

## CECOP's contribution to the European Commission's call for evidence on the Social Economy Action Plan – mid-term review

### *Introduction*

Industrial and service cooperatives suffer from persistent challenges that the Social Economy Action Plan is well-positioned to address, however, there needs to be more done in 2026-2030. **Enrico Letta**, in his report [\*Much more than a Market\*](#) (April 2024), already, underlines the essential role of the Social Economy in deepening the Single Market by “Preserving and consolidating the European Social Market Economy”. However, industrial and service cooperatives’ contributions to providing accessible & affordable services, quality jobs, sustainable industry practices, or to the green and digital transitions often goes unnoticed. This lack of recognition is an obstacle in itself, compounded by systemic and acute challenges, holding back their development. These challenges include:

- **Access to Finance**, including access to capital and sustainable finance, particularly as traditional creditworthiness assessment models are not attuned to the unique characteristics and governance model of cooperatives. Cooperatives face difficulties in attracting equity investment due to their ownership structure. Additionally, the current rules of public procurement and state aid prove to be insufficient for cooperatives, and there is a lack of dedicated funding instruments supporting cooperatives.
- **Absence of Systemic Collection of Statistical Data** at national level.
- **Lack of Knowledge of the Social Economy within Public Administration**, resulting in the lack of recognition of cooperatives’ significant contribution to the overall economic growth of territories.
- **Change in EU Priorities**, which lead to reduced political and financial commitment to social economy policies in general. In addition, the abolition of the Social Economy Unit within DG GROW is cause for concern for national federations of industrial and service cooperatives as it risks distancing social economy from industrial and SME policies, and dismisses the significant economic, social, and environmental value generated by cooperatives. Similarly, the cancelation of COSME calls in early 2025, an important source of funding for the social economy and cooperatives, signified a shift in EU priorities and caused uncertainty in the ecosystem.

In light of these challenges, it is all the more important for the mid-term review of the Social Economy Action Plan not only to take stock of the achievements since 2021, but also to provide recommendations for concrete actions tackling the challenges in 2026-2030.

What have been the most significant achievements in the implementation of the social economy action plan since it was adopted in 2021?

The Social Economy Action Plan provided a solid framework for the social economy sector, including for industrial and service cooperatives. It brought regulatory and institutional recognition to an ecosystem whose contribution is immense to a strong social Europe, circular economy, quality jobs, accessible and affordable services, and more.

Although challenges persist, the SEAP opened doors for industrial and service cooperatives in terms of access to finance, promoting cooperatives in rural/remote and disadvantaged areas, and recognising the role particularly of social cooperatives in providing social services and in active labour market policies (e.g., in terms of work integration for disadvantaged people).

At the EU-level, the achievements include:

- **Adoption of the Council Recommendation on developing social economy framework conditions** in November 2023. For the first time, Member States are jointly encouraged to promote enabling environments for the social economy through national strategies, legal frameworks, and access to finance and markets.
- **The Liège Roadmap**, declaration consisting of 25 concrete measures regarding the implementation of both the SEAP and the Council Recommendation.
- **The renewal of the Social Economy & SGI Intergroup** of the European Parliament.
- **Launch of the Social Economy Gateway**, a one-stop-shop for information, funding opportunities, policy resources, and initiatives tailored to the specific needs of social economy actors.
- **Expert Group on Social Economy and Social Enterprises (GECES)**. While the GECES had been established before the adoption of the SEAP, it was given a boost to both the work and the relevance of the group since 2021.
- **Improved access to finance through EU-level mechanisms**. Particularly ESF+ and InvestEU (SME window; Social Investment and Skills window) have played a critical role in supporting cooperatives.

The SEAP has also contributed to recognition at the international level, e.g.:

- First ever United Nations Resolution [Promoting the social and solidarity economy for sustainable development](#) adopted by the General Assembly on 27 April 2023.
- The second United Nations Resolution [Promoting the social and solidarity economy for sustainable development](#) approved on 26 November 2024, at the 24th plenary meeting of the Economic and Financial Committee, with a key role played by the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE).
- The adoption on 10 June 2022 by the International Labour Organization (ILO) of a [Resolution on decent work and the social economy](#). More recently, also the ILO adopted in June 2024 a [Resolution on decent work and the care economy](#) recognising the role of cooperatives in advancing it.
- The approval by the Organization for Economic Co-operation and Development (OECD) of a [Recommendation on the social and solidarity and social innovation](#) on 10 June 2022.

While national differences continue to hinder the even development of cooperatives across the EU, the SEAP engendered further commitment to the social economy, including for cooperatives in industry and services, with some key achievements in Member States:

- In terms of legislative acts, in **Czechia**, a new law was adopted about the integration of social enterprises, and in **Portugal**, the legal framework was updated by the introduction of the Basic Law on the Social Economy, a direct result of the implementation of the SEAP.
- In **Finland**, as part of the Strategy for Social Enterprises, the Centre of Expertise for Social Enterprises was established in 2021, which focuses on awareness-raising, counselling and advisory services for social enterprises, most commonly social economy enterprises, such as cooperatives.
- In **Spain**, the approval of the Spanish Social Economy Strategy 2023-2027 was an important achievement, which renewed the government's commitment to the social economy based on the principles of the SEAP. Another key national-level achievement was the approval of the Strategic Project for the Recovery and Economic Transformation of the Social and Care Economy (*PERTE de economía social y de los cuidados*), which allocated over EUR 100 million to promote projects in the social economy.
- In **Italy**, the upcoming National Strategy for the Social Economy (expected in autumn 2025) is aligned with the priorities of the SEAP and reflects a strong institutional and political commitment to developing an inclusive and sustainable social economy ecosystem.

What new developments have you observed in the social economy ecosystem since the action plan was adopted?

The SEAP led to greater recognition of social economy actors across Member States and at the EU-level. Social economy representative organisations, such as CECOP, have been given a boost by the SEAP in its work to promote the cooperative model before the EU and other international institutions. In particular, the *Council Recommendation on developing social economy framework conditions* (2023) is beneficial for encouraging policy makers and public authorities at all levels to take greater interest in the potential of the social economy.

Since the adoption of the SEAP, there have been some significant developments at the national level as well.

Within governmental institutions, new developments include the creation of the position of the Special Commissioner for the Social Economy in **Spain**, and a specific mandate on the social economy assigned to the Undersecretary at the Ministry of Economy and Finance in **Italy**, which is leading to the gradual involvement of public and private entities. In a similar vein, in some Member States, as a result of the SEAP, there has been an increase in collaboration between different ministries (e.g., in Italy, the Ministry of Economy and Finance is working with the Ministry of Labour on social economy policies), however it remains limited, and it is a challenge to involve further ministries.

In **Italy**, Social Economy Action Plans at the territorial/metropolitan level were adopted by some major Italian cities, such as Milan, Bologna, and Turin. In **Finland**, it is now possible to get specialised

advice on social entrepreneurship, and support directed to mainstream business advisors to meet the needs of social entrepreneurs.

Access to funding has grown: in **Czechia**, ESF+ played a crucial role in supporting social enterprises, including cooperatives in 2021-2024, and the SEAP has also played a role in increased funding opportunities and greater visibility of cooperatives as drivers of inclusive and sustainable development in **Portugal**.

Additionally, closer cooperation between the State and cooperative representatives has been seen in multiple Member States, leading to greater institutional recognition, stronger strategic coordination, and increased influence of the social economy on public policy. In **Italy**, the National Strategy for the Social Economy (to be approved in autumn 2025), was drafted with the involvement of the national cooperative movement. In **Sweden**, collaboration between cooperative federations and regional/local administrations has increased.

Which sectors could be most effectively supported by social economy business models and approaches in the coming years?

The adaptability and resilience, and the community-based and mission-driven nature of the cooperative model leads to the possibility to effectively utilise it across a diverse range of sectors. However, sectoral policies often do not take into account cooperatives. Particular sectors that can be effectively supported by the cooperative business model in the coming years, taking into account the current geopolitical and socioeconomic context and EU efforts to increase competitiveness, are:

- **Services**, particularly the care sector, supporting vulnerable populations and the elderly, and providing mental health services
- **Energy communities**, combating energy poverty and increasing the deployment and usage of renewable energy, thus contributing to decarbonisation
- **Labour-intensive sectors**, such as cleaning and sanitation, freight transport and logistics
- **Cooperative startups and scaleups**, particularly in innovative sectors that are key to increasing European competitiveness (e.g., clean technology)
- **Digital sectors**, where cooperatives provide opportunities to develop more democratic, transparent, inclusive, non-extractive business models based on data and infrastructure ownership, capable of generating innovation on the market, addressing the needs of citizens and communities, and unlocking the positive potential of new technologies. In particular, the rising prominence of platform work has led to the establishment of platform cooperatives, which should be supported.
- **Cultural and creative industries**, from the performing arts to preserving cultural heritage

Additionally, despite promises for more integrated intersectoral approaches, this has not been respected at the national level according to our membership, or at least it remains a challenge, and should be addressed in 2026-2030.

What measures should be prioritised in 2026-2030 to help the social economy achieve its full potential?

While the period between 2021-2024 brought many positives for the social economy, there is now need for further ambitious, concrete actions. In order to unlock the full potential of it, the coming years need to take into account the following priorities:

- **Providing access to finance** for cooperatives. Tailored funding instruments, taking into account the specific characteristics of cooperatives are necessary to support them, including equity/quasi-equity mechanisms, backed by the European Investment Bank and the European Investment Fund. The next Multiannual Financial Framework (MFF) must also guarantee dedicated funding for the social economy, including a stand-alone ESF+, a reinforced InvestEU (SME window; Social Investment and Skills window). Furthermore, in the new Competitiveness Fund, a dedicated section should be included for the social economy as a driver of economic development and social innovation. This should focus on strengthening cooperative enterprises' investment capacity in areas such as sustainability, digitalization, and technological and industrial sovereignty.
- **Revising the EU Public Procurement Rules** to move beyond price-only awarding of contracts, systematically use social and environmental criteria, maintain the option to reserve contracts and thus facilitate the work integration of disadvantaged persons, and level the playing field for cooperatives.
- **Inclusion of social economy in State Aid rules**, particularly in the de minimis and the SGEI regimes, **and in the General Block Exemption Regulation**, recognising their holistic contribution to sustainable competitiveness and territorial cohesion.
- **Tax policy reform** to recognise the value of the model through the recognition of its specific tax regimes within the European frameworks for tax harmonisation, e.g., making it possible for Member States to exempt retained profits allocated to indivisible reserves.
- **Emphasise cooperatives' contribution to employment policies**, through the integration of disadvantaged people into the labour market and through the creation of quality jobs. Cooperatives' job placement and work integration efforts also serve as highly replicable templates for active labour market policies.
- **Strengthen public administrations' skills and knowledge** of the social economy, including cooperatives.
- **Support for Workers' Buyouts**, i.e., business transfers to the employees under the cooperative model. Specific legislation should be developed that prioritises the purchase of the company by its workers before external offers. Workers' buyouts are a great tool against deindustrialisation, as they preserve not only the business within the local economy, but maintain the jobs, skills and know-how of the employees in the same territory even after the transfer.
- **Encourage Member States to adopt national strategies** on the social economy, with a intersectorial approach supporting the social economy.
- **Integrate cooperatives into the EU taxonomy on sustainable finance**, with the development of specific standards to measure social impact tailored to cooperatives.
- **Mainstream social economy in other EU initiatives**, such as the European Pillar of Social Rights, the Quality Jobs Roadmap, the Circular Economy Act, and the Anti-poverty Strategy.
- **Strengthen the collection of statistical data** on cooperatives and their contributions and impact across the EU

- **Promote cooperatives as drivers of local development**, especially in remote/rural and disadvantaged areas

Are there any specific initiatives or examples of best practices that you believe should be highlighted or replicated across the EU?

- **The cooperative model:** the cooperative model is not only a resilient model, demonstrated by the durability of worker and social cooperatives, but it is also a highly adaptable one. Its main strength lies in its flexible nature, as illustrated by new cooperative forms that have been established as a reaction to socioeconomic changes and societal challenges, such as platform cooperatives, multistakeholder cooperatives, energy community cooperatives, or cooperatives of autonomous workers or freelancers. These cooperative models – their characteristics detailed below – are not recognised in all Member States and should be replicated across the EU at the national level.
  - **worker cooperatives**, i.e., democratically managed enterprises owned by the workers, with the aim to create and maintain sustainable jobs, improve the quality of life of the worker-members
  - **social cooperatives**, which either provide social services, particularly in areas where public authorities are unable to do so or contribute to the work integration of disadvantaged and marginalised people. They can be worker-owned or characterised by the multistakeholder governance.
  - **platform cooperatives**, a cooperative response to the rising prominence of platform work. Unlike traditional capitalistic platforms, which prioritise shareholder profits, platform cooperatives emphasise ethical commitments, workers' rights, sustainable consumption practices, and support to their community; they provide workers the right status accompanied by adequate protection, whether as employees or self-employed. They can be worker-owned or characterised by the multistakeholder's governance.
  - **multistakeholder cooperatives**, where a cooperative is owned by various stakeholders, such as workers, beneficiaries, local authorities, other cooperatives/NGOs/partners, allowing the active involvement of diverse groups of stakeholders in the activities and governance of the cooperative. They are usually active in the provision of services of general interest (mobility, energy, culture, care etc).
  - **energy community cooperatives**, guaranteeing ownership of the energy supply by the people using it, tackling energy poverty and increasing the deployment and usage of renewable energy, thus contributing to decarbonisation
  - **cooperatives of autonomous workers or freelancers**, an increasing reaction to the rise of non-standard work, they offer mutualised services (administrative, financial, accounting, etc) and social protection while maintaining autonomy and flexibility



- **Legislative framework for Workers' Buyouts:** In Italy, the Marcora Law (1985) provides financial support to worker cooperatives established from businesses in crisis through temporary equity participation of Cooperazione Finanza Impresa – CFI, a financial institution owned by its cooperative shareholders and supervised by the Ministry of Economic Development. Since 2014, a new aid regime and a new Marcora Law has been adopted, broadening the intervention scope by providing access to financing up to ten years and by granting support for investments and capital, initially at a subsidised interest rate and at a zero interest rate from 2021. The Marcora Law has made it possible to successfully transfer businesses in crisis to the employees under the cooperative model, thus ensuring that enterprises stay in the local area and the workers retain their jobs.
- **PICO – Legacoop's Digital Innovation Hub (Italy):** PICO has been conceived to support digital transition of cooperatives affiliated to Legacoop through networking, knowledge and technology transfer, dedicated services, access to financing (such as Next Generation EU and Digital Europe), training and digital skills development. PICO also promotes the development of more sustainable, inclusive, distributive, participatory and democratic business models in the digital field (digital and platform coops, AI cooperatives) through research, information, events and financial support.
- **Portugal Social Innovation:** a pioneering structure for financing and supporting social innovation projects successfully blended European funds with social investment, mobilising over €150 million and supporting hundreds of projects with significant territorial impact. This model demonstrated the feasibility of combining public funding with impact investment, fostering innovative solutions to complex social challenges.
- **CASES - António Sérgio Cooperative for the Social Economy (Portugal):** The governance model of CASES represents a relevant good practice. As the coordinating body for public policy on the social economy, CASES operates on a tripartite governance model, involving the State, the social sector, and the cooperative sector. This structure enables ongoing coordination among key ecosystem actors, ensuring legitimacy, participation, and strategic continuity.
- **Cooperative consortia:** to support the growth and competitiveness of small and medium sized cooperatives in different sectors (such as in the transportation, construction and service sectors) especially in disadvantaged areas, the creation of cooperative consortia is more and more encouraged in Italy.