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EUROPEAN CONFEDERATION OF INDUSTRIAL AND SERVICE COOPERATIVES

Quality Jobs, the Cooperative Way

Industrial and service cooperatives proposals to the EU quality jobs roadmap

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2025 International Year of Cooperatives

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About the author

Mila Shamku is an independent researcher specialising in EU affairs, with expertise spanning employment, social affairs, democracy at work, industrial relations, entrepreneurship, equalities, anti-far-right strategies, regional policies, and youth rights.

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Shamku has served on the Management Committee of the Social Platform and as an expert for various working groups in the European Commission and in the European Economic and Social Committee.

A published author committed to Social Europe, she holds dual master's degrees in political science from the University of Turin and Sciences Po Grenoble.

Foreword

In an age when Europe faces persistent economic instability and widening inequality, the importance of quality jobs is clear: they form the cornerstone of our democracy. Decent work is not just about earning a wage; it's about dignity, stability, and ensuring people have a genuine say in their working lives. Industrial and service cooperatives stand as proof that it is possible to run successful businesses rooted in fairness, inclusivity, and solidarity. These organisations show that economic achievement doesn't have to come at the cost of social responsibility.

This report is built on the real-world experiences and evidence from thousands across the EU. It highlights how change is happening on the ground, whether in factories, on digital platforms, or in care homes. It's more than just analysis; it's a call to action for lawmakers, communities, and civic groups to help build an economy defined by care, participation, and resilience. Cooperatives aren't just a niche idea; they are a key part of a democratic approach to work. As Europe develops its Quality Jobs Roadmap, it should put cooperative values front and centre. After all, when we work together through democratic leadership, mutual support, and shared vision, we're not only improving workplaces. We're laying the groundwork for a better society.

Europe is at a turning point, the challenges ahead are important: demographic imbalance, ageing of the population, economic stagnations, and the risk of the green and digital transition increasing social vulnerabilities and inequalities. In this context, the relationship between market, employment policies and welfare can create mutual reinforcement and a decline in public investment will be an obstacle to the single market (see Enrico Letta report on the Future of the Single Market) as well as for competitivenes and productivity (see Mario Draghi report on EU Comptetitiveness).

The idea of a quality job should mean more than just ticking boxes. Quality working conditions and welfare policies are crucial for the strategic autonomy of the EU because workers' motivation is indispensable if we want to face these challenges with cohesion and unity of purpose. From this point of view, cooperatives are the most structured enterprises to nurture responsible participation in collective efforts.

Quality jobs should reflect our shared commitment to building stable, fair, and democratic futures. Industrial and service cooperatives offer a glimpse of how this can be done, creating an economy that values participation over precarity and resilience over austerity. Their story proves that solidarity isn't just a catchphrase; it's a practical framework that can grow, adapt, and last. If Europe intends not just to survive new challenges, but to flourish, it must see democratic enterprises as a vital part of its economic foundation.

Giuseppe Guerini
President

Diana Dovgan
Secretary General

Context and policy framework

THE ENDURING RESILIENCE OF THE COOPERATIVE MODEL

CECOP represents around 43,000 cooperatives throughout Europe, primarily consisting of worker cooperatives, social cooperatives, and cooperatives of autonomous workers. Together, these organizations employ more than 1.3 million people[1]. These enterprises are structured as **democratically owned and managed organizations** that combine economic performance with social progress.

The cooperative model[2], proven over a century, has always shown resilience during crises, including the recent ones like COVID-19, and adaptability to socioeconomic changes. The 2012 report by CECOP on the resilience of industrial and service cooperatives in the wake of the 2008 financial crisis remains strikingly relevant more than a decade later[3]. While the original analysis was framed around that specific economic shock, the underlying mechanisms that allowed cooperatives to withstand and adapt to crises have proven equally important during the COVID-19 pandemic. What emerges is a portrait of a business model defined by its democratic nature, mutual responsibility, and embeddedness within communities, qualities that continue to offer meaningful lessons for contemporary policy discussions around economic recovery, inclusion, and job quality.

One of the most defining features of cooperatives is their governance structure. Unlike conventional enterprises that may prioritise shareholder returns, industrial and service cooperatives are owned and controlled by their members, typically workers (employees or autonomous workers), but also beneficiaries of the provided services. Especially in worker-owned cooperatives, this **internal alignment between ownership and labour creates strong incentives to preserve employment** and maintain operational continuity, even in times of severe disruption. During the 2008 crisis, many cooperatives responded not by cutting jobs, but by collectively deciding on measures such as temporary wage reductions, flexible working arrangements, and the strategic use of reserves to absorb shocks. This approach fostered not only resilience but also long-term sustainability.

1. CECOP Snapshot 2022-2023, An overview of industrial and service cooperatives

2. There are three cooperative models composing the CECOP network: a) Worker cooperatives are cooperatives democratically managed and owned by the workers. Refer to the World Declaration on Worker Cooperatives for further clarification. b) Social cooperatives have as their primary mission to provide goods and services of general interest (social, cultural, educational, or environmental). Many social cooperatives provide work integration as a service of general interest, regardless of the types of goods or services they produce. Refer to the World Standard of Social Cooperatives for further clarification. c) Cooperatives of self-employed producers' or shared-services cooperatives' main objective is to mutualize services or equipment to support members' production or business activities. They are also defined as artisans, freelancers, cooperatives of independent producers/workers according to the identity of the producers/members. Refer to CECOP publication All for one for clarification.

3. Roelants B., Dovgan D., Eum H., Terrasi E., The resilience of the cooperative model, CECOP, June 2012

A similar dynamic was observed during the COVID-19 crisis[4]. Faced with widespread shutdowns, supply chain disruptions, and market uncertainty, cooperatives once again demonstrated their capacity for self-adjustment through member-led governance. Decisions were not imposed from the top down but developed collectively, often through emergency assemblies or virtual consultations. In many cases, members agreed to temporary sacrifices in income or redeployment of roles, while keeping the enterprise intact and avoiding mass layoffs. This level of democratic responsiveness helped cooperatives adapt more quickly and humanely than many conventional firms, reinforcing the strength of the model.

A steady industrial worker cooperative in the Czech Republic

ELAP (short for Electronic Applications) is a production cooperative based in Světlá Hora, Czechia that deals with development, production, and implementation of equipment for automation in various areas of industry. We sat down with them and got to know them better. ELAP's founding members originally worked in the agricultural automation centre at the Bruntál State Farm. They decided to get together and create a project concerning automation in industrial processes. Their vision finally became a reality in 1990 with the creation of ELAP. The choice of the cooperative business model came naturally to them, as it manages to provide more job security and long-term stability, especially when it comes to business in unexplored, or barely explored areas.

Since its establishment in 1990, the cooperative has been developing and applying control systems, equipment, and workplaces for automation in various branches of industry. They focus on implementations that primarily lead to a reduction in the manual activity of workers, waste, and energy consumption.

Read the full story of ELAP → HERE

4. Billiet A., Dufays F., Friedel S., Staessens M., The resilience of the cooperative model: How do cooperatives deal with the COVID-19 crisis?, Strategic Change: Volume 30, Issue 2, Special Issue:COVID- 19 and entrepreneurship, March 2021

Another key feature of cooperative resilience is their embeddedness in networks of solidarity. Rather than functioning as isolated entities, cooperatives often belong to federations, consortia, or second-tier structures that provide technical support, training, and mutual assistance. These networks played a critical role in buffering the impact of economic downturns. They allowed cooperatives to share resources, coordinate responses, and offer financial or logistical support to one another. This spirit of horizontal cooperation, built into the DNA of the cooperative movement, and enshrined internationally as the one of the seven cooperative principles (cooperation among cooperatives), proved vital during the COVID-19 pandemic. In some well-organised ecosystems, such as the Mondragón network in Spain, worker-members were redeployed from struggling cooperatives to more stable ones. Financial solidarity mechanisms were activated to ensure income continuity across the network. These collective responses helped protect jobs and keep enterprises running despite extraordinary constraints.

Several enabling conditions were found to make a significant difference during the pandemic. Crucially, the resilience of cooperatives is not only a product of internal governance and solidarity, but also of the broader legal and policy environments in which they operate. **Legal frameworks that require cooperatives to establish indivisible reserves, limit profit distribution, and reinvest in the business or the community are of utmost importance to provide security and long-term sustainability**. **Access to cooperative-specific financing instruments and supportive public policies** further enhanced their ability to navigate crisis. In countries where cooperatives were recognised in national recovery plans, given access to emergency funding, or supported through their federations, the sector weathered the crisis more effectively. Where such recognition was absent, cooperatives faced more structural barriers to resilience, underscoring the importance of continued policy support.

Finally, cooperatives are inherently well suited to what researchers now describe as "**transformational resilience**"[5], the ability not only to absorb shocks but to evolve through them. This quality was evident in how many cooperatives reconfigured their services, shifted to online platforms, or launched new forms of mutual aid during the pandemic. Their participatory governance structures enabled rapid innovation and collective problem-solving at a time when many top-down systems were paralysed or unresponsive. The capacity to reimagine roles, rebuild around member needs, and coordinate across sectors positions cooperatives as important institutional actors in any inclusive recovery strategy.

In sum, the mechanisms that allowed cooperatives to endure the global financial crisis of 2008, democratic governance, strong member commitment, inter-cooperative solidarity, and policy support, remain as relevant today as they were then. The COVID-19 pandemic reaffirmed the value of these principles in practice. Far from being relics of a niche economic model, cooperatives continue to offer a durable, human-centred approach to building economic and social resilience in the face of disruption.

5. Miner K., Transformational Resilience and Future-Ready Cooperative Governance Systems, in Humanistic Governance in Democratic Organizations (Novkovic S., Miner K., MacMahon C.), February 2023

CURRENT AND UPCOMING EMPLOYMENT POLICY FRAMEWORKS AT THE EU LEVEL

The European Commission's Quality Jobs Roadmap is a strategic initiative intended to reinforce the social dimension of the European Union considering the challenges and transitions currently facing the continent. Introduced through the 2024 to 2029 Political Guidelines and included in the Commission's Work Programme for 2025, the Roadmap stands as a flagship measure aimed at improving job quality throughout Europe. It is presented as strongly anchored in the Commission's broader strategy, drawing from initiatives such as the Competitiveness Compass, the Clean Industrial Deal, and the Union of Skills. Each of these underlines the importance of placing people, skills, and decent work at the centre of Europe's future economic strength. In tandem, the recently signed Pact for European Social Dialogue between the Commission and cross-industry social partners reaffirms the pivotal role of social dialogue in shaping fair labour markets and balanced employment policies.

It is in this specific policy context that CECOP has been continuously engaged in advocating for quality jobs and a conducive political environment for industrial and service cooperatives across the continent.

Recent years have brought a series of challenges to Europe: economic shocks, social upheavals, global health emergencies, and more. In response, the European Commission is shaping this initiative with an eye on both resilience and renewal. While strong labour markets, adaptable businesses, and effective public institutions have helped weather these storms, these crises have also exposed underlying structural problems. Productivity growth and labour market participation remains uneven, and working conditions have deteriorated in certain sectors[6].

Looking ahead, Europe faces a shrinking workforce: by 2050, the working age population is projected to fall by twenty-seven million. At the same time, sectors at the forefront of the digital and green transitions are rapidly expanding, putting pressure on workers and highlighting the urgent need for new skills. Reports from EURES and the European Labour Authority make it clear that shortages are widespread, namely in health and social care and construction, among others.

Although staff shortages can sometimes result from specific circumstances, they are often attributed to a lack of quality jobs. Since providing quality employment is a core aim of worker-owned cooperatives, CECOP expresses support for developing a strategic approach to quality jobs throughout Europe, considering the cooperative model and its related practices, and **advocating for standards that promote fair competition and sustainable growth**.

In this regard, assessments from Eurofound and the European Agency for Safety and Health at Work suggest significant disparities in job quality across professions and population groups. Key issues include poor remuneration, strenuous working conditions, limited career prospects, and compromised physical and social work environments. Such conditions contribute to reduced labour market participation and increased inequality. Emerging digital tools and artificial intelligence may offer promising avenues for efficiency and flexibility, yet they also present risks concerning worker autonomy, algorithmic decision making, and mental well-being within highly connected work environments.

6. EURES Report on labour shortages and surpluses 2024, Publication Office of the European Union, European Labour Authority, 2025

Against this backdrop, CECOP supports the Quality Jobs Roadmap's aims to place human dignity, well-being, and motivation at the forefront of economic and industrial change. It will be of utmost importance that the Roadmap builds on already existing legislative and non-legislative endeavours such as the European Pillar of Social Rights, the Social Economy Action Plan, as well as the Directives on Platform Work and Adequate Minimum Wages. To ensure the Roadmap delivers fair compensation, robust health and safety standards, comprehensive training opportunities, and secure job transitions, it is essential to consider the proposals and requirements presented by all relevant stakeholders, including cooperative and social economy representatives, and members of civil society. As the Roadmap seeks to incorporate both employees and the self-employed while advancing gender equality, equal opportunity, and the enforcement of work-related rights, CECOP remains committed to demonstrating that the **worker ownership model offers high-quality employment solutions for all workers, including autonomous ones**[7]**, helps to reduce the gender pay gap, and strengthens work-related rights through collective decision-making**.

CECOP welcomes the Commission's will to align the Roadmap with existing instruments, promoting reform and investment in areas in which many cooperatives are active, such as **childcare, healthcare, and long-term care services**. These enablers, as stated in CECOP's report on care services[8], though not always labelled as employment policy, **have a direct influence on job quality and workforce inclusion**.

7. Eum H., All for One. Response of worker-owned cooperatives to non-standard employment, CECOP, December 2019

8. Potjomkina D., Dovgan D., Cooperatives care! Advantages of the cooperative model for meeting multiple care-related needs and challenges in the EU, CECOP, June 2022

Industrial and service cooperatives: a scalable infrastructure for quality employment in Europe

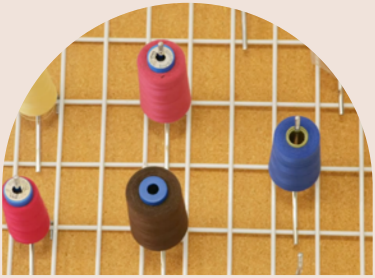
In the context of the EU Quality Jobs Roadmap, industrial and service cooperatives offer a tested and deeply embedded model for equitable and stable employment. Data collected in 2022 and 2023 by CECOP provides compelling evidence of their contribution to decent work, social inclusion and economic resilience. With around 43,000 enterprises active in 16 EU countries, collectively employing over 1.3 million individuals and generating close to €60 billion in annual turnover, these cooperatives illustrate how values-driven business models can support both social and economic policy objectives.

The vast majority of these cooperatives are small and medium-sized enterprises. Their organisational structure, based on democratic governance, worker ownership and the reinvestment of profits into the enterprise or community, places them at the forefront of inclusive and sustainable economic development. Worker cooperatives, which represent about 72 percent of the total, operate on the principle that those who produce the value also determine its direction. Social cooperatives, comprising approximately 27 percent, focus specifically on care services, social reintegration and community well-being. A smaller but growing number are shared-service cooperative platforms established by freelancers and self-employed professionals who pool risk and access to infrastructure through mutualisation.

This ecosystem is also structurally geared towards long-term employment. **Approximately 85 percent of workers are on stable, long-duration contracts, far exceeding EU averages in some sectors**. Even more significantly, nearly three-quarters of employees in these cooperatives are also members and co-owners (worker-members), providing a level of engagement and security that aligns strongly with the EU's agenda for quality work. Rather than merely offering employment, cooperatives integrate individuals within decision-making structures that shape both the direction of the enterprise and their own livelihoods.

The sector is equally notable for its contributions to inclusion and gender equality. Across multiple countries, women represent the majority of the workforce in many cooperatives, with strong representation in governance. In some cases, particularly in Spain, Italy, Czechia and Romania, over half of female cooperative workers are voting members or serve on boards, significantly above the norms of conventional enterprises. **Many social cooperatives are also designed to include people with disabilities, migrants and those experiencing long-term unemployment**, demonstrating the model's alignment with EU-level social policy goals. Furthermore, worker and social cooperatives provide societal and practical solutions to counter undeclared work.[9]

9. Martinelli F., Lights on! Worker and social cooperatives tackling undeclared work, CECOP, November 2021



Solidarity against undeclared work: a successful multi-stakeholder cooperative in Spain

Diomcoop is a multi-stakeholder cooperative that was established in 2017 in Barcelona, Spain, between the Municipality of the city and a group of street sellers. Today, Diomcoop aims to fully address the basic needs related to the employment, training, regularisation, and rights of migrants who are in a situation of administrative irregularity and social vulnerability, through a cooperative. The idea of Diomcoop was born in 2015 when a street seller in Barcelona died because of police brutality. This tragic event led some street sellers from Sub-Saharan Africa to try to find a solution to their condition of exploitation and vulnerability: without a formal working permit, migrants cannot rent a flat or have a regular job and are forced to stay in the informal economy, working as informal street sellers or undeclared workers for restaurants and hotels or, even worse, work in illegal activities such as selling drugs, or prostitution. To tackle this situation and have the opportunity to have rights and a good life, they went to the Barcelona Municipality to try to find together a solution. Among the solutions that arose, the group of street sellers chose to create a cooperative, since they believed in the ideals of social economy and solidarity.

Read and watch the full story of Diomcoop → HERE

As the platform economy has expanded over the last years, delivery riders have become symbols of its darker side, drawing attention to the widespread exploitation and abusive labor practices that sustain these platforms. In a context dominated by monopolistic multinationals, across multiple cities in Europe, **cooperatives have started to emerge often to overcome social disruption linked to digital platforms**. Unlike traditional capitalistic platforms which prioritize shareholder profits, platform cooperatives emphasize ethical commitments such as social justice, workers' rights, data ownership and control, sustainable consumption practices and support to the community. They fulfil their obligations toward the workers by providing the right status accompanied by adequate protection, whether employees or self-employed. This confirms, on the one hand, that cooperatives can be a valid alternative to secure and dignify the sector, while on the other it shows that capitalist platforms still gain an unfair advantage by misclassifying workers, dodging taxes, and exploiting discriminatory algorithms, while weak legislation lets them operate with impunity and undermine ethical alternatives.

The impressive growth of the delivery platform cooperative GIVIT from Granada (Spain)

Givit, the largest delivery platform cooperative in Europe, has closed the 2024 financial year with a record turnover of more than 9 million euros, representing a growth of 60% over the previous year.

The cooperative, backed by its alliance with Gestcoop, also from Granada, has exceeded 200,000 monthly deliveries, doubled its customer base and increased its workforce to 837 worker-members, thus consolidating its "fair, sustainable and professionalised delivery model as an ethical alternative to the large platforms", charactehrised by a proliferation of bogus self-employed workers and precarious employment. Born in the midst of the pandemic, Givit "is committed to decent employment and the democratic participation of workers". In contrast to subcontracting or (bogus) self-employment, Givit offers a solid cooperative structure, in which all members are registered with the general social security system (i.e. employees), with career plans, continuous training and the real possibility of internal promotion.

More info → HERE

Cooperatives have also proven to be effective instruments in business succession and crisis resilience. **Across Europe, more than 600 enterprises have been converted into cooperatives through worker buyouts, often in contexts of bankruptcy or owner retirement, preserving jobs, productive infrastructure and the local economic fabric**. These transitions represent a practical and cost-effective policy tool for mitigating job loss and enabling employee-led restructuring, particularly in rural and deindustrialised regions. Furthermore, the emergence of more than 350 secondary cooperatives offering shared services, training and technical assistance suggests that the sector is not only expanding but also maturing, with investment in supportive infrastructure that strengthens its reach and effectiveness.

A successful example of a cooperative workers' buyout in Italy

SOLES TECH cooperative is an interesting experience of workers buyout. The story began in 2013 when SOLES srl entered a crisis and initiated a liquidation procedure. Many employees were laid off, and the company and its patents were put up for auction. Thirty of them - workers, engineers, surveyors, and administrative staff - have acquired the company and patents, establishing the SOLES TECH cooperative in 2015.

Today SOLES TECH cooperative is an innovative enterprise active in the construction scetor, characterised by a high level of skills, investment capacity, demonstrating cooperative high capacity to be competitive and innovative. SOLES TECH cooperative is specialized in new buildings and restoration, including the deep foundations, consolidation, jack-up and seismic isolation of buildings, underground construction beneath existing buildings and retaining walls for excavation, watertowers manifactured at ground level and lifted at the operational height.

Through the buyout of SOLES Srl, SOLES TECH cooperative has preserved the experience and the know-how reached, during many years of activity, by the workers who now own it. Today it employs 50 people, of which 38 worker-members.

More info → HERE

Challenges facing worker and social cooperatives

RECOGNITION

Worker cooperatives across Europe face a persistent challenge: gaining full recognition and support within the continent's legislative and policy frameworks. Despite their proven resilience and economic and social impact, these democratically governed enterprises often operate in a **fragmented legal landscape**. CECOP highlights that national laws vary widely in how they define and support cooperatives across the EU, leading to legal uncertainty, especially for cross-border operations. The absence of an appropriate legal frameworks means that **cooperatives must navigate a patchwork of regulations, which can hinder their ability to scale, access funding, and compete fairly with investor-owned firms**.

Setting up a worker cooperative is further complicated by limited visibility and understanding of the model among policymakers and the public. While the European Commission has acknowledged the importance of cooperatives in job creation and social inclusion, initiatives like the Social Economy Action Plan and the 2015 Working Group on Cooperatives have yet to fully address the structural barriers these enterprises face. For example, cooperatives often struggle to access tailored financial instruments or benefit from schemes facilitating business transfer to employees that could facilitate their growth. Moreover, the lack of consistent support for cooperative education and training hinders the capacity of stakeholders and policy makers to fully understand the model.

A committed worker cooperative advising on ESG and cooperative policy in Denmark

KnowledgeWorker was founded in 2012 by seven young, unemployed graduates from diverse academic backgrounds. In the aftermath of the 2008 financial crisis and faced with a difficult job market, they chose to create their own opportunities on their own terms. They began by investing their time and expertise in companies struggling to secure funding for sustainability projects and green initiatives. Within a year, their model proved successful. Today, KnowledgeWorker is an award-winning management consultancy that has completed more than 250 projects, helping businesses meet the rising demands for sustainable business models and green transitions, driven by both societal and customer expectations. In parallel, KnowledgeWorker also acts as a professional investor, supporting cooperative start-ups with both capital and mentorship. In the early days, the founders didn't realize they were building a cooperative. They simply organized themselves in a way that empowered their consultancy model. Guided by the belief that a modern knowledge worker who has both ownership and decision-making power is more motivated to create better outcomes for clients, they created a structure that blurred the lines between work, life, and values. This naturally led to a cooperative ownership model, which they now see as a significant competitive advantage.

Read the full story of KnowledgeWorker → HERE

LEGISLATIVE AND POLICY OBSTACLES

Ultimately, the challenge of recognition is not just legal, it is also cultural and economic. Worker cooperatives offer a model of enterprise rooted in solidarity, democratic governance, and community resilience. Yet without a coherent policy framework that reflects these values, their contributions risk being overlooked. **Strengthening EU and national level legislation and favourable policies, improving access to cooperative-specific funding, and promoting awareness of the cooperative identity could unlock their full potential** as engines of inclusive and sustainable growth.

In particular, **social cooperatives** in Europe play a vital role in delivering essential services and fostering social inclusion, yet they continue to face significant challenges under the current legislative and policy frameworks. According to

CECOP[10] and European Commission[11] reports, one of the primary obstacles is the lack of consistent legal recognition across Member States. Social cooperatives, which often provide care services, work integration for disadvantaged groups, and community-based support, are **frequently excluded from mainstream industrial and SME policies**. The lack of awareness surrounding their main features results in **limited access to tailored funding, equity investment, and public procurement opportunities**, despite their proven contributions to sustainable development and job creation.

While all cooperatives suffer from systemic gaps in data collection and visibility, this obstacle particularly hinders scaling-up efforts of social cooperatives. Without robust national statistics or recognition in creditworthiness assessments, their economic and social impact remains underappreciated. The Social Economy Action Plan (SEAP) has made strides in promoting enabling environments, but implementation remains uneven. For instance, while some countries like Portugal and Finland have introduced supportive legal frameworks and advisory centres, others still lack coherent strategies or cross-ministerial coordination. Moreover, the **cooperative governance model**, based on democratic ownership and reinvestment of surpluses, **does not align easily with conventional investment mechanisms, making it harder for social cooperatives to attract growth capital**.

Especially in a context of growing demand in the care sector and the community-based services, in order to unlock their full potential, the EU must prioritise **reforms in public procurement rules, state aid regimes, and financial instruments** that reflect the unique nature of social cooperatives. In public procurement, provisions for social and environmental considerations within the current framework are frequently not prioritised by contracting authorities, who often focus mainly on cost-related factors by fear of legal uncertainty or possible further appeals.

Strengthening cooperative education, promoting youth entrepreneurship, and embedding social economy principles in sectoral policies could catalyse their expansion. Ultimately, social cooperatives offer a blueprint for inclusive, community-rooted enterprise, but they need a policy ecosystem that recognises and amplifies their value.

10. Potjomkina D., Dovgan D., Cooperatives care! Advantages of the cooperative model for meeting multiple care-related needs and challenges in the EU, CECOP, June 2022

11. Follow-up to the Social Business Initiative of 2011 (theme 3: improving the legal environment)

An inspiring worker cooperative providing care services in France

The French worker cooperative, Titi Services, offers excellent care services to the elderly and people in marginalised groups recipients, but also quality working conditions to all employees. By having worker-members involved in the governance, Titi Services has only been able to reap the benefits of satisfied workers, alongside content care recipients.

Read and watch the full story of Titi Service → HERE

Cooperatives of independent or self-employed workers are emerging as a powerful response to the growing precarity and fragmentation of work across Europe. As highlighted in CECOP's All for One report, these cooperatives offer a collective structure that allows freelancers, gig workers, and micro-entrepreneurs to pool resources, share risks, and access rights typically reserved for salaried employees. Yet, despite their innovative approach to mutualising autonomy and protection, they **face significant hurdles under current legislative and policy frameworks. Many national systems still struggle to categorise these hybrid models, which fall between traditional employment and self-employment**, resulting in legal ambiguity and limited access to social security, taxation benefits, or public support schemes.

The lack of recognition is compounded by outdated labour laws and rigid administrative classifications. For example, cooperatives like SMART in Belgium or Coopaname in France have developed sophisticated models that allow members to retain autonomy while benefiting from access to social protection mechanisms and in some cases from employee status. However, these models often clash with national labour administrations that fail to acknowledge their legitimacy, leading to disputes over social contributions and employment rights. Moreover, the **cooperative governance structure, based on democratic ownership and shared decision-making, is rarely considered in policy discussions about platform work** or non-standard employment, despite its potential to offer fairer alternatives to investor-driven platforms.

To fully harness the potential of these cooperatives, European institutions and Member States must adapt their frameworks to accommodate new forms of collective entrepreneurship. This includes **recognising cooperative employment models in labour law, ensuring access to social protection, and promoting cooperative solutions in the digital economy**. These cooperatives are not just a workaround, they are a blueprint for a more inclusive, resilient future of work.

A future-proof cooperative solution for autonomous workers in Belgium

Smart started in Belgium in 1998 as a small non-profit organization aimed at providing artists with services adapted to the labour market evolutions. Today, it serves annualy 20,000 users in Belgium, as well as users in 4 other European countries. Over the years, it was able to develop a model that allows freelancers in general to carry out their activity while accessing the social protection they need. In fact, freelancers often waltz between paid and unpaid work making their overall income irregular and livelihoods unstable. Smart's model is based on two complementary advantages: the legal status of employee (giving access to social security) and the possibility to benefit from a wide range of mutualised services that, otherwise, would be hardly available and expensive, such as information, trainings, legal advice, insurance, accounting, co-working spaces, and online invoicing tools.

Read the full story of Smart → HERE

Opportunities and enabling conditions for a quality jobs agenda through democratic workplaces

Cooperatives represented by CECOP are notable for providing quality, meaningful employment, including opportunities for individuals who are marginalized or in vulnerable circumstances. Their positive contribution to job quality is multifaceted.

CECOP consistently urges the EU to address insecure work, foster quality job creation and retention, and support worker-owned cooperatives by easing recognition and operational barriers. Reports by Enrico Letta and Mario Draghi stress that Europe's competitiveness should move beyond cost-cutting, highlighting that quality jobs drive innovation and prosperity and should be paired with robust social protections and redistribution.

Given the potential for "quality jobs" to become a vague term, CECOP emphasises the importance of clearly defining what constitutes a quality job and advancing a policy agenda that supports job quality. This approach aims to help prevent deindustrialisation and promote a fair twin transition (green and digital), ensuring good working conditions through democracy at work at all relevant levels.

Some key dimensions of what constitutes a quality job emerge in the announcement of the EU Quality Jobs Roadmap itself and in specialized literature. In particular, limited but necessary research on quality jobs in social economy enterprises, including cooperatives, in Europe was conducted by EUROFOUND in 2019[12]. For the purpose of this report the following sub-chapters represent the core quality job dimensions of worker and social cooperatives.

FAIR WAGES AND WORKING CONDITIONS

When it comes to fair pay and working conditions, **cooperatives stand out for having narrower wage gaps**, both between genders and between the highest and lowest earners within the organization. These enterprises promote greater wage equality than their for-profit counterparts, and their inclusive nature is evident in work integration social cooperatives, whose purpose is to employ and support disadvantaged groups. Additionally, worker cooperatives are composed of worker-members[13], making them co-owners with a direct role in management and oversight. This **worker-ownership is fundamental to establishing fair compensation and working conditions**, as employees are directly involved in shaping their work environment and ensuring the long-term stability of both their jobs and the cooperative itself.

12. Dickinson P., Warhurst C., Cooperatives and Social Enterprises: work and employment in selected countries, Eurofound, June 2019

13. "As a general rule, work shall be carried out by the members. This implies that the majority of the workers in a given worker cooperative enterprise are members and vice versa": extract from the CICOPA World Declaration on Worker Cooperatives

TRAINING AND FAIR JOB TRANSITION FOR ALL

On the topic of training and career transitions, cooperatives have a deep-rooted commitment to education, training, and information, reflecting one of the seven cooperative principles. In practice, these organizations actively invest in their members' development. As highlighted in a 2021 report, 99.35% of Spanish worker cooperatives surveyed had implemented measures to promote employee training, such as establishing dedicated education funds, and 57.14% provided training during working hours and covered associated costs. Likewise, Italian social cooperatives delivered an average of 520 training hours to 26% of their workforce in 2018-19. This **focus on continuous learning and skills development equips members to keep pace with digital and green transitions**, and work integration cooperatives are particularly well-suited to offering **personalized support to marginalized groups**.

DEMOCRACY AT WORK AND WORK-LIFE BALANCE

Democratic governance is an enabling strength of industrial and service cooperatives. While social dialogue is key in conventional enterprises and oftentimes plays a role in cooperative enterprises too (at a company level or at national collective bargaining level), the heart of workplace democracy for industrial and service cooperatives lies in the uniqueness of the worker ownership and control model, i.e. members' active participation in decision-making. This empowers workers, enhances their skills, and increases their job satisfaction by enhancing the worker-members legitimacy in the decision-making process. Thus, beyond fair pay, good conditions, and training, **democracy at work is a crucial element in creating fulfilling, high-quality jobs**. The very opportunity of having a say in the organisation of workload and tasks makes worker-members more flexible in times of crises and in charge of their working time[14].

CHANGE MANAGEMENT, PREDICTION AND RESTRUCTURING

When it comes to predicting or facing crises, industrial and service cooperatives can rely on democratic governance for collectively deciding how to protect, retain and improve jobs and production. Additionally, one unique and remarkable solution for anticipating and managing potential restructuring is the **worker buyouts (WBOs) model**, where businesses are transferred to employees under the cooperative model. In cases where companies face succession issues or risk closure because of bankruptcy, converting them into worker-owned cooperatives preserves jobs, skills, and local economic activity, helping combat deindustrialization. WBOs can also help address succession and restructuring in healthy businesses. **Early intervention, through timely warnings, raising awareness about worker buyouts, engaging workers in early transition stages, and providing targeted support, can significantly improve the success of such restructuring endeavours**, ensuring businesses remain rooted in their communities[15].

14. These elements are also highlighted in a European Commission and European Investment Bank Study on Worker Buyouts: "Recognising the importance of workers' involvement, some EU Member States (MS) are actively developing comprehensive strategies and tools that enable smooth and effective transition of enterprises to employee ownership. These strategies aim to foster a greater sense of employee ownership, reinforce workers' rights, and contribute to the sustainability and success of transferred enterprises".

15. Report from CECOP Conference: Worker Buyouts – What is the cooperative key to success? CECOP, 2023

SOCIAL SUPPORT AND COHESION

When it comes to self-employed workers, **worker-owned cooperatives offer a powerful solution for freelancers and autonomous workers facing the challenges of non-standard employment**. These cooperatives help address issues like precarious income, lack of social protection, and professional isolation by creating shared service structures and collective bargaining power. They enable freelancers and own-account workers to access **administrative support, social security coverage, and a sense of community, without sacrificing their autonomy**. This cooperative model fosters more secure, dignified, and sustainable work environments, especially in sectors like the creative industries and platform economy.

Additionally, cohesion and support in the cooperative world stems from collaboration and **cooperation among cooperatives** and a deep rooting in the local economic fabric. A stronger and denser cooperative ecosystem is better equipped to face crises and can also deepen collaboration and economic goals and create **cooperative clusters or groups**.

HUMAN-CENTRED MANAGEMENT

Industrial and service cooperatives are human-centred enterprises by nature because their main goals are to create and retain quality jobs for their worker-members, provide opportunities for disadvantaged groups, foster inclusion of minorities and mutualise risks and services. The human dimension becomes nowadays ever more apparent with **platform cooperatives**. These companies are cooperatives where the **technology and digital infrastructure is owned, controlled and often developed by the members** i.e. the workers themselves or other stakeholders such as the users. Platform cooperative business model is a **human-centred alternative to traditional capitalistic digital platforms** 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, access and ownership of their data. Platform cooperatives are proof that high digital advancement can go hand in hand in democratic governance and concern for quality jobs. In general **worker cooperatives** operate under the model of worker ownership and control and **reject the very idea of algorithmic management of workers** in any company.

Policy Recommendations for the European Commission

To achieve quality jobs in Europe, CECOP recommends the European Commission to:

- **Recognise and promote the worker-ownership model** as an employment relationship characterized by quality working conditions, by removing legal barriers to the establishment and scaling of industrial and service cooperatives, including at cross-border level.
- Ensure **better access to finance for cooperatives** considering the specific governance model that does not remunerate capital but rather re-invests surplus into the company in order to continue expanding its role as provider of quality jobs.
- Provide targeted support to cooperatives to expand their **training programmes.**
- Consider non-standard workers' needs and **remove legal barriers and to the creation of cooperatives among autonomous workers**. In particular, recognize the economic activities of freelancers within shared enterprises, like cooperatives, as micro-enterprises as defined by the European Commission (EU recommendation 2003/361) and therefore distinguish these from the overarching cooperative when it comes to economic support (including regarding the De Minimis Rule).
- **Promote workers' buyouts** as a way to create quality jobs by establishing a "workers-first job retention strategy" where business transfer is systematically proposed to the workers first.
  - Additionally, consider the benefits of several national laws, such as the Marcora Law in Italy and the "pago unico" system in Spain to develop an EU-wide architecture to specifically finance business transfers to employees.
  - As suggested by a European Commission and a European Investment Bank study[16], encourage the use of ESF+ grant for providing technical and advisory services to cooperative worker buyouts.
  - Promote worker buyouts as a social impact investment within the Social Impact Investor Community.
- Establish a Quality Jobs Roadmap, with strong mechanisms for its implementation, participation of all relevant stakeholders, including industrial and service cooperatives. The roadmap should include the **development of an EU level set of indicators on the definition of quality jobs**, to be reviewed periodically, which takes into account the **key dimensions of quality jobs for** industrial and service **cooperatives**: fair wages and conditions, training and fair job transition for all, democracy at work, work-life balance, change management and prediction, social support and cohesion, and human-centred management.
  - In particular, worker-ownership should constitute a stand-alone indicator when measuring the level of workplace democracy within a company.

16. ESF+ Study on Worker Buyouts, 2025

- Ensure **coherence** between the Quality Jobs roadmap and other EU initiatives such as the Action Plan on the European Pillar of Social Rights, the Social Economy Action Plan, the EU Directive on Adequate Minimum Wage, the revision of the Public Procurment Directive and the Clean Industrial Deal.
- Establish **social conditionality criteria for any kind of public funding**, including State aids, to ensure that public funds are used to create and retain jobs.
- **Prioritise reforms in public procurement rules, state aid regimes, and financial instruments that reflect the unique nature of cooperatives**. Additionally, reinforce social and environmental considerations in public procurement award criteria by funding ad-hoc trainings for local authorities inhibited by legal ambiguity and/or lack of awareness. Social criteria should give preferential treatment to enterprises resulting from workers' buyouts, with the aim to ensure industrial strategic autonomy and the retention of quality local supply chains in Europe.
- Preserve the **reserved contracts in public procurement rules** as work integration social cooperatives contribute to the creation of quality jobs for disadvantaged persons.
- Promote **cooperative education** in EU business schools' curricula so future entrepreneurs, workers, investors and policy makers understand and can apply its benefits.

Conclusions

Industrial and service cooperatives are as old as the labour movement itself. Wherever a worker needed a solidarity network, collective intelligence and opportunity created the basis for such common endeavours. Names, legal definitions, governance models have evolved, perfected over time to adapt to new challenges, but the spirit of mutual aid, dignity and democracy at work is still the same.

Resilient to overcome many crises, worker cooperatives have proven to be the right tool to ensure quality employment in traditional sectors of the economy, where they safeguard jobs and skills from offshoring and relocation, as ownership is tied to the workplace. This model ensures that economic benefits remain local, strengthening communities and fostering economic resilience. When workers are also the owners, they are more likely to ensure quality jobs. This unique ownership structure not only enhances job satisfaction but also encourages long-term investment in job quality and workplace sustainability.

Simultaneously, as demonstrated by the rise of cooperatives active in decentralized energy solutions and in the development of clean technologies, investments in decarbonisation, R&D and in new sectors and technologies will ensure the creation of new and more qualified jobs in the future.

Europe is in dire need of jobs that are fairly remunerated, healthy to perform, with good conditions and full of meaning, where workers actually have a say in the governance of their workplace. Cooperatives are not an island: they can only thrive in an ecosystem that is conducive to democracy at work and care for the community. These two guiding principles are enshrined in the cooperative DNA, but it is not forbidden to actually dream of an economy and a society where every company and organisation applies democracy at work and care for the community. The challenges our continent is facing with growing social insecurity, the rise of anti-democratic political parties, the climate and demographic crisis call for common action by cooperatives, social economy actors, social partners, and all civil society. A quality job where democracy at work is at the centre can have people regain their dignity and improve our democracy in the public sphere.

ABOUT CECOP

CECOP is the European confederation of industrial and service cooperatives. It represents the voices of worker cooperatives, social cooperatives, and cooperatives of autonomous workers. CECOP works to create a supportive environment for cooperatives, so that they can operate to their full strength and fulfil their mission of providing sustainable jobs and high-quality services to communities. Our aim is to build a fairer Europe and contribute to sustainable economic growth, to bring democracy and solidarity to the workplace.

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