CECOP CICOPA Europe **The European confederation of industrial and service cooperatives**

31 October 2025

Industrial and service cooperatives as drivers of cohesion

CECOP's contribution to the European Commission's call for evidence on the EU's next long-term budget (MFF) – implementing EU funding with Member States and regions

CECOP, the European Confederation of Industrial and Service Cooperatives, welcomes the opportunity to provide feedback to the European Commission on the Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security under the post-2027 Multiannual Financial Framework (MFF). CECOP represents approximately 43,000 cooperatives across Europe, being mainly worker cooperatives, social cooperatives and cooperatives of autonomous workers[1]. In turn they employ over 1.3 million people. These are democratically owned and managed enterprises that contribute to sustainable and inclusive growth by combining economic performance with social progress.

The industrial and service cooperatives represented by CECOP belong to the wider social economy family. As the Council Recommendation on developing social economy framework conditions states, social economy enterprises "share the common principles of reinvesting all or most of their profits to pursue their social or environmental purposes and practicing democratic or participatory governance". Cooperatives are collectively owned and democratically managed by their members, and the profits generated are reinvested in the cooperative. They are also deeply embedded in the local territory, providing support for the local economy and community. Social cooperatives in particular provide social services to the community or provide work integration of persons with disabilities and other disadvantaged persons into the labour market. Despite the contribution of cooperatives to social and territorial cohesion, social progress, and sustainable and inclusive growth, access to finance remains the greatest obstacle they face.

Despite the mounting social challenges the EU faces, including Europe's aging society, growing inequalities, labour and skills shortages, the proposal does not take them sufficiently into account. As Enrico Letta stated in his report, 'Much more than a Market', "Further development of the Single Market can only be successful if it includes a genuine social dimension that ensures social justice and cohesion." Despite this observation, the post-2027 MFF proposal includes less budget for social objectives (approx. EUR 100 billion) than the previous MFF when accounting for inflation and the enlarged priorities for which this amount would be allocated – as explained in the joint statement signed by CECOP and 50 co-signatories.

[1] Worker cooperative are 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 may focus on providing social services, particularly in areas where public authorities are unable to do so or contributing to the work integration of disadvantaged and marginalised people; they can be worker-owned or characterised by the multistakeholder governance. Cooperatives of autonomous workers (freelancers, self-employed) allow peers to mutualise risks and costs and combine autonomy with flexibility and security.

To ensure that social objectives are not left behind and that industrial and service cooperatives' contributions are duly recognised, CECOP calls on the Commission to consider the below recommendations:

1. **The Social Economy must be recognised in the specific objectives of the Fund (Art. 3)**

   As the UN Secretary-General's 2025 report on 'Cooperatives in social development' points out, "As the world faces widening inequality, social fragmentation and declining trust in institutions, cooperatives have emerged as a vital, people-centred solution to rebuild social cohesion and promote inclusive development".[2] Indeed, worker and social cooperatives are engines of social cohesion: worker cooperatives are inclusive, democratically governed enterprises that empower their worker-members, including women, people with disabilities, and other vulnerable groups. Similarly, work integration social cooperatives contribute to the integration of those furthest from the labour market, while social cooperatives in general provide essential services in an accessible, affordable manner including to disadvantaged groups and in disadvantaged areas. At the same time, their lack of visibility leads to limited policy recognition, underinvestment, and the underutilization of their potential to contribute to further social cohesion.

   To this end, cooperatives, belonging to the wider social economy family, should be recognised as drivers of social cohesion and **the specific objectives of the Fund (Article 3) should explicitly recognise the social economy**.

2. **Recognise workers buyouts as a way to ensure sustainable prosperity (Article 3 1.(a))**

   Workers buyouts[3], that is, business transfers to the employees under the cooperative model, are a powerful tool against deindustrialisation and succession crises, which ensures that businesses at risk of closure or relocation, as well as the jobs, know-how and skills, remain in the local territory. Supporting workers buyouts and creating an enabling environment for them is instrumental in preserving European manufacturing leadership and keeping economic value inside the EU. To this end, workers buyouts should be explicitly recognised under Article 3 1.(a) – to support the Union's sustainable prosperity across all regions.

3. **Cooperative organisations should be recognised as key partners (Art. 6)**

   As Article 6, Partnership and multi-level governance calls for it, Member States shall implement partnerships for the National and Regional Partnership Plans (NRPP) and the Interreg Plans. To ensure a truly balanced and inclusive governance structure, cooperative organisations, including national and regional federations of cooperatives, should be included in the partnerships. The insights these organisations can provide for the development of the Plans is indispensable for maximising their impact. **Cooperative**

[2] UN General Assembly. 2025. Cooperatives in social development – Report of the Secretary-General. Available at: https://docs.un.org/en/A/80/168

[3] More information: CECOP. 2023. Report from CECOP's conference – Workers Buyouts – what is the cooperative key to success? https://www.cecop.coop/uploads/file/CECOP_WBO_report.pdf

organisations are core partners in fostering inclusive growth and social cohesion and should be recognised as such. Attention must also be paid to ensure that these partnerships are substantive and meaningful, rather than merely procedural.

4. **Social inclusion must be added to the horizontal principles (Art. 7)**

While the proposed principles in Article 7, such as to safeguard rule of law, fundamental rights, ensure non-discrimination, and embed the "do no significant harm" principle are welcomed by CECOP, this is not enough to guarantee investments for social cohesion. Under the previous ESF+, earmarking was established to ensure investments for the inclusion of disadvantaged groups, including 25% for social inclusion. **Not including specific earmarks for social inclusion in the NRPPs is a glaring omission and we call on the European Commission to rectify it**.

5. **Increase the spending target for social objectives**

Unlike in previous Multiannual Financial Frameworks, there is no specific budget allocated for the European Social Fund (ESF) in the proposal for 2028-2034. Instead, there is only a 14% allocation for social objectives under the funding envelope of the National and Regional Partnership Plans. As analysed in our joint statement, co-signed by 51 EU-level organisations, while this corresponds to around EUR 100 billion – seemingly an increase compared to the EUR 95.8 billion under the previous MFF – this is a reduction in reality. When adjusted for inflation, the previous allocation for ESF would exceed EUR 110 billion. Furthermore, under the proposed MFF, this 14% would also cover 40% of social infrastructure costs, which was previously covered by the European Regional Development Fund (ERDF). Therefore, the amount allocated for social objectives is not only less than under the previous MFF, but it also covers a wider range of priorities. In short, it covers more with less.
This reduced and diluted funding for social objectives will not be sufficient to strengthen social rights, reduce inequalities, and reinforce Europe's social and territorial cohesion, or indeed, to achieve the 2030 and 2050 poverty reduction targets.
To this end, we call on the EU for a **minimum spending target of 14% to cover the entire MFF budget proposal**, not only the NRPPs.

CECOP is the European Confederation of Industrial and Service Cooperatives, representing approximately 43,000 cooperative enterprises, employing over 1.3 million workers, across 15 EU countries and the UK. The majority of cooperatives affiliated to CECOP's members are worker cooperatives (72%), which are democratically managed and owned by the workers, and social cooperatives (27%), whose core mission is the provision of social services and work integration of disadvantaged groups.