

CECOP's contribution to the European Commission's call for evidence on developing framework conditions for social economy

The priority actions to be taken on the national level concern nine different dimensions:

1. Legal framework

Member States should:

- ensure recognition of the cooperative business model throughout all policies,
- create/adjust legislation to facilitate creation and functioning of worker and social cooperatives,
- put in place legal framework to facilitate worker buyouts and remove barriers there to promote platform cooperatives (sustainable, worker-friendly); provide them with level playing field, also in implementing the platform work directive.

2. Cooperatives as key actor in labor market policies

Member States should:

- recognize worker ownership as an independent industrial relationship, where workers are also owners who democratically manage their cooperative,
- recognize worker owned cooperatives' contribution to quality employment, incl. for disadvantaged groups,
- promote establishment of cooperatives among self-employed and freelancers (they combine security and flexibility, offer social rights).

3. Services of general interest

Member States should adopt favorable legal and policy frameworks for cooperatives providing SGI such as care, social or essential services.

4. Public-private partnerships

Member States should:

- develop Public-Private Partnerships with cooperatives (they enable innovation, allow to maximise social impact),
- keep support to cooperatives complementary to public services.

5. Competition, taxation, public procurement

Member States should develop and fully use legislation to support worker and social cooperatives, as enterprises with high social relevance:

- raise de minimis threshold for state aid, offer preferential conditions for cooperatives providing care, health and social services,
- ensure full eligibility of cooperatives for state aid and full use of state aid provisions incl. those for SGEI, regional aid, risk financing aid, or aid for hiring disadvantaged workers.

Member States should be allowed to implement financial schemes which help cooperatives to attract capital without this being considered in violation of state aid rules and the internal market

- make fiscal rules (incl. VAT and tax exemptions on retained benefits) favorable to development of cooperatives; recognize the specificity of cooperative reserve funds,
- in public procurement, prioritize quality criteria over lowest price, include social and governance criteria; allow reserved contracts for cooperatives; create European system of Socially Responsible Public Procurement.

6. Access to funding and finance

Worker and social cooperatives' needs for finance are often unmet by both private markets and public funding programs. Member States should:

- create and/or adjust specific investment support tools for cooperatives, make other tools fully accessible (e.g. funds for SMEs),
- promote patient capital and social impact finance,
- fund cooperatives' innovation, including social innovation and the twin transition,
- ensure full participation of cooperatives in national and EU funding programs,
- leverage EU funds to supplement existing cooperative financial instruments,
- offer specific support for cooperative startups,
- ensure cooperatives' representation on the boards of relevant investment instruments.

Access to funding and finance must be enshrined in objectives, implementation, and monitoring indicators.

7. Education, skills, labor market

Member States should:

- support worker and social cooperatives in re-/upskilling of workers and offering labor market inclusion,
- support managerial skills, especially for newly created worker cooperatives,
- include information on cooperatives in mainstream education curricula,
- promote collaboration between higher education institutions, training centers and the cooperative movement.

8. Capacity-building

Cooperatives must be able to access support instruments such as those for SMEs, helpdesks, Digital Innovation Hubs and others, and to get appropriate support. Member States should support creation of cooperatives support structures if not yet in existence.

9. Crisis measures

Member States should:

- offer specific support measures to cooperatives in energy intensive sectors,
- give cooperatives access to any emergency measures available for enterprises.