

Press release: 12 May 2017

## Time to bring a halt to austerity programmes: investment is required to implement the European Pillar of Social Rights

*Cooperatives in industry and services are essential allies due to their contribution to a competitive economy aimed at full employment and social progress*

CECOP welcomes the European Commission Social Pillar package, which represents a firm commitment for a more social, inclusive and fairer Union: it was high time! Since they are the expression of workers', citizens' and community needs, cooperatives in industry and services across the EU contribute to a competitive economy, aiming at full employment and social progress and, as such, are perfect allies for its implementation. Their contribution was recognized by the European Parliament Resolution of 19 January 2017 on a European Pillar of Social Rights. However, we are concerned that without clear investment instruments, many measures set out in the Pillar will go unheeded. The Pillar's implementation is in blatant contradiction with austerity programmes leading to cuts in social security spending, public investment and active labour market policies, all of which are indispensable elements for making the Pillar effective.

### How they contribute to the principles and rights enshrined in the Pillar?

Cooperatives in industry and services provide **equal opportunities** not only as employers but also as providers of services of general interest. Democratically controlled by their members, they do not discriminate since their membership is open to all citizens. Social cooperatives are known to be important employment and service providers for disadvantaged and under-represented groups, contributing to their professional, social and economic integration through personalised **active support**. Cooperatives in industry and services are also characterized by having a substantial percentage of women and young people in management positions.

When it comes to **secure and adaptable employment**, cooperatives in industry and services strive for fair and equal treatment regarding working conditions, access to social protection and training. The increasing tendency to creative cooperatives of self-employed or freelancers is providing a model that combines autonomy and protection, whilst at the same time ensuring the access of individual entrepreneurs to social protection.

Transfer of closing businesses to employees under the cooperative form are showing high rates of enterprise survival and of job protection and creation, provided that the necessary support environment and policies are in place. As for the measures regarding the **involvement of workers**, CECOP supports workers' information and consultation

rights which allow them to have timely information, notably in the case of transfer and restructuring possibilities in order to give them enough time to envisage workers' buyout plans.

A substantial number of social cooperatives, which are one of the types of cooperatives in industry and services, are specialized in the **inclusion** of disadvantaged groups, including **people with disabilities**. They include them in the enterprise governance when possible, providing empowerment and active participation in the enterprise.

When it comes to **long-term care**, social cooperatives providing affordable and quality health and social care services are becoming an important reality in Europe, with thousands of enterprises already providing these services. The fact that they are community-led (often associating different categories of stakeholders, such as service users, providers, local authorities and professionals in their governance and control) increases the relevance and quality of the service provided.

**Since the Social Pillar package is of a non-binding nature, we are concerned about the differing levels of commitment which may be made by the Member States and about the distinction being made between Eurozone and non-Eurozone citizens. "At a time when there is a marked increase in Eurosceptic tendencies, the EU cannot afford to widen socio-economic inequalities among Europeans", says Giuseppe Guerini, President of CECOP.**

#### Related documents:

Read CECOP's [position](#) on the European Commission's European Pillar of Social Rights

Read CECOP's [reaction](#) to the European Commission's consultation on the European Pillar of Social Rights

Read CECOP's [reaction](#) to the European Parliament Resolution of 19 January 2017 on a European Pillar of Social Rights

*CECOP – CICOPA Europe (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises) groups national organisations in 15 countries, which in turn affiliate over 50,000 cooperative and participative enterprises in industry and services, the vast majority being SMEs, and employing 1.4 million workers across Europe. Most of them are characterised by the fact that the majority of their employees are member-owners, while some of them are second-degree enterprises for SMEs. Furthermore, around 4,000 of these enterprises are specialised in the reintegration of disadvantaged and marginalised workers (persons with disabilities, long-term unemployed, former prisoners, addicts, etc.).*