

Brussels, 22 March 2010

To: Mr Herman Van Rompuy, President of the European Council
Heads of States and Governments of the European Union

Re: EU 2020 strategy

Dear President,
Dear Heads of State and Government,

CECOP – CICOPA Europe is a European confederation grouping national organisations in 16 countries which in turn affiliate over 50.000 cooperative and participative enterprises in industry and services, and employing 1.4 million workers across Europe¹.

Ahead of the Spring Council to discuss the general framework of the EU 2020 strategy, we would like to draw your attention on some crucial elements, which in our view and according to our experience are essential for a sustainable and inclusive growth and development of the EU.

- the **links between industrial policy/enterprise policy, employment policy and inclusion policy** should be reinforced. When designed, those policies certainly need to be distinguished, but, at the same time they should be clearly interdependent in order to be more effective. All the more so as European enterprises are mostly SMEs, and thus need specific measures to promote their development, and even more in periods of economic downturn like this one.

- sustainable growth should not only be concentrated on environmental issues. A sustainable growth should take into account **long-term economic interests** combined with long-term social and environmental concerns. In this respect, cooperatives, as stakeholder-based and controlled enterprises, are natural partners in favour of long term growth and development.

- **sustainable employment** is not taken into consideration at all in the European Commission document. The issue of job durability should not be seen only from the point of view of employment and social policies, but also from the point of view of the enterprise's long-term economic development: indeed, enterprise development without any continuity in jobs is difficult to achieve. There is no reference or suggested effort to **maintain existing jobs**, while we know that successful transfers of business preserve more jobs on average than those created by new start-ups². Maintaining existing jobs is also a way to prevent poverty and social exclusion for many workers: in fact, it is difficult to conceive prevention of poverty if priority is not given to employment instead of other costs for enterprises (eg. investor's remuneration, etc.). In the CECOP European network, a considerable amount of enterprises in various industrial and service sectors which were apparently condemned to disappear have been saved and have then developed (with higher turnover and higher employment rates) through employment buy-out.

- European Commission commits itself to assess the employment rate every year. Although we support such strong commitment, we are concerned about the way this rate be calculated. It cannot take into account only

¹ Among the main sectors of activity, we find construction and public work, metal industries, mechanical industries, wood industry and furniture, transport, social services, media-related activities, education and culture, environmental activities, etc. Most of them are characterised by the fact that the employees in their majority are members-owners. Furthermore, several thousands of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex prisoners, addicts, etc).

² See European Commission Communication on a "Small Business Act" for Europe

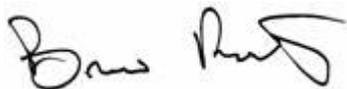
quantitative elements eg. number of jobs created in one year. It should also take into account **qualitative characteristics** such as the duration of those jobs, the type of contract, etc.

- the European Commission Communication makes no reference to **development of the EU as a whole** nor to regional development in particular during the next decade, but just on growth. It is dangerous to lay the sole emphasis on growth rather than on development: high growth does not necessarily entail a high level of development. It is key to consider the importance of **regional development** for the next decade, especially in the current context where some European regions face very serious underdevelopment problems. Cooperatives play an important role in regional cohesion: as member-based enterprises owned and controlled by the very stakeholders concerned in the local communities, they are key actors in the economic development of the territories, and create jobs that do not delocalise (they often employ local working forces), and they re-invest their profits on the territories where they operate.

- according to CECOP's two successive European surveys, cooperatives have proved to be **more resilient to the crisis** than others enterprises of the same size, in the same sectors and in the same regions. In the industrial and service sectors, most cooperatives in the EU have remained alive and their employment levels have remained basically untouched (in some cases employment has even increased). In this sense, cooperative development and employment in cooperatives should be promoted by the European Union and the Member States and not only in term of crisis recovery, but in the interest of a sustainable development and growth of the EU and its regions.

We remain at your disposal for further information and for a *viva voce* exchange on this topic.

Yours sincerely,



Bruno Roelants
General Secretary

cc: Mr José Manuel Barroso, President of the European Commission