

10 September 2025

## CECOP's contribution to the European Commission's call for evidence on the European Pillar of Social Rights

CECOP, the European Confederation of Industrial and Service Cooperatives, welcomes the opportunity to provide feedback to the European Commission in developing its new Action Plan for the European Pillar of Social Rights (EPSR). CECOP represents approximately 43,000 cooperatives across Europe, being mainly worker cooperatives, social cooperatives and cooperatives of autonomous workers<sup>1</sup>. 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. They belong to the larger social economy family.

The European Pillar of Social Rights is a crucial initiative with the potential to ensure a strong social Europe. At the same time, Europe is experiencing worsening inequality, an ageing society, political polarisation, the climate crisis and geopolitical uncertainty. It is now more important than ever to build a robust Action Plan to recognise the importance of a solid social foundation necessary to tackle the crises faced by the EU.

Industrial and service cooperatives are resilient enterprises upholding core values, such as sustainability and inclusion, and their contribution to the principles of the EPSR is considerable. These cooperatives provide inclusive, meaningful and quality jobs even to those furthest from the labour market; cultivate a culture of life-long learning within the enterprise; provide services of general interest, including in the areas of long-term care, transport, and energy; and operate with a concern for the environment and the local community.

The cooperative model is a century-old tried-and-tested model. It is resilient – as demonstrated by its endurance during times of crisis, such as the COVID-19 pandemic – and highly flexible, capable to adapting to socioeconomic changes. Through collective entrepreneurship, cooperatives provide opportunities to transition from **the informal economy to the formal economy**. With the increase of non-standard work becoming increasingly prevalent, **cooperatives of autonomous workers** (freelancers, self-employed, etc) offer social protection and flexibility through mutualised services. Similarly, as a response to the rising prominence of platform work, **platform cooperatives** are increasingly established. Unlike traditional capitalistic platforms, which prioritise shareholder

---

<sup>1</sup> 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.

profits, platform cooperatives offer a sustainable, human-centred alternative that allow for workers to benefit from the advantages of the platform economy while keeping a democratic oversight on the organisation of work, algorithmic management, and access and ownership of their data.

The EPSR Action Plan of 2021 was welcomed by CECOP as a step in the right direction to ensure reaching the headline targets regarding employment, training and the reduction of poverty, however, it is now clear that these initiatives were not enough to tackle these challenges. Labour shortages persist, often brought on by poor working conditions, such as in the care sector; youth unemployment is three times higher than for the rest of the population; digitalisation and new ways of working, e.g., platform work, have brought a shift towards more on-demand work and have normalised precarious jobs and the concept of the “working poor”; barriers to quality employment for persons with disabilities and other disadvantaged groups remains; and essential services and social services of general interest remain systematically underfunded.

As the EU faces new crises, it is imperative that the new Action Plan is more ambitious, takes into account *all* 20 principles of the Pillar, and puts social policy back on the EU agenda. To this end, CECOP calls on the European Commission to consider the following recommendations for the new Action Plan:

### **1. Recognise and promote cooperatives as providers of quality jobs and services**

Cooperatives uphold values of self-help, self-responsibility, democracy, equality, equity and solidarity. Worker cooperatives – 72% of the cooperatives affiliated to CECOP – empower worker-members, especially those that are usually underrepresented in the management of enterprises, such as women, low-skilled workers, people with disabilities, migrants, and other marginalized groups, by giving them ownership over the enterprise, and thus the opportunity to have a direct say in the operation of the enterprise. Social cooperatives – 27% of the cooperatives affiliated to CECOP – specialise in the provision of services of general interest, including in the areas of energy, transport, waste management, care, education, and social services. These cooperatives are often established when there is a lack of available, affordable, or quality services in the local area. In addition, work integration social cooperatives assist in the integration of vulnerable workers into the labour market. At the same time, their lack of visibility leads to limited policy recognition and the underutilization of their potential to ensure more robust social cohesion. To this end, the new EPSR Action Plan should take into account the crucial contribution of workers and social cooperatives to providing quality jobs and services.

### **2. Improve access to finance for cooperatives committed to implement the EPSR**

Cooperatives are a unique vehicle for the EPSR to achieve its objectives; however, sufficient financing is necessary to do so. Particularly in sectors where the EU faces labour shortages, such as the care sector, which is characterised by poor working conditions and therefore high employee turnover, cooperatives provide quality employment opportunities and services, however, they require support.

It is indispensable that the new Action Plan is equipped with adequate funding to carry out its initiatives, and by ensuring specific financial support for social economy enterprises, including cooperatives, they will be well-placed to continue and expand the provision of quality jobs and services of general interest.

To this end, it is important for the new Action Plan to maintain and strengthen financial instruments, such as the European Social Fund Plus (ESF+), InvestEU - in particular, the Social Investment and Skill Window, the European Regional Development Fund (ERDF), and Horizon Europe.

Furthermore, the upcoming revision of the public procurement rules must provide a level playing field for cooperatives, systematically incorporate social and environmental qualitative criteria into procurement processes, and maintain the option to reserve contracts and thus facilitate the work integration of people with disabilities and other disadvantaged persons. Similarly, state aid rules and the General Block Exemption Regulation (GBER) should be revised to recognise social economy enterprises, including cooperatives.

### **3. Maintain the Social Economy Action Plan as a core priority for the implementation of the new EPSR Action Plan**

The Social Economy Action Plan (SEAP), adopted in 2021 as mentioned in the first EPSR Action Plan, provides a solid framework for the social economy, including cooperatives. It has significantly contributed to the EPSR by bringing regulatory and institutional recognition to the social economy and thus empowered the contribution of social economy enterprises to a strong social Europe. The new EPSR Action Plan must work in tandem with the Social Economy Action Plan to ensure the success of both initiatives.

### **4. Promote workers' buyouts as a way to protect jobs**

Workers' buyouts (WBOs), or business transfers to the employees under the cooperative model, are an effective tool to maintain knowledge, skills and jobs within the territory<sup>2</sup>, and therefore they are a powerful tool that contributes to the achievement of the EPSR headline targets. WBOs protect jobs, fight deindustrialisation, and ensure the creation of quality jobs within the enterprise following the transition of a traditional business to the cooperative model. The EPSR should take workers buyouts into account and promote WBOs by:

- a. Making financial support available for advisory services and technical assistance for WBOs, including through ESF+<sup>3</sup>
- b. Supporting direct financial mechanisms to aid workers investing in enterprises for a WBO

---

<sup>2</sup> CECOP. Report from CECOP's conference – Workers Buyouts – what is the cooperative key to success?. 2023. Available at: [https://www.cecop.coop/uploads/file/CECOP\\_WBO\\_report.pdf](https://www.cecop.coop/uploads/file/CECOP_WBO_report.pdf)

<sup>3</sup> fi-compass. ESF+ Study on Worker's Buyout, Summary Report. 2025. Available at: [https://www.fi-compass.eu/sites/default/files/publications/ESF%2B%20WBO%20Final%20Report\\_RTW.pdf](https://www.fi-compass.eu/sites/default/files/publications/ESF%2B%20WBO%20Final%20Report_RTW.pdf)

- c. Maintaining the Social Investments and Skills Window of the InvestEU funding programme for the support of WBOs
- d. Supporting awareness raising campaigns about WBOs
- e. Providing tax incentives for WBOs
- f. Granting preferential rights to workers to give them the best conditions for a takeover bid for an enterprise facing closure
- g. Encouraging financial intervention from regional authorities thereby completing workers' capital contribution and cooperative financial interventions
- h. Supporting cooperative organisations' capacity to increase interventions in equity and quasi equity and create specific guarantee to support WBO

## **5. Ensure policy coherence with other EU initiatives**

To ensure its success, the new Action Plan should be coherent with the Social Economy Action Plan, the Quality Jobs Roadmap, the Platform Work Directive, the Union of Skills, as well as the upcoming Anti-Poverty Strategy and the Circular Economy Act.

**Cooperatives are a long-time advocate for the goals of the EPSR. With proven expertise and a resilient, innovative and democratic business model, guided by the [seven cooperative principles](#), cooperatives are an ally to the EPSR and must be acknowledged as such.**