

CECOP welcomes the European Commission's Communication on the Start-up and Scale-up Initiative

28 November

Cooperatives in industry and services are witnessing the creation and safeguarding of a greater number of jobs through scale-ups rather than start-ups

CECOP, the European Confederation of industrial and service cooperatives, welcomes the recently launched Communication from the European Commission "Europe's next leaders: the Start-up and Scale-up Initiative", in particular its emphasis on scale-ups and not only on start-ups, since our own business experience shows that the jobs created and maintained by scale-ups are both higher in number and more sustainable than those created by start-ups.

Although we welcome the fact that a sub-section of the Communication is dedicated to the social economy and social enterprises, we would like to see a **reference to the definition of the term "social economy", as spelt out by the European Parliament in 2013 and the Council in 2015, and in particular the clear mention that cooperatives** are part of it. In addition, we do not consider that our own industrial and service cooperatives or our own version of "social enterprises" –social cooperatives – have been sufficiently taken into account. As a consequence, this leads to a vision of the social economy that is reductive and isolated from the issues covered by the other sections of the same document: there is a need for more linkages between the social economy on the one hand and other sections of the document, which discuss the fundamental issues of training, innovation, clustering, public procurement, taxation and finance.

Regarding training and education, we would like to see more **explicit reference to the need for specific education and training on the social economy in general and cooperatives in particular**, both within the education systems and for professionals involved in start-ups and scale-ups such as lawyers, accountants etc., as well as some recognition being given to the substantial efforts made by cooperatives with regard to internal training.

With reference to clustering, whilst we welcome the revamped **Observatory for Clusters and Industrial Change** and we hope to interact with it in the formulation of policy proposals, we deplore the lack of policy documents on industry in the Commission's 2017 work plan, which is something that we consider to be necessary, particularly given the clear link between clustering and industry. **Many of our cooperatives have organized in clusters and have shown the strong link between clustering, innovation and the value chain** through the creation of horizontal groups. This is not explicitly recognised in the Communication.

While we welcome the Commission's desire to promote **public procurement, we think that more targeted measures are needed**, in line with the reserved markets foreseen in the Public Procurement Directive for enterprises whose mission is the professional integration of disabled and disadvantaged persons.

Regarding taxation, we wish to underline the need for the **Common Consolidated Corporate Tax Base (CCCTB) to take into account the specific nature of cooperatives**, which it currently fails to do. As far as finance is concerned, we should emphasise the fact that, under the present circumstances, neither the Capital Market Union, which aims to increase the ratio of venture capital as compared to the banking system, nor the EuVECA and EuSEF funds, which are currently being revised after a rather difficult start, are fully adapted to the concrete needs of

industrial and service cooperatives which develop their own investment systems with strong leverage on bank loans, as we explained in a workshop [“Development of cooperatives: financial instruments for investing”](#) which we organized on 23 November at the European Economic and Social Committee.

CECOP also welcomes the call for partnerships between the business community and the public authorities at all levels, as well as the call for a removal of barriers between member states, as set out in the Communication we are welcoming, approved on 22 November in Strasbourg.

Related documents:

[Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Europe’s next leaders: the start-up and scale-up initiative”](#)

[CECOP’s position on the European Commission Start Up Initiative](#)

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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 employees in their majority are members-owners, while some of them are second-degree enterprises for SMEs. Furthermore, around 4.000 of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex prisoners, addicts, etc).