

Press release: 15 September 2016

The European Parliament recognises the job creation potential of small and medium cooperatives in industry and services

Today, the plenary session of the European Parliament has approved the report entitled '[How best to harness the job creation potential of SMEs?](#)', which is aimed at supporting SMEs in their efforts to combat the unemployment rate, which is currently 8.9 %^[1], since SMEs provide about two thirds of all private-sector employment in the EU. The text highlights the fact that **cooperatives in industry and services have shown better resilience since the 2008 crisis** than other enterprises in the same sectors. It also recognises **business transfers to employees under the form of a cooperative as successful types of business transfers**, as well the way in which **micro and small enterprise collaborative networks under the cooperative form reinforce sustainability and employment**.

“CECOP welcomes the report ‘How best to harness the job creation potential of SMEs?’, since it recognizes the role of cooperatives in industry and services as crucial actors for the creation, but also maintenance, of jobs and activities in the EU. It is especially remarkable that the text asks that a level playing field should be guaranteed for different SMEs business models across Europe, including cooperative forms”, underlines Diana Dovgan, CECOP Policy Officer.

The European Parliament calls on the Member States to **promote the creation and development of cooperative enterprises** “as there is a proven experience that they are more resilient during a crisis and less subject to job losses than the average enterprise and are able to create quality jobs that do not delocalise”. The report considers that EU and national policies should not only focus on SME start-ups and the creation of new jobs in SMEs and calls for efforts to **maintain existing jobs through the promotion of business transfers to employees under the cooperative form** “as a successful type of business transfers, as is proven by their high survival rates”.

Concerned by the growing phenomenon of precarious self-employment conditions across the EU, the report asks the Commission and Member States to **promote micro and small enterprise collaborative networks under the cooperative form** (such as cooperatives of individual producers, cooperatives of freelancers, cooperatives of SMEs, activity and employment cooperatives), since “those networks considerably reinforce the sustainability and the employment potential of the constituent units”.

Being aware of the need for a regulatory environment that encourages investment that “concurrently fosters sustainable growth and quality jobs”, the European Parliament emphasises the **importance of the social and solidarity-based economy**, which provides employment for more than 14 million people, in other words close to 6.5 % of workers in the

EU, and recognizes **access to finance as a barrier faced by social economy enterprises in particular**. The text also mentions social economy enterprises and cooperative entrepreneurship while underlining the **role of forward-looking legislation and process facilitation in the context of rapid developments in the knowledge-intensive and highly innovative SME sector**.

'How best to harness the job creation potential of SMEs?' is an initiative report presented by the MEP Zdzisław Krasnodębski (ECR group). The Employment and Social Affairs Committee of the European Parliament organized a hearing on the topic on 23 February and, at the invitation from the shadow rapporteur, Tatjana Zdanoka (Greens/EFA group), CECOP presented recommendations and concerns on this issue on behalf of cooperatives in industry and services. The final text approved today takes into account a number of requests submitted by CECOP, including reference to the 2013 CECOP publication entitled '[Business Transfers to Employees under the Form of a Cooperative in Europe](#)'. You can find the document summarizing the main points addressed by CECOP during the hearing [here](#).

[1] Data from February 2016 (<http://ec.europa.eu/eurostat/documents/2995521/7225076/3-04042016-BP-EN.pdf/e04dadf1-8c8b-4d9b-af51-bfc2d5ab8c4a>)

CONTACT:

Leire Luengo – Communication Officer

+ 32 470 93 23 34 // + 33 613 36 05 29

leire.luengo@cecop.coop

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).