

## **CECOP position to the European Commission's staff working document on exploiting the employment potential of the personal and household services**

Brussels, 13 July 2012

*CECOP – CICOPA Europe (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises) is a European confederation grouping national organisations in 16 countries which in turn affiliate over 50.000 cooperative and participative enterprises in industry and services. They employ 1.4 million workers across Europe. Among the main sectors of activity, we find metal and mechanical industries, construction and public work, social services, environmental activities, white goods, transport, education and culture, etc. Most of them are characterised by the fact that the employees in their majority are member-owners. Furthermore, several thousands of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex-prisoners, addicts, etc.).*

During the last few decades we have observed a gradual transfer of social prerogatives carried out by public authorities and placed in the hands of private actors. Cooperatives, as one of the expressions of citizen's needs and aspirations, have appeared naturally with adequate solutions for the community, notably in personal and household services. Today more than 3,000 cooperatives from CECOP network are active in that sector.

Most generally cooperatives providing those services are registered as social cooperatives or their equivalent<sup>1</sup> (e.g. Italy, Spain), but we also find cooperatives providing personal and household services even in the absence of a specific legal framework regulating social cooperatives as described above (e.g. United Kingdom, France).

### **Employment and entrepreneurial potential**

The EC's staff working document indicates that social services such as child care and long term care are often provided by social economy actors, and cooperatives confirm that trend. They represent an important, and growing, employment potential but also economic contribution to local development. Recent studies and articles have argued that cooperatives appear to be showing stronger resilience in times of crisis compared to conventional enterprises, specifically when it comes to employment rates<sup>2</sup>. Despite the ongoing financial and economic crisis, employment has even grown by 4.5% in 2010 in social cooperatives affiliated to CECOP Italian member Federsolidarietà – Confcooperative compared to the previous year. CECOP's Spanish member COCETA also reports 13,336

<sup>1</sup> Social cooperatives provide goods or services of general interest, e.g. in the social services, health, educational and environmental fields. These cooperatives share general common characteristics with all types of cooperatives, such as stakeholder's democratic control over the enterprise, while having their own distinctive elements: in particular, they are characterised by a general interest mission and by the systematic reinvestment of profits into this very mission.

<sup>2</sup> CECOP study: *The resilience of the cooperative model. How worker cooperatives, social cooperatives and other worker-owned enterprises respond to the crisis and its consequences*, June 2012, p.11. The study can be downloaded here: [http://www.cecop.coop/IMG/pdf/report\\_cecop\\_2012\\_en\\_web.pdf](http://www.cecop.coop/IMG/pdf/report_cecop_2012_en_web.pdf)

new jobs in the service sector in 2011.

Cooperatives also have a long tradition of labour integration for disabled persons and vulnerable groups (long-term unemployed, migrants, ex-prisoners, addicts, etc.). Social cooperatives, for instance, create a working environment where disadvantaged and non-disadvantaged workers work together efficiently. In addition to providing employment, they allow disadvantaged workers to take part in the control and management of their enterprise. In this way, they attain a particularly high level of sustainable employment and social integration. This is also an important contribution for the personal and household services sector where the percentage of low skilled workers, one of the vulnerable category groups, is significant.

Beyond the employment dimension, it is also important to recognise the entrepreneurial dimension of cooperatives in this sector. In fact they create sustainable economic activities that contribute directly to local development. Since they are managed by local stakeholders, cooperatives tend to have an in-depth knowledge of the community and its needs. Multi-stakeholders cooperatives create synergies between different actors – public authorities, service users, service providers – and in this way guarantee that various interests and resources within a local community are represented and that an adequate answer is provided.

In some cases cooperatives are the only service provider in isolated areas where public authorities have stopped carrying out public services.

***Iligora (Montoro, Spain)*** A social initiative cooperative founded in 2005, Iligora provides personal and household services to 120 families. The cooperative collaborates with the municipality of Montoro (10,000 inhabitants) according to the regional Ministerial Order entitled "Orden de 15 de noviembre de 2007, por la que se regula el servicio de ayuda a domicilio en la Comunidad Autónoma de Andalucía". This "orden" specifies that the household services are available for a broad category of citizens (elderly, disabled people, pregnant women, etc.) who can benefit from services adapted to their specific needs, such as cleaning, home repairs, cooking, personal hygiene, laundry, mobility, special care, etc. Today Iligora employs 52 workers.

### **Quality of services and quality of work**

A crucial aspect to be taken into account is the processes lying behind service delivery. Cooperatives generally include the various stakeholders involved in the design of the service and in the governance of the enterprise. Their involvement in the cooperative's activities consequently increases their control over the quality of the activities and the service provided.

When it comes to the provision of social services, the participatory element is not sufficient in order to ensure the quality of the service. We agree with the EC's staff working document that other criteria should be promoted and ensured: accessibility (in terms of geographical coverage), continuity (over time), and affordability. The "continuity" criteria is highlighted less often, however, this is a fundamental characteristic of a service of general interest. The cooperative structure, being member-based, provides particularly high guarantees of continuity of the services of general interest.

Cooperatives strive to provide sustainable and quality employment to their workers. As mentioned in the EC's staff working document, workers in the personal and household services often suffer from poor working conditions. In addition to offering stable employment, cooperatives provide training opportunities, and in the case of the cooperative worker-members, new skills related to enterprise management.

**Service Présence et Aide à Domicile - SPAD (Albertville, France)** SPAD is a cooperative<sup>3</sup> created in 2009 with the objective to provide personal and household services to dependent persons, mainly elderly and persons suffering from illness, injury or those with a disability. SPAD provides home services (cleaning, laundry, cooking) but also services for the intellectual stimulation of the persons (games, reading). Its objective is to contribute to the physical, psychological and intellectual autonomy of dependent persons. SPAD workers are qualified workers and they continuously improve their skills through specific training adapted to dependent person's needs. The cooperative employs 80 persons and provides services to around 390 persons.

### **Collaboration with public authorities**

In order to ensure the quality of personal and household services – and social services in general – contracted by the public authorities, it is essential to ensure that the sole criterion of the most economically advantageous tender is applied, eliminating the criterion of the lowest price, as it is mentioned in Art.76 of the proposed Directive on public procurement. In fact, it is essential that contracting authorities evaluate the processes lying behind service delivery and the quality of services delivered. For instance Italian national and regional legislations oblige contracting authorities to use the most economically advantageous criterion for social services.

**Simone de Beauvoir (Milan, Italy)** Social cooperative founded in 1993 by 15 members, Simone de Beauvoir provides home care services for elderly and disabled adults in the region of Milan. One of its recent activities was organised together with other cooperatives from the Consorzio SIS (consortium of social cooperatives): a municipality service aimed at creating a network for the assistance of vulnerable citizens. "Social guardians", professionals in charge of this service, monitor the overall social and medical situation of the neighbourhood; detect the expressed and the unexpressed needs from both service users and services providers in order to provide the most adequate solutions. In 2010, 84 persons were employed by Simone de Beauvoir, 39 of them were workers/members of the cooperative.

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<sup>3</sup> SCIC - collective interest cooperative enterprise