

The role played by cooperatives in building social justice whilst generating wealth and distributing it equitably should be fully recognized

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CECOP calls for cooperatives and the wider social economy to constitute the third component of the EU Pillar of Social Rights

The EU social model has been deteriorating gradually since the beginning of the crisis, with increasing levels of inequality, unemployment and a partial return to the informal economy. Young people, migrant workers and women have been among the most affected. This negative situation is partially the result of austerity policies and the lack of preventive and effective monitoring and harmonization measures at the EU level regarding social policies.

Within this context, whilst CECOP, the European Confederation of cooperatives active in industry and services, considers the idea to establish a Pillar of Social Rights to be a positive initiative, it also believes that its relevance and efficiency will depend upon whether it is framed correctly. The President of CECOP, Giuseppe Guerini, believes that “Cooperatives and the wider social economy should constitute a third component of the Pillar proposal, as is already the case in some EU countries. The role of the social economy, and above all cooperatives, in building social justice, whilst also generating wealth and distributing it equitably, should be fully recognized.”

Industrial and service cooperatives provide their own specific contributions:

- **worker cooperatives** are an important tool of economic democracy with all the entrepreneurial strengths that this entails, including when they are the outcome of the successful restructuring of enterprises which are faced with a crisis or do not have a successor;
- **social cooperatives** directly and prevalently integrate social utility, including professional integration, and many of them share their governance with all of the stakeholders concerned;
- **self-employed and freelancers' cooperatives** ensure individual entrepreneurs' social rights and develop a business model that combines autonomy and protection.

On 20 December 2016, the Committee on Employment and Social Affairs of the European Parliament presented a conclusions report on a European Pillar of Social Rights, reiterating its support for social economy business models and highlighting “the important role of social economy enterprises in providing services of general interest and making the labour market more inclusive.” This document will be debated

and voted on during the European Parliament's Plenary session in Strasbourg on 19 January.

Cooperatives in industry and services urge the European Commission to **extend the Pillar to the entire EU**, rather than just the Eurozone, since it could otherwise represent the additional danger of generating a two-tiered social Europe, and calls **for an end to the strict austerity policies** that foster inequality and severely limit the social policies which the Pillar is supposed to promote.

“Budgetary and economic policies should be profoundly redesigned and **social expenditure should be considered as being primarily a long term** investment in the EU economies rather than a cost, considering, among other things, that a large number of new jobs is being specifically generated in the corresponding sectors of economic activity,” insists Guerini.

CECOP believes that the Pillar should envisage the introduction of **an EU directive with a strong focus on prevention**, including policies supporting welfare services, clear and full-bodied relief measures for poor families and measures to eliminate the informal economy which is on the rise in various sectors, including in social services.

Providing support to **start-up and scale-up initiatives in cooperatives and the wider social economy**, according to a logic of local and regional development, should therefore be one of the key priorities for the Pillar. “We deplore the fact that, at present, the promotion of the cooperative model and the wider social economy is under-represented compared to other enterprise models, in spite of its enormous importance in terms of share of GDP and employment, and the fact that it is also an important provider of social, health, educational, environmental and energy production and distribution services, as well as complementary health insurance coverage,” concludes the President of CECOP.

[CECOP position on the European Commission’s proposal for a European Pillar of Social Rights](#)

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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).