7372.5	64.8	1911.2	26.0	1597.0	21.6
large	13975.3	73.0	3116.8	22.3	2869.2	20.5
Total	27751.167	69.58	7017.416	25.28	6128.25	22.08

Source: Répertoire des Entreprises Luxembourgeoises

Figure 18 shows the number of wage-earners by firm size and contract type. Albeit the absolute numbers hide the extent of the differences in the changes across firm size, the figure shows a considerable increase of employment in large social enterprises. In 2000 large enterprises employed about

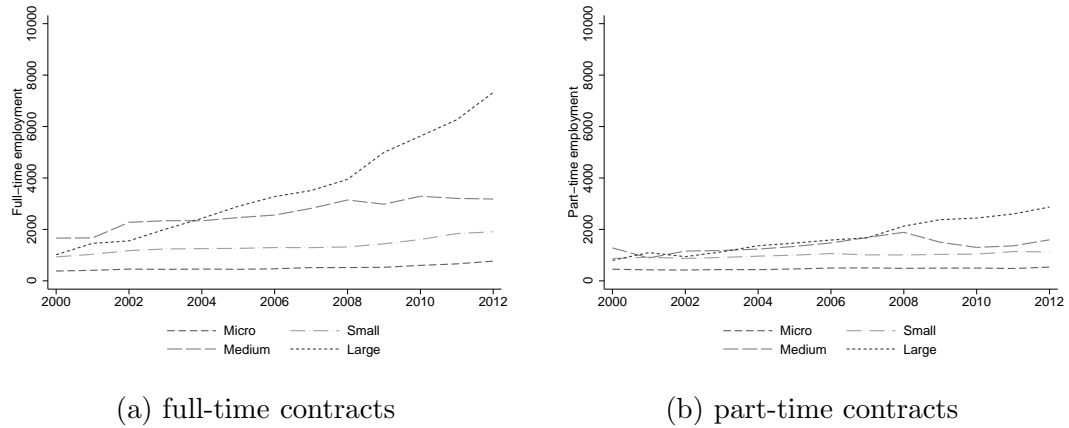
Figure 18: Full-time and part-time contracts by firm size between 2000 and 2012



2,218 social jobs rising to 13,975 in 2012, representing nearly 50% of the jobs created in the Luxembourgish social economy in 2012. Overall, the number of contracts in large social enterprises increased by 44.2% yearly. It is worth to emphasize that large part of such increase concerns full-time contracts. The latter amounted to 1,397 in 2000 and climbed to 10,858 in 2012, with a growth rate of 56.43% yearly. In 2000 part-time contracts in large companies amounted to 820 and they reached 3,116 in 2012, i.e. a growth rate of 23.33% yearly. Employment in micro, small and medium social enterprises grew more modestly: 4.23%, 4.89%, and 5.08% respectively each year. Also in these latter cases large part of the increase in employment concerned full-time contracts.

The higher participation of women to the social job market is mirrored in figure 19 where we report the trends of full-time and part-time contracts by size of the enterprise for women. Figure 20 provides the same set of information for men. It is evident that part-time contracts were a seldom option for men, while they were frequently the case for women, and particularly so for women working in large companies. In the latter case the number of part-time contracts have been increasing from 796 in 2000 to 2,869 in 2012 at a pace of 173 new contracts each year (see figure 19a). Large social enterprises were also those where women full-time employment grew the most. In 2000, large social enterprises employed 1,015 full-time women workers; 12 years later the number of full-time women was 7,325, seven times more than the

Figure 19: Women in full-time and part-time contracts by firm size between 2000 and 2012



initial year. Furthermore, much of this increment happened between 2008 and 2012 when the number of contracts was 3,945: between 2000 and 2008 the number of women with full-time contracts increased by 2,930, while between 2008 and 2012 further 3,380 contracts were issued. In the same period the growth rate of full-time contracts for men working in large companies was 68.84% yearly, i.e from 381 in 2000 to 3,533 in 2012. It is also worth to remark that up to 2006 the number of men and women with full-time contracts in micro, small and medium social enterprises was fairly similar. Women started prevailing after 2006 in medium size companies, and after 2010 in micro and small companies. In case of large companies women with full-time contracts have always been more numerous than men.

Table 9 reports the total of 27,751.16 wage earners in 2012 by economic activity, as well as the share on total employment and the associated female share. In 2012 job creation in social enterprises occurred mainly in health and social work where the share of women wage earners amounted to 75.13%. Women were also mainly involved in education (68.10%), and hotels and restaurants (63.73%). Men prevailed in agriculture, hunting and fishing (74%), manufacturing (63%), and real estate, renting and business activities (56%).

Figure 20: Men in full-time and part-time contracts by firm size between 2000 and 2012

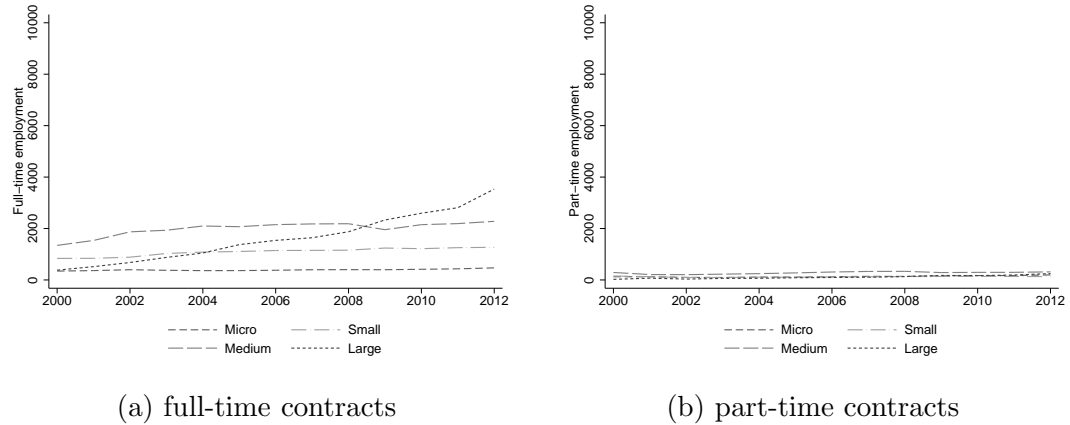


Table 9: Share of women wage-earners by economic activity (sections NACE Rev.1.1) in 2012.

Economic activities	Employment (N)	Share (%)	Women (%)
A: Agriculture, hunting and fishing	290.00	1.05	26.01
D: Manufacturing	157.67	0.57	37.00
E: Electricity, gas and water supply	24.00	0.09	14.24
G: Wholesail and retail trade, repair of motor vehicles	148.75	0.54	51.43
H: Hotels and restaurants	190.00	0.68	63.73
I: Transport, storage and communication	108.50	0.39	58.76
J: Financial intermediation	386.25	1.39	45.89
K: Real estate, renting and business activities	2274.42	8.20	44.00
M: Education	1465.08	5.28	68.10
N: Health and social work	21129.00	76.14	75.13
O: Other community, social and personal service activities	1567.75	5.65	54.64
Missing information	9.75	0.04	56.41
Total	27751.167	100.00	69.58

Source: Répertoire des Entreprises Luxembourgeoises

4 Conclusion

This report illustrated the state of the social economy in Luxembourg in 2012 and its evolution over time. It concerns social enterprises defined as those independent entities belonging to the economic sector “Social Work Activities” or adopting one of the following legal forms: cooperative, non-profit organization, charitable organization, fraternal benefit organization, mutual insurance association, cultural association and sports association. Hence, our approach goes beyond what is strictly considered an enterprise to include also associations, charitable organisations, and foundations (Nyssens, 2007; Lyon and Sepulveda, 2009).

Figures available from the “Repertoire des Entreprises Luxembourgeois” at STATEC allow us to focus on two dimensions: the number of social enterprises and the number of people involved in the sector. We looked at these variables contrasting figures by legal forms, size of the enterprise, and, where it applied, also by gender.

In 2012 we identified **1,064 social enterprises**, of which the main actors were: ‘Associations sans but lucratif’ (66.45%), “Société a responsabilité limitée de droit Luxembourgeois” (14.47%), and “Société cooperative de droit Luxembourgeois” (7.24%). In Luxembourg in 2012 there were **3.2 social enterprises every 100 firms employing a total of 27,751 wage earners**, including full- and part-time contracts; 55.5% (i.e. 15,399.3 wage-earners) of these jobs were created by associations, 23.78% (i.e. 6,599.33 wage-earners) by charitable organisations, 10.59% (i.e. 2,941 wage-earners) by cooperatives and mutual foundations, and the remaining 10.13% (i.e. 2,811.5 wage-earners) by private for profit social enterprises. About **2/3 of the employees in 2012 were women** who, it seems safe to conclude, represented the back-bone of social enterprises in Luxembourg. Job creation in social enterprises occurred mainly in health and social work, where the share of women wage earners amounted to 75.13%. Women were also mainly employed in education (68.10%), and hotels and restaurants (63.73%). Men were mainly employed in agriculture, hunting, and fishing (74%), manufacturing (63%), and real estate, renting and business activities (56%).

Between 2000 and 2012 the number of social enterprises in Luxembourg increased by 3.38% each year. **91% of the social enterprises present in Luxembourg in 2012 were either small (N = 213) or micro (N = 756) enterprises**. Medium size enterprises were 72, while large enterprises – with more than 250 employees – were 23.

The number of wage-earners employed in social enterprises grew at a rate of 12.9% yearly from 2000 to 2012. In absolute numbers, the largest increases involved associations (from 6,364 to 15,399 units) and charitable organisations (from 2,718 to 6,599 units). Yet, the picture changes if we consider the growth rate of employment. The yearly growth rate of employment in private for profit enterprises has been 26.17% followed by cooperatives (13.29%), charitable organisations (11.90%), and associations (11.83%).

The involvement of women in social enterprises has stagnated since 2000, fluctuating around 70% of total employment. Yet, the share of women with a part-time contract has been sensibly decreasing over time from 31% to 22%. Figures seem to suggest that **large part of women with part-time contracts in social enterprises gradually quit** the social economy. It is however plausible that at least part of these women moved to a full-time contract in the field of cooperatives.

The number of wage-earners in the 756 micro social enterprises was 1,968 in 2012; in the 213 small enterprises it was 4,435.4; 7,372.5 in 72 medium enterprises, and 13,975.3 in 23 large enterprises. Part-time contracts were relatively more frequent in micro and small enterprises (37.2% and 28.3%, respectively), while in medium and large enterprises the share of part-time contracts amounted to 26% and 22.3%. Figures also show that almost all part-time contracts (87.33%) were for women. Overall, **employment in micro, small, medium and large social enterprises grew by 4.2%, 4.9%, 5.1%, and 44.2%** respectively each year. It is worth to emphasize that large part of the increase in employment concerned full-time contracts.

Such account does not come without pitfalls. An important limitation is that we can define ex-ante what is a social enterprise, but we can not be sure – ex-post – that the entities we identify do actually follow the criteria to be considered social enterprises. Another limitation of the data at hand is that we have only some information at legal unit level, but we miss micro information about the employees. To have a better and more reliable picture of the changes happening in the Luxembourgish social economy it would be desirable to merge available information with information from social security registry. This would be helpful to understand, for example, what happened to women employed in the Luxembourgish social economy over time. Despite these shortcomings, available figures document that social enterprises are a flourishing reality in the Luxembourgish economy.

A Appendix

Table 10: NACE codes rev.1.1

Item	Number	Per cent
A: Agriculture, chasse, sylviculture	22	2.11
D: Industrie manufacturière	9	0.86
E: Production et distribution d'électricité, de gaz et d'eau	8	0.77
G: Commerce; réparations automobile et d'articles domestiques	9	0.86
H: Hotels et restaurants	21	2.02
I: Transports et communications	21	2.02
J: Activités financières	25	2.40
K: Immobilier, location et services aux entreprises	38	3.65
M: Education	25	2.40
N: Santé et action sociale	380	36.47
O: Services collectifs, sociaux et personnels	484	46.45
Total	1,042	100.00

References

- Allegrezza, S. and Molling, V. (2005). À la recherche de l' économie sociale et solidaire, le cas du Grand-Duché de Luxembourg. Statec working papers.
- Becchetti, L. and Borzaga, C. (2012). *The economics of social responsibility: the world of social enterprises*. Routledge.
- Borzaga, C., Depedri, S., and Tortia, E. (2010). The growth of organizational variety in market economies: The case of social enterprises. Euricse Working Papers 10.
- CIRIEC (2007). L' économie sociale dans l' union européenne. Technical report, Report drawn up for the European Economic and Social Committee.
- Conseil Wallon de l' économie sociale (1990). Rapport a l' executif regional wallon sur le secteur de l' économie social. Technical report, Conseil Wallon de l' économie sociale.
- Defourny, J. and Nyssens, M. (2008). Social enterprise in Europe: recent trends and developments. *Social enterprise journal*, 4(3):202–228.
- Defourny, J. and Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of social entrepreneurship*, 1(1):32–53.
- European Commission (2013). *Social economy and social entrepreneurship*, volume 4. Social Europe guide.
- European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations (2002). *Social Economy Charter*. CEP-CMAF, Bruxelles.
- Lyon, F. and Sepulveda, L. (2009). Mapping social enterprises: past approaches, challenges and future directions. *Social Enterprise Journal*, 5(1):83–94.
- Nyssens, M. (2007). *Social enterprise: At the crossroads of market, public policies and civil society*. Routledge.

- Peiffer, J. and Hiltgen, M. (2010). *Vers de nouvelles perspectives pour l'Economie Solidaire au Luxembourg? À la recherche de l' économie solidaire et sociale au Luxembourg. Quelques chiffres préliminaires.* Conference CRP Henri Tudor.
- Rosenblatt, C. (2013). *Quelle place pour l'économie sociale en Europe?* Think Tank européen pour la solidarité.
- Rückert, E. and Sarracino, F. (2014). Assessing the social and solidarity economy in luxembourg. Statec working papers.
- Sullivan Mort, G., Weerawardena, J., and Carnegie, K. (2003). Social entrepreneurship: Towards conceptualisation. *International journal of non-profit and voluntary sector marketing*, 8(1):76–88.
- Toia report (2013). *Committee on Industry, Research and Energy.* European Parliament.