Contribution of cooperatives to overcoming the crisis

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The European Parliament adopted a resolution on the contribution of cooperatives to overcoming the crisis.

Members note that cooperatives play an essential role in the European economy by combining profitability with solidarity, and they should benefit from a clearer and more coherent legislative framework. There are in the EU about 160 000 cooperative enterprises owned by 123 million members and providing jobs for 5.4 million people. Cooperatives contribute, on average, around **5 % to the GDP of each Member State**. Parliament recalls that over the past few years, several hundred industrial and service cooperative enterprises have been established as the result of the **restructuring of businesses in crisis or without successors**, thereby re-developing local economic activities and jobs. Members consider therefore, that cooperatives serve as a **springboard for social innovation** and they point to the **greater resilience of cooperatives**, which is in large part due to the cooperative model of governance, and to their characteristic method of capital accumulation.

Members call on the Commission to **conduct a review of existing legislation** in order to find common ground and to harmonise the key elements with a view to lifting the barriers to the development of cooperatives, noting that there are a diversity of situations In Member States, reflecting legal and conceptual differences.

Regulatory framework: Members feel that a reference to the important role of cooperatives should be made in the Entrepreneurship 2020 Action Plan, regretting that the latter merely recalls their contribution to job creation and the greater funding difficulties they face as compared to SMEs.

The Commission is asked to:

- **create a unit** responsible for cooperatives and other social-economy organisations aiming at paying greater attention to measures geared to ensure an adequate level of resources and to addressing policy development on social-economy organisations;
- focus proper attention to the restructuring of industrial and service enterprises that are in crisis, or without a successor, into cooperatives through the **creation of services** dedicated to this task;
- provide **more flexibility on the public procurement rules** for employee-led enterprises, for example by including a time-limited reservation;
- ensure that measures under the Social Business Initiative are coordinated and that administrative barriers between the two initiatives are reduced.

In keeping with ILO Recommendation 193/2002, Member States are asked to adopt a **comprehensive policy to support the cooperative business model** and to identify strategic sectors suitable for cooperative projects.

Business transfers and restructuring: Parliament notes that the use of worker buy-outs is becoming an increasingly common practice in the Member States in response to the economic crisis and considers that the transfer of a business to its employees through the creation of cooperative and other forms of

employee ownership should be supported by a **specific EU budget line that also includes financial instruments**. It calls for the **creation of a European mechanism** designed to promote the development of cooperatives and, in particular, business transfers under the cooperative form. Members also call on the Commission to:

- identify financial instruments to encourage worker buy-outs;
- put in place mechanisms to facilitate exchanges of best practices in this field between enterprises and to report to the Council and Parliament on the outcome;
- support financially, and through a targeted, intelligent use of the Structural Funds, better knowledge and training amongst trade unions and bodies tasked with providing information on the creation or transfer of businesses;
- consider developing a database that systematically collects cases and information on restructuring into cooperatives, with a view to circulating good practices and collecting consistent data.

Access to funding and business support: in view of the difficulties experienced by cooperatives in gaining access to venture capital, Members call on the Commission, together with the EIB and the European Investment Fund (EIF), to ensure that cooperatives have **access to EU-level financial mechanisms** – including, where appropriate, the **SME financing action plan suggested in the Single Market Act**. Furthermore, Parliament emphasises that the programmes and funds being established under the **Multi-annual Financial Framework (2014-2020)** should be important instruments for supporting cooperatives. It calls on the Commission to support a pilot project to assist in the transfer of enterprises in crisis to workers, so they can continue working. Lastly, Parliament takes the view that, in EU and national financial programming, particular attention should be paid to (or a certain percentage set aside for) cooperatives that aim to facilitate access to employment for disadvantaged people, as defined in Regulation (EC) No 2204/2002.