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CECOP's contribution to the European Commission's call for evidence on the Circular Economy Act

CECOP, the European Confederation of Industrial and Service Cooperatives, welcomes the opportunity to provide feedback to the European Commission on the Circular Economy Act (CEA). CECOP represents approximately 43,000 cooperatives across Europe, being mainly worker cooperatives, social cooperatives and cooperatives of autonomous workers¹. In turn they employ over 1.3 million people. These are democratically owned and managed enterprises that contribute to sustainable and inclusive growth by combining economic performance with social progress. Cooperatives are part of the wider social economy family.

Cooperatives play a strategic role in Europe's circular economy. Sustainability is not just a practice for cooperatives, but a defining characteristic: cooperatives are guided by the [seven cooperative principles](#) and values including environmental consciousness. Among the cooperatives affiliated with CECOP, many operate in key circular sectors, including waste management, including waste electrical and electronic equipment (WEEE), reuse and recycling, and the construction sector.

Due to industrial and service cooperatives' commitment to circularity, they constantly innovate both in terms of technological development and cooperation with public or private partners. Furthermore, as cooperatives are deeply embedded in the local economy and are accountable to the community, they are committed to the sustainable development of their environment and local community.

Industrial and service cooperatives are therefore core partners in advancing several of the EU's priorities in terms of circularity, including:

- Decarbonisation, by preventing/managing waste
- Industrial competitiveness, by reducing dependence on imported raw materials
- The just transition, by creating quality jobs, upskilling workers, and integrating disadvantaged people into the labour market

¹ Worker cooperative are democratically managed enterprises owned by the workers, with the aim to create and maintain sustainable jobs, improve the quality of life of the worker-members. Social cooperatives may focus on providing social services, particularly in areas where public authorities are unable to do so or contributing to the work integration of disadvantaged and marginalised people; they can be worker-owned or characterised by the multistakeholder governance. Cooperatives of autonomous workers (freelancers, self-employed) allow peers to mutualise risks and costs and combine autonomy with flexibility and security.

Best practices

[Vesti Solidale](#) (Italy): a social cooperative founded in 1998, specialises in the management of special and municipal waste, including textile and electronic waste (WEEE). Through their work with large companies, they collect, transport and manage waste, provide consultancy services, and ensure environmental compliance throughout the process. In terms of their work with municipalities, Vesti Solidale collaborates with local authorities to collect and manage used clothing. Vesti Solidale operates three plants in the province of Milan, including the largest textile waste management plant in northern Italy, which can process up to 20,000 tonnes of waste each year.

[Logik & Co](#) (Denmark): a worker cooperative established in 2001, operating in the construction sector. One of the first enterprises in Denmark to encourage the sustainable renovation and construction of buildings, Logik & Co now has over 50 worker-members specialised in the different aspects of the construction and renovation processes. Their aim is to eliminate the use of chemicals, limit the waste of materials, and reduce CO2 emissions – starting with the use of locally sourced, natural materials.

CECOP welcomes the proposal for a Circular Economy Act, as it is vital to strengthen the green transition, and address regulatory and market failures, particularly in terms of the supply and demand for secondary raw materials. The CEA has the potential to truly incentivise circularity in the EU, thus contributing to mitigating the climate crisis and creating a just transition, while decreasing the EU's reliance on third-country suppliers for raw materials and thereby increasing European competitiveness. But to achieve this, the Circular Economy Act must have a holistic perspective. To achieve this, the below recommendations must be taken into account:

1. Recognise and support cooperatives active in the circular economy

Industrial cooperatives, such as those active in the construction sector are key partners in bringing about a truly circular economy in the EU. Work integration social cooperatives have a strong tradition of operating in the waste management sector. This sector has historically been one of the main fields through which they pursue their dual mission of environmental impact and social inclusion. Their knowledge and experience bring added value and can be upscaled and replicated by recognising and supporting their activities by:

- ensuring that cooperatives are represented in the governance of Extended Producer Responsibility (EPR) schemes;
- providing access to waste collection points for cooperatives active in waste management;
- allowing cooperatives to operate their own collection systems, as in the Waste Framework Directive, which supports social economy enterprises, including cooperatives, active in second-hand textile collection and management.

2. Provide financial support to cooperatives active in recycling and reuse

Cooperatives play a vital role in the circular economy by driving reuse, repair, and recycling initiatives. However, their capacity to scale these activities is often hindered by limited financial resources and unequal access to funding mechanisms. Therefore, they require targeted financial support and fiscal incentives. To this end, the Circular Economy Act should:

- Require that Extended Producer Responsibility (EPR) fees cover all costs associated with reuse and preparing for reuse activities carried out by social economy enterprises, including cooperatives.
- Establish dedicated funding or compensation mechanisms to enable cooperatives to deliver their missions and contribute to a circular, inclusive, and resilient economy.
- Introduce tax incentives and subsidies for hiring and reskilling qualified personnel in circular economy activities.

3. Support training opportunities

In order to successfully address the green transition and establish circularity, upskilling and reskilling the workforce are indispensable. Based on the cooperative principle 5, 'Education, training, and information', cooperatives are already embedding at-work training and provide opportunities for their members to enhance their skills. However, in order to enhance their training programmes, they require specific, targeted financial support.

Work integration social cooperatives in particular employ individuals who may lack formal qualifications and often require individualized coaching, mentoring, or workplace adaptation. This requires continuous soft-skill and technical upskilling to maintain employability and progress to the open labour market. Thus, work integration social cooperatives must invest in intensive and personalized training, more costly than training for conventional workers. Yet, these costs are not sufficiently covered by standard funding mechanisms, creating a structural disadvantage for those enterprises fulfilling a public inclusion mission.

4. Ensure social and environmental criteria in public procurement

As the EU prepares to revise the Public Procurement Directive, it has a timely opportunity to ensure that social and environmental considerations are duly taken into account when awarding public funding. While the current rules allow public authorities to include qualitative requirements, such as social and environmental criteria, these are seldom used. However, going forward, it is essential that public money is allocated to enterprises that have high social and environmental standards – such as cooperatives.

Furthermore, public authorities should be incentivised to prioritise cooperatives in public tenders for waste management, recycling, and reuse services, especially in the textile and

furniture industries, as well as cooperatives active in industries, such as the construction sector, where they prioritise circular and green solutions.

CECOP is the European Confederation of Industrial and Service Cooperatives, representing approximately 43,000 cooperative enterprises, employing over 1.3 million workers, across 15 EU countries and the UK. The majority of cooperatives affiliated to CECOP's members are worker cooperatives (72%), which are democratically managed and owned by the workers, and social cooperatives (27%), whose core mission is the provision of social services and work integration of disadvantaged groups.