# Statute for a European cooperative society with regard to the involvement of employees

2011/2116(INI) - 02/12/2011 - Committee report tabled for plenary, single reading

The Committee on Employment and Social Affairs adopted the own-initiative report drafted by Sven GIEGOLD (Greens/EFA, DE) on the Statute for a European Cooperative Society with regard to the involvement of employees.

Members recall that cooperatives and other social economy enterprises are **part of the European social model and the single market** and therefore deserve strong recognition and support.

They view with regret the fact that the SCE is not yet a success given its scarce use – until 2010 only 17 SCEs had been established, with a total of 32 employees. These stark figures show the **Statute to be poorly suited to the specific circumstances of cooperative societies in Europe** even though entrepreneurs have expressed an interest in setting up an SCE.

**Employee participation in SCEs**: Members welcome the fact that employee participation provisions are considered a **core element in the SCE**. They points out, however, that they should provide for the requirements linked to the special nature of cooperatives. The report points out that several Member States have not transposed articles of the directive concerning employees' rights, including the **gender specific provisions**, and that this has led to a number of gaps regarding the monitoring and the implementation of worker participation procedures. They stress the need to remedy this so as to prevent abuse of SCE arrangements.

Members regret the fact that the standard rules on the participation of workers in administrative bodies do not make worker participation a requirement. The Commission is invited to monitor closely the application of Directive 2003/72/EC in order to prevent its misuse for purposes of depriving employees of their rights.

Noting that the Directive should not be revised before the Statute, Members ask to consider the **insertion of the provisions on employee participation directly in the Statute** for the sake of simplification and smarter regulation.

The report stresses that a revision of the Directive should address the **specific needs of employees in cooperatives**, including the option to be both owner and employee of the same enterprise. It calls on the Commission to develop instruments to facilitate employee and user ownership of cooperatives.

The Commission and the Member States are called upon to encourage cooperatives to increase the participation of women in the SNB and to implement diversity policies in order to guarantee gender equality in professional and private life and, in particular, increase women participation in senior management positions.

**The future of the Statute**: Members stress that, owing to its complexity, the Statute only partially meets the needs of cooperatives and that it should be simplified and made intelligible to all to make it more user-friendly, easily understood and better applicable, thus ensuring the rights of information, consultation and participation of all employees without losing quality. The report emphasises that **the Statute for a European Cooperative Society should not be made more attractive by reducing standards**.

Members consider that the Statute should provide for an **autonomous legal framework for SCEs** alongside existing national law on cooperatives and that direct harmonisation is thus not taking place. They are of the opinion that the review of the Statute must facilitate a furthering of the recognition of this type of society in the EU. They emphasise that the economic weight of cooperative societies, their crisis resilience and the values on which they are based clearly show them to be relevant in the EU of today and justify a revision of the Statute. They insist on the **involvement of all stakeholders in the revision process**, especially social actors involved in the cooperative and trade union movement, while also highlighting the need to complete the process in a timely manner.

**Increasing employment in cooperatives and SCEs and strengthening cooperatives as core elements of the social economy**: Members deplore the fact that Parliament's recommendations on cooperatives were largely ignored by the Commission. They recall that in its Communication on the promotion of co-operative societies in Europe, the Commission committed itself to twelve actions but only three have been put into practice, with no significant results.

The report stresses that EU policies in all areas need to **recognise the specificities and added value of social economy enterprises**, including cooperative enterprises, through adapting legislation on public procurement, State aid and financial regulation accordingly. Member States should foster **more favourable conditions for cooperatives**, such as access to credit and tax incentives.

Whilst welcoming the fact that the Single Market Act recognises the need to promote the social economy, Members urge the Commission to:

- launch the much anticipated **'Social Business Initiative'** based on cooperative principle;
- come up with an **open method of coordination for the social economy** including cooperative enterprises in order to encourage exchanges of best practices and bring about for a gradual improvement in the Member States' taking account of the nature of cooperatives, in particular in the areas of taxation, loans, administrative burdens and business-support measures;
- take the **financial structure** of cooperatives into account in connection with capital requirements legislation and accounting and reporting standards;
- consider a **European Year** of Social Economy.

The committee supports business-support measures, in particular **business-consultancy and employee training**, and access to funding for cooperatives, especially for employee or customer buyouts, as they are an underrated tool for saving enterprises at times of crisis and for the transfer of family enterprises. It also stresses the growing importance of cooperatives in the area of social services and public goods.

The report highlights the potential of the SCE for **promoting gender equality** through the implementation of policies and programmes at various levels, paying particular attention to education, vocational training, action to promote entrepreneurship and ongoing training programmes.

Lastly, Members stress the need to ensure cooperatives' input in the social dialogue at the EU level.