

PRESS RELEASE

Cooperatives must not be ignored in the EU Entrepreneurship 2020 Action Plan, following an increase in job numbers during the crisis

Brussels, 18th February 2013. Vice President Tajani will present tomorrow the Entrepreneurship 2020 Action Plan to the Competitiveness Council. This ambitious action plan is meant to boost entrepreneurship in Europe and generate employment opportunities. However, the Commission document disregards an important contribution to the European economy and employment potential: cooperative enterprises. In some EU countries, like Spain and Italy, worker and social cooperatives have not just resisted to the current crisis but have also increased number of jobs, in a situation where neighbouring enterprises were closing down and leaving thousands of workers on the brink of poverty and social exclusion*.

When discussing the roadmap for the implementation of the action plan, EU ministers can ill afford to deny cooperatives' contribution to sustainable economic growth and efforts to maintain and develop regional economic activities and industrial fabric, in line with the re-industrialisation of Europe called by Vice President Tajani.

An important part of the Entrepreneurship 2020 Action Plan is dedicated to the transfer of businesses. Here again, the Action Plan makes no reference to the diversity of forms of business transfers that we can find on the ground, like the hundreds of successful business transfers to employees under the cooperative form that have taken place around Europe in the last few years. The action plan addresses the transfer of businesses mainly from the angle of the "failed entrepreneur" and with a focus on measures in favour of a second chance for the latter. According to CECOP, the European confederation of industrial and service cooperatives, business transfers should not be addressed only as a career prospect for one individual - the failed entrepreneur - but as an entrepreneurial and employment solution for European citizens and regions at large, which is particularly relevant in the current situation of massive job losses and enterprise closures.

"Promoting all types of business transfers, including business transfers to employees, is in the core interest of the European countries and regions: local wealth and skills are maintained. Especially in the current situation, the EU can ill afford to deny successful experiences of enterprises and jobs being saved", insists Bruno Roelants, Secretary General of CECOP.

Cooperative SMEs in various industrial and service sectors have also been among the pioneers of enterprise regroupings, networks and clusters, through which they cooperate in their innovation and internationalization drive. Inter-SME collaborative networks under the cooperative form should be encouraged by the Entrepreneurship 2020 Action Plan, as those networks considerably reinforce the sustainability of the micro and small enterprises. Such networks are also virtually the only way in which micro and small enterprises can be a source of innovation.

The UN 2012 International Year of Cooperatives has contributed to shed light on cooperatives as sustainable enterprises, capable of strong economic performance combined with a core social mission, even in times of crisis. Their experience could be a great source of inspiration for the development of SMEs in Europe at large and should be taken into consideration if we want an effective and sustainable Entrepreneurship 2020 Action Plan.

WHEN:

Tuesday 19th February Competitiveness Council-

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More INFORMATION:

CECOP's answer to the European Commission consultation "Entrepreneurship 2020 Action Plan":
http://www.cecop.coop/IMG/pdf/cecop_position_entrepreneurship_2020_en.pdf

*The resilience of the cooperative model. How worker cooperatives, social cooperatives and other worker-owned enterprises respond to the crisis and its consequences”:
http://www.cecop.coop/IMG/pdf/report_cecop_2012_en_web.pdf

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, the vast majority being SMEs, and employing 1.4 million workers across Europe. Among the main sectors of activity, we find metal industries, mechanical industries, construction and public work, wood industry and furniture, white goods, textiles and garments, transport, media-related activities, social services, education and culture, environmental activities, etc. Most of them are characterised by the fact that the employees in their majority are members-owners, while some of them are second-degree enterprises for SMEs. Furthermore, around 4.000 of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex prisoners, addicts, etc). More than a thousand worker cooperatives in the CECOP network were created as business transfers to employees of conventional enterprises in crisis or without heirs.