



## European Confederation of Worker Cooperatives, Social cooperatives and social and participative enterprises

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### **Consultation on action at EU level to promote the active inclusion of the people furthest from the labour market CECOP position**

CECOP Aisbl (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises) groups over 65 000 cooperative and participative enterprises, mainly in industry and services, employing 1.3 million workers across Europe, most of whom are worker-members of their own enterprise. Out of them, an estimated 1800 cooperatives of social integration provide employment to over 25 000 persons that were previously among the people furthest from the job market (disabled, ex socially marginalised persons, immigrants etc), especially in Italy, Portugal, Sweden, Poland, Czech Republic, Slovakia, Romania and Bulgaria. In particular, the Italian social cooperative model has been recognized in the Commission *Communication on the Promotion of Cooperative Societies in Europe* (Com(2004)18, section 2.3.2 p 11) and in the European Communities Paper “*Thematic Study on Policy Measures concerning Disadvantaged Youth of Disadvantaged Youths*” (Community Action Programme on Social Exclusion, Policy Studies Findings – 6).

The rationale of such social cooperatives reflects the double social and economic sustainability which is embodied in the following statement from the Communication which is the object of this consultation: “*For integration truly to succeed, employment must pay both for workers and for businesses. Successful policies to make work pay must find a proper balance within the "challenging triangle" of increasing work incentives, alleviating poverty and avoiding unsustainable budgetary costs*» (section 1.3 p. 7). Indeed, the social integration cooperative model combines the economic

competitiveness of any business with the social goal of providing stable insertion to persons furthest from the job market. The success of this cooperative model is, to a substantial extent, based on the fact that the disadvantaged persons are directly involved in the management of the enterprise, and on the fact that the workforce comprises both disadvantaged workers and non-disadvantaged ones. Indeed, the solution in social inclusion through employment is not only to provide job placement: it is equally important to support people in building their own activities, local market and community solutions in a sustainable manner, which is an integral part of the cooperative model. In this sense, local incubators and support institutions belonging to the cooperative system, working closely with local authorities, associations and university students and, if necessary, with religious authorities, can generate practical solutions in job creation for excluded people, eg discriminated young nationals who descend from earlier immigration waves.

It should be underlined that the social cooperative model functions in as much as the corresponding social welfare coverage is being provided: indeed, although it can substantially reduce the cost of the state welfare system, it is no substitute to latter. In this sense, we agree with the following consideration in the communication, namely that “*The absence of a social welfare system – or its downsizing - could lead to losses in allocative efficiency*” (section 1.3 p. 7).

**Question one. Given the challenge for Member States to address social inclusion and in particular the integration of people furthest from the labour market, is there a need for further action at EU level, and if there is, what are the most useful ways by which the EU could complement and support the action at national level?**

The following are, in our view and according to our experience, the most useful ways by which the EU could complement and support the action at national level

1. Support national policies aimed at providing services to regions that are difficult to reach and with very low residential density. In the addition to the efforts to ensure the effective functioning of the internal market, it is necessary to focus particular attention to the notion of services of general economic interest and to work towards a convergence in the definition of this concept across the EU, which is a precondition for its eventual regulation at the EU level.
2. Support the development of social dialogue, so that the social partners truly participate in the social inclusion effort.
3. Support investment in HRD (human resources development) that encourage both economic growth and employment, including employment of socially excluded individuals.
4. Support and reinforce actions aimed at the integration of the disadvantaged citizens into the labour market ( disabled people, graduates, elderly people, single parents, immigrants etc...), and in particular through social cooperatives and other types of cooperatives.
5. Support the exchange of good practice across Europe in the field of cooperatives, and especially social cooperatives, also using the financial means of the Structural

Funds and especially the ESF, not only targeted at the economic actors, but also at the policy-makers at the national and local level.

**Question two. How should the Union build on the common ground agreed in the 1992 Recommendation to promote the rights and access to services needed for the integration of excluded people, taking into account the relevant policy innovations?**

The Community policy, in our view, should focus on supporting employment stimuli aimed at the integration of excluded people, by taking into account the specific features of different regions, the early identification of needs, consultancy and technical preparation. In this respect, we think that initiatives such as the community programme EQUAL should be pursued and even intensified. Indeed, this would contribute to the solution of specific needs in individual regions and different member states ( in some regions, the issue of immigrants, in others the issue of the Roma population, in other cases disabled people, etc.) and, at the same time, would help create a common ground within the EU.

**Question three. Is there any justification for action at EU level, based upon Article 137(1)(h)? In such a context, could the aspects concerning activation and access to the labour market be the subject of negotiation between the social partners?**

The justification for action at the EU level, as stipulated in the treaty, can be found in the responses to questions one and two above. Suffice it here to underline the importance for the European Commission to promote a coordinated approach to social dialogue in the field of labour integration of people furthest from the job market, between the EU level and the national level.

Given the proven advantages of our social cooperative model (even if it has so far been largely undervalued in community-level policy-making), we request to take part in such social dialogue in the future.

We are also ready to provide expertise, diagnosis and material on good practices to the Commission services in the field of social cooperatives and all types of cooperatives engaged in labour inclusion of disadvantaged people, as described at the beginning.

We also request the Commission to monitor very closely the implementation of the social inclusion agenda in all member states, and to help disseminate knowledge on models of best practice models such as ours.

