

Social economy

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The European Parliament adopted by 580 votes to 27 with 44 abstentions a resolution on social economy. The resolution recalls that this sector represents 10 % of all European businesses, with two million undertakings or 6 % of total employment, and has great potential for generating stable employment, due mainly to the non-delocalization nature of its activities. Considering that social economy enterprises should not be subject to the same application of the competition rules as other undertakings, Parliament suggests that they need a secure legal framework.

It underlines the fact that an economic system in which social economy enterprises play a more significant role would reduce exposure to speculation in financial markets on which some private companies are not subject to the supervision of shareholders and regulatory bodies.

Recognising the concept of the social economy the EU and Member States should recognise the social economy and its stakeholders – cooperatives, mutual societies, associations and foundations – in their legislation and policies. Those measures should include easy access to credit and tax relief, the development of microcredits, the establishment of European statutes for associations, foundations and mutual societies, as well as tailored EU funding and incentives to better support social economy organisations.

Legal recognition: Parliament calls on the Commission and the Member States to develop a legal framework that recognises the components of the social economy - associations, mutual societies and foundations. A series of measures should be provided such as easy access to credit, tax relief and the development of micro-credit. Parliament considers that the Commission's withdrawal of its proposals for a European Mutual Society Statute and a European Association Statute is a significant setback for the development of these forms of social economy within the EU, and they urge the Commission to review its work programme accordingly. Parliament also made recommendations on **statistical recognition** and **recognition as a social partner**.

The social economy as a key operator for fulfilling the Lisbon objectives: the social economy helps to rectify three major labour market imbalances: unemployment, job instability and the social and labour exclusion of the unemployed. The social economy plays an essential role in the European economy, by combining profitability with solidarity, creating high-quality jobs, strengthening social, economic and regional cohesion, generating social capital, promoting active citizenship, solidarity and a type of economy with democratic values which puts people first. It creates jobs that normally do not delocalize, which contributes to meeting the goals set out in the Lisbon Strategy. Parliament calls on the Commission and the Member States to develop programmes directed towards potential and existing social enterprises offering financial support, information, advice and training and to simplify the process of establishment (including reducing the initial capital requirements for companies), in order to help them cope with an economy which is increasingly global and which is currently affected by a financial crisis.

Resources: Parliament made a series of recommendations to the Commission, inter alia:

- to incorporate the social economy into its policies, especially in connection with the 'Small Business Act';
- to ensure that the Observatory of European SMEs systematically includes social economy enterprises in its surveys;
- to support the EU think-tank on co-operative banks set up by the association of the sector or other financial services that might be of interest to social economy organisations;

- to look into reactivating the budget heading specifically for the social economy;
- to devise a European legal framework enabling territorial partnerships to be established between the social economy sector and local authorities;
- to aim for conditions which will facilitate investments in the social economy, in particular through investment funds, guaranteed loans and subsidies.

Lastly, the Commission is asked to reassess its Communications on cooperatives and the European cooperative society, and its [1997 Communication](#) on the promotion of the role of associations and foundations in Europe.