

EUROPEAN PARLIAMENT

2004



2009

Session document

A6-0015/2009

26.1.2009

REPORT

on Social Economy
(2008/2250(INI))

Committee on Employment and Social Affairs

Rapporteur: Patrizia Toia

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT.....	13
OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS	16
RESULT OF FINAL VOTE IN COMMITTEE	19

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Social Economy (2008/2250(INI))

The European Parliament,

- having regard to Articles 3, 48, 125 to 130 and 136 of the Treaty establishing the European Community,
- having regard to Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society¹, and Council Directive 2003/72/EC of 22 July 2003 supplementing the Statute with regard to the involvement of employees²,
- having regard to Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market³,
- having regard to Council Decision 2008/618/EC of 15 July 2008 on guidelines for the employment policies of the Member States⁴,
- having regard to the Commission Communication of 30 January 2008 on a proposal for the Joint Report on Social Protection and Social Inclusion 2008 (COM(2008)0042), the Accompanying document to the Commission Communication on a Proposal for the Joint Report (SEC(2008)0091), and to the Joint Employment Report 2007/2008, as endorsed by the Spring European Council of 13-14 March 2008,
- having regard to its resolution of 6 May 1994 on the alternative, social economy⁵,
- having regard to its resolution of 18 September 1998 on the role of cooperatives in the growth of women's employment⁶,
- having regard to its position of 17 June 2008 on the proposal for a decision of the European Parliament and of the Council on the European Year for Combating Poverty and Social Exclusion (2010)⁷,
- having regard to its resolution of 23 May 2007 on promoting decent work for all⁸,

¹ OJ L 207, 18.8.2003, p. 1

² OJ L 207, 18.8.2003, p. 25.

³ OJ L 376, 27.12.2006, p. 36.

⁴ OJ L 198, 26.7.2008, p. 47.

⁵ OJ C 205, 25.7.1994, p. 481.

⁶ OJ C 313, 12.10.1998, p. 234.

⁷ Texts Adopted, P6_TA (2008)0286.

⁸ OJ C 102 E, 24.4.2008, p. 321.

- having regard to its resolution of 9 October 2008 on promoting social inclusion and combating poverty, including child poverty, in the EU¹,
- having regard to the Commission Communication of 23 February 2004 on the promotion of co-operative societies in Europe (COM(2004)0018),
- having regard to the Commission Communication of 4 June 1997 on Promoting the Role of Voluntary Organisations and Foundations in Europe (COM(1997)0241) and to Parliament’s resolution of 2 July 1998 thereon²,
- having regard to the Commission Communication of 7 April 2000 on Acting Locally for Employment: A Local Dimension for the European Employment Strategy (COM(2000)0196),
- having regard to the Commission Communication of 6 November 2001 on Strengthening the local dimension of the European Employment Strategy (COM(2001)0629) and Parliament’s resolution of 4 July 2002 thereon³,
- having regard to opinions of the European Economic and Social Committee on the social economy, in particular to those on The Social Economy and the Single Market⁴, Economic diversification in the accession countries – role of SMEs and social economy enterprises⁵ and the Ability of SMEs and social economy enterprises to adapt to changes imposed by economic growth⁶,
- having regard to its resolution of 22 April 2008 on the role of volunteering in contributing to economic and social cohesion⁷,
- having regard to its resolution of 6 September 2006 on a European Social Model for the future⁸,
- having regard to the Commission Communication of 2 July 2008 on the Renewed social agenda: Opportunities, access and solidarity in 21st century Europe (COM(2008)0412),
- having regard to the Commission Communication of 2 July 2008 A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion (COM (2008)0418) and the first biennial report on SSGI (SEC(2008)2179/2),

¹ Texts Adopted, P6_TA (2008)0467.

² OJ C 226, 20.7.1998, p. 66.

³ OJ C 271E, 12.11.2003, p. 593.

⁴ OJ C 117, 26.4.2000, p. 52.

⁵ OJ C 112, 30.4.2004, p. 105.

⁶ OJ C 120, 20.5.2005, p. 10.

⁷ Texts Adopted, P6_TA(2008)0131.

⁸ OJ C 305E, 14.12.2006, p. 141.

- having regard to Rule 45 of its Rules for Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinion of the Committee on Economic and Monetary Affairs (A6-0015/2009),
- A. whereas the European social model is structured mainly on a high level of services, goods and jobs generated by the social economy and with the support of forecasting and innovation capacities developed by its promoters,
 - B. whereas the social economy is based on a social paradigm which is in line with the fundamental principles of the European social and welfare model, and whereas the social economy plays a key role today in preserving and strengthening that model by regulating the production and supply of numerous social services of general interest,
 - C. whereas the social economy models should consequently be built on to achieve the aims of economic growth, employability, training and personal services, which permeate all the European policies,
 - D. whereas the wealth and stability of society derives from its diversity, and whereas the social economy actively contributes to that diversity by improving and reinforcing the European social model and by providing a distinctive business model, which enables the social economy to contribute to stable and sustainable growth,
 - E. whereas social economy values are highly consistent with the common EU objectives of social inclusion and whereas decent employment, training and reinclusion should be linked thereto; whereas the social economy has demonstrated that it can greatly improve the social status of disadvantaged people (as has been demonstrated, for example, by the microcredit cooperatives devised by Nobel Prize winner Professor Mohammed Yunus which, facilitating financial inclusion, increased women's influence) and that it has a substantial capacity for social innovation, encouraging those facing difficulty to find solutions to their own social problems, for example as regards reconciling their professional and private life, gender equality, the quality of their family life, and their ability to care for children, elderly people and people with disabilities,
 - F. whereas the social economy represents 10 % of all European businesses, with two million undertakings or 6 % of total employment, and has great potential for generating and maintaining stable employment, due mainly to the non-delocalization nature of its activities,
 - G. whereas social economy enterprises are usually small and medium-sized enterprises (SMEs) contributing to a sustainable economic model whereunder individuals are more important than capital and whereas such enterprises are often active in the internal market and therefore need to ensure that their activities comply with the relevant law,
 - H. whereas the social economy has developed from particular organisational and/or legal business formations such as cooperatives, mutual societies, associations, social enterprises and organisations, foundations and other entities in each of the Member States; whereas the social economy covers a range of terms used in the various Member States such as

‘the solidarity economy’ and ‘the third sector’, and although these are not described as forming part of the social economy in all the Member States, comparable activities sharing the same features exist throughout Europe,

- I. whereas there is a need to recognise the statute of some of the types of organisation forming part of the social economy at EU level, taking into account the rules of the internal market, in order to reduce bureaucratic obstacles to obtaining Community funding,
- J. whereas the social economy gives prominence to a business model that cannot be characterised either by its size or by its areas of activity, but by its respect for common values, namely, the primacy of democracy, the participation of social stakeholders, the individual, and social objectives, over gain; the defence and implementation of the principles of solidarity and responsibility; the conjunction of the interests of its user members with the general interest; democratic control by its members; voluntary and open membership; management autonomy and independence in relation to public authorities; and the mobilisation of the bulk of surpluses in pursuit of the aims of sustainable development and of service to its members in accordance with the general interest,
- K. whereas, despite the increasing importance of the social economy and of organisations that form part of it, it remains little-known and is often the target of criticisms stemming from misguided technical approaches; and whereas the lack of institutional visibility is one of the most important obstacles that the social economy faces in the EU and in some of its Member States, which is due in part to the peculiarities of national accounting systems,
- L. whereas Parliament’s intergroup on the social economy has undertaken detailed work,

General remarks

1. Points out that the social economy plays an essential role in the European economy, by combining profitability with solidarity, creating high-quality jobs, strengthening social, economic and regional cohesion, generating social capital, promoting active citizenship, solidarity and a type of economy with democratic values which puts people first, in addition to supporting sustainable development and social, environmental and technological innovation;
2. Considers the social economy to be important, both symbolically and in terms of performance, for the purpose of strengthening industrial and economic democracy;
3. Recognises that the social economy can prosper and develop its full potential only if it can benefit from suitable political, legislative and operational conditions and prerequisites, taking due account of the wealth of diversity among social economy institutions and the specific features thereof,
4. Considers that social economy enterprises should not be subject to the same application of the competition rules as other undertakings and that they need a secure legal framework,

based on recognition of their specific values, in order to be able to operate on a level playing field with such other undertakings;

5. Underlines the fact that an economic system in which social economy enterprises play a more significant role would reduce exposure to speculation in financial markets on which some private companies are not subject to the supervision of shareholders and regulatory bodies;

Recognising the concept of the social economy

6. Points out that the diversity of entrepreneurial forms has been recognised in the EC Treaty and by adoption of the Statute for a European cooperative society;
7. Points out that the Commission has repeatedly recognised the concept of the social economy;
8. Asks the Commission to promote the social economy in its new policies and to defend the social economy's concept of 'a different approach to entrepreneurship', which is not driven mainly by the profit motive but by social benefit, to ensure that the particular features of the social economy are properly taken into account in the framing of legislation;
9. Takes the view that the European Union and the Member States should recognise the social economy and its stakeholders – cooperatives, mutual societies, associations and foundations – in their legislation and policies; suggests that those measures include easy access to credit and tax relief, the development of microcredits, the establishment of European statutes for associations, foundations and mutual societies, as well as tailored EU funding and incentives to better support social economy organisations operating within market and non-market sectors, which are created for the purpose of social utility;

Legal recognition: European statutes for associations, foundations and mutual societies

10. Notes that there is a need for the recognition of European statutes for associations, mutual societies and foundations to ensure that social economy enterprises benefit from equal treatment in internal market law; considers that the Commission's withdrawal of its proposals for a European Mutual Society Statute¹ and a European Association Statute² is a significant setback for the development of these forms of social economy within the EU; therefore urges the Commission to review its work programme accordingly;
11. Calls on the Commission to follow up the feasibility report on the Statute for a European foundation to be published by the end of 2008 and to launch an impact assessment of the Statutes for a European association and a European mutual society;
12. Calls on the Commission and the Member States to develop a legal framework that

¹ OJ C 99, 21.4.1992, p. 40.

² OJ C 99, 21.4.1992, p. 1.

recognise the social economy as a third sector;

13. Calls on the Commission to ensure that the European Private Company will be a form of company that may be adopted by all types of businesses;
14. Calls on the Commission to set up clear rules for establishing which entities can legally operate as social economy enterprises and introducing effective legal barriers to entry so that only social economy organisations are able to benefit from financing destined for social economy enterprises or from public policies designed to encourage social economy enterprises;

Statistical recognition

15. Calls on the Commission and the Member States to support the creation of national statistical registers for social economy enterprises, to establish national satellite accounts for each institutional sector and branch of activity and allow for this data to be included in Eurostat, also by making use of competences available in universities;
16. Points out that the measurement of the social economy is complementary to the measurement of non-profit institutions (NPIs), calls on the Commission and the Member States to promote the use of the UN Non Profit Handbook and to prepare satellite accounts which will improve the visibility of NPIs and social economy organisations;

Recognition as a social partner

17. Supports the fact that the components of the social economy should be recognised in the European sectoral and inter-sectoral social dialogue and suggests that the process for including social economy actors in social consultations and the civil dialogue should be strongly encouraged by both the Commission and the Member States;

The social economy as a key operator for fulfilling the Lisbon objectives

18. Points out that social economy enterprises and organisations help to strengthen the entrepreneurial spirit, facilitate better democratic functioning of the business world, incorporate social responsibility and promote the active social integration of vulnerable categories;
19. Stresses that employers in the social economy are significant agents of reinclusion, and welcomes their efforts to create and maintain high-quality, good, stable jobs and to invest in workers; calls on the Commission and the Member States to support and strengthen the social economy in its role as a good employer and to respect its special status;
20. Stresses that the social economy helps to rectify three major labour market imbalances: unemployment, job instability and the social and labour exclusion of the unemployed; furthermore notes that the social economy plays a role in improving employability and creates jobs that normally do not delocalize which contributes to meeting the goals set out in the Lisbon Strategy;

21. Considers that the support of states for social economy enterprises should be interpreted as a genuine investment in creating solidarity networks that can strengthen the role of local communities and authorities in developing social policies;
22. Considers that social problems call for reflection, but that in the current circumstances, what is most needed is action; considers that most social problems should be approached through local solutions, in order to deal with practical situations and problems; considers that, in order to be effective, such action requires strict rules on coordination, which means a high level of cooperation between public authorities and social economy enterprises;
23. Notes that, because they are strongly tied to the local level, social economy enterprises enable links to be created between citizens and their regional, national and European representative bodies, and are able to contribute to European governance that is effective for social cohesion; assesses very favourably the efforts of social economy enterprises and organisations to regroup within coordination platforms at EU level;
24. Points out that the social economy has a key role to play in attaining the Lisbon goals of sustainable growth and full employment, since it counteracts the numerous imbalances on the labour market, in particular by supporting female employment, and establishes and provides community care services (such as social, health, and welfare services), in addition to creating and maintaining the economic fabric of society, thus helping to promote local development and social cohesion;
25. Is of the opinion that the European Union should take action to establish a framework for the social economy agenda as this would strengthen local and EU competitiveness and innovation capacity, given the ability of the social economy to generate stability in a context of eminently cyclical economies, by redistributing and reinvesting profits locally, where appropriate, promoting an entrepreneurial culture, linking economic activities to the local needs, sustaining activities at risk (e.g. crafts) and generating social capital;
26. Calls on the competent authorities and the operators in the sector to assess and enhance the role of women in the social economy, both in quantitative terms, given the high rate of employment of women in all fields of the sector, including associations and voluntary work, and as regards the quality and organisational aspects of work and service provision; is concerned about the persisting problem of vertical integration, even in the social economy, which limits the participation of women in decision-making;
27. Calls on Member State governments and local authorities and on operators in the sector to encourage and support the potential synergies which could be generated in the services sector by stakeholders in, and users of, the social economy by broadening the scope of participation, consultation and co-responsibility;
28. Calls on the Commission to take account of the realities of the social economy when reviewing the policy on State aid, given that small businesses and organisations operating at local level encounter considerable difficulties in accessing funding, particularly during the current economic and financial crisis; also calls on the Commission not to obstruct national company law and fiscal provisions such as those

applying to cooperatives in the banking sector and the distribution sector which operate on the basis of mutuality principles, company democracy, the intergenerational transmission of assets, the indivisibility of reserves, solidarity, the work ethic and business ethics;

29. Highlights the fact that some of the social economy enterprises are micro-enterprises and small businesses that may lack the necessary resources to operate in the internal market and participate in national and EU programmes, and proposes that targeted support and instruments be put in place to enable them to improve their contribution to sustainable economic growth in the EU, as well as to facilitate, in case of business crisis, the possibility of transforming enterprises into worker-owned undertakings;
30. Calls on the Commission and the Member States to develop programmes directed towards potential and existing social enterprises offering financial support, information, advice and training and to simplify the process of establishment (including reducing the initial capital requirements for companies), in order to help them cope with an economy which is more and more global and which is currently affected by a financial crisis;
31. Emphasises that social economy enterprises encounter more difficulties than large companies, for example in coping with regulatory burdens, in obtaining financing, and in accessing new technology and information;
32. Points to the importance of the social economy as regards services of general interest; points to the added value provided by public-private integrated networks, as well as to the risk of exploitation, for instance in the form of outsourcing to help public authorities cut their costs, not least by making use of contributions in the form of voluntary work;
33. Urges the Commission to continue its work of dialogue and clarification with the parties concerned and to support the Member States with regard to services of general interest and social services of general interest and make use of the bundled indicator method;

Resources needed to achieve the objectives

34. Calls on the Commission to ensure that the features of the social economy (aims, values and working methods) are taken into account when devising European policies and, in particular, to incorporate the social economy into its policies and strategies in the sphere of social, economic, and enterprise development, especially in connection with the ‘Small Business Act’; asks that, when the social economy is affected, impact assessments are carried out and the interests of the social economy are respected and given priority; urges the Commission, in addition, to look again at the possibility of setting up a social economy inter-service unit linking the relevant directorates-general;
35. Calls on the Commission to ensure that the Observatory of European SMEs systematically includes social economy enterprises in its surveys and to make recommendations for measures to assist their functioning and development; calls on the Commission also to take the necessary measures to enable social economy enterprises to be linked together and promoted by the European e-business support network;
36. Calls on the Member States to support small and medium-sized social economy

- organisations with aspirations to reduce grant dependency and enhance sustainability;
37. Calls on the Commission to invite participants in the social economy to join permanent bodies for dialogue and to participate in, and work together with, high-level expert groups likely to be concerned with issues relating to the social economy; calls on the Commission to participate in strengthening the structures for representation of the social economy at regional, national and Community level and to create a legal framework designed to promote active partnership between local authorities and social economy enterprises;
 38. Calls on the Commission to promote dialogue between public agencies and representatives of the social economy at national and Community level and thus foster mutual understanding and promote good practices;
 39. Calls on the Commission to support the EU think-tank on co-operative banks set up by the association of the sector or other financial services that might be of interest to social economy organisations which would study how these specific social economy entities have performed so far in the EU - especially during the current global credit and financial crises - and how they will avert future risks of this kind;
 40. Calls on the Commission to look into reactivating the budget heading specifically for the social economy;
 41. Calls for programmes to be set up that will encourage experimentation with new economic and social models, to initiate framework research programmes, by including social economy subjects in calls for proposals under the Seventh Framework Programme, to envisage the use of a 'multiplier' applied to the official statistics and to introduce instruments for measuring economic growth from a qualitative and quantitative point of view;
 42. Calls on the Commission and Member States to include a social economy dimension in the establishment of Community and national policies and in EU programmes for enterprises in the fields of research, innovation, finance, regional development and development cooperation, and to support the establishment of social economy training programmes for EU, national and local administrators and to ensure the access of social economy enterprises to programmes and actions for development and external relations;
 43. Urges the Member States to make provision for training projects involving higher education, university and vocational training courses designed to create awareness of the social economy and of business initiatives based on its values;
 44. Calls on the Commission and the Member States to support the development of skills and professionalism in the sector, in order to enhance the role of the social economy in labour market integration;
 45. Calls on the Commission to devise a European legal framework enabling territorial partnerships to be established and maintained between the social economy sector and local authorities, and to lay down criteria for the purposes of recognising and enhancing the social economy, fostering sustainable local development, and promoting the general interest;

46. Calls on the Commission to aim for conditions which will facilitate investments in the social economy, in particular through investment funds, the granting of guaranteed loans and in the form of subsidies;

47. Calls on the Commission to reassess:

- its Communications on cooperatives and the European cooperative society, as provided for in those documents;
- its 1997 Communication on the promotion of the role of associations and foundations in Europe;

o

o o

48. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the European Economic and Social Committee, the Committee of the Regions, and the Social Protection Committee.

EXPLANATORY STATEMENT

Introduction

The social economy has a role to play in the economy as well as in society. Social economy enterprises are characterised by a form of enterprise that differs from the capital enterprise model. These are private businesses, independent of the public authorities, which meet the needs and demands of their members and the general interest. The social economy's capacity for providing innovative responses to the social needs that have emerged over the course of history has given it an increasing importance.

The social economy is comprised of cooperatives, mutual societies, associations, foundations and other enterprises and organisations that share the founding characteristics of the social economy. The social economy's lack of visibility derives from the fact that the special features of this type of undertaking are not always taken into account.

Definition of the social economy

Social economy enterprises can be defined by the characteristics and values that they share:

- primacy of the individual and the social objectives over capital;
- defence and implementation of the principles of solidarity and responsibility;
- coincidence of the interests of user members and the general interest;
- democratic control by members;
- voluntary and open membership;
- self-management and independence of public authorities;
- mobilisation of the bulk of surpluses in pursuit of the aims of sustainable development, the interests of services to members and the general interest.

However, the social economy is under-represented at institutional level and little recognised or supported, if at all, at European level. The social economy covers a range of terms used in the various Member States such as 'the solidarity economy', 'third sector', 'platform' or even 'third system', and activities throughout Europe sharing the same features may be termed social economy activities.

Recommendations of the report

1. A European approach to the social economy: recognition of the concept

This diversity should not, however, impede the design of a properly European approach to the social economy. That will require defining the role that it can play in the EU's institutional context.

The social economy helps to fulfil the four main aims of EU employment policy: improving the 'employability' of the active population; promoting the entrepreneurial spirit, particularly by creating jobs at the local level; improving the ability of enterprises and their workers to adapt, notably by modernising the organisation of work; strengthening equal opportunities policy, particularly by developing public policies that enable conciliation between family life and work. Social economy enterprises can provide fundamental societal added value by participating in the economic growth of European society, improving the democratic functioning of the business world through the participation of users/members and employees

and implementing the concepts of the corporate social responsibility and of locally rooted services.

This contribution by the social economy to employment policy is not confined to job creation as such. The jobs it creates provide employees with social security, a right to training, career development, and opportunities in suitable activities.

Finally, it is important to relate the social economy to the objectives of social cohesion and active citizenship, taking into account its local roots and its role in encouraging active participation. Such activities tend to activate social networks that are all the more important in a world where isolation and exclusion are on the increase.

2. Clear legal status: legal recognition

This conceptual definition of the social economy should be backed up by legal recognition of its components. The report's second recommendation concerns the establishment of European statutes for associations, foundations and mutual societies.

While social economy enterprises are often regarded as being on a par with capital enterprises, they are handicapped by a lack of legal instruments to act at pan-European level and consequently have to face unfair competition. European statutes would deal with the lack of visibility of these forms of enterprise when drafting European and international legislation.

3. Statistical recognition

A third recommendation of the rapport is to step up statistical efforts concerning the social economy and the employment it generates, and to improve understanding of the wide range of national experience with the social economy. Such efforts could be supported by creating a statistical register of social economy companies in each EU Member State, establishing satellite accounts for social economy enterprises by institutional sector and branch of activity in each Member State and enabling such data to be input into the Eurostat system of European statistics. The 'indicator-bundling' method that has been devised consists in drawing up an indicative list of criteria which are verified for their fulfilment by the operation or organisation concerned, thus enabling some degree of objectivity to be restored between social economy operators and 'traditional' operators.

4. The social economy and social dialogue

Recognition of the social economy as a specific partner in the social dialogue at European level is a considerable challenge. The social economy is every day becoming more conspicuous as a major actor on the economic and social scene. Express recognition of the components of the social economy in the European intersectoral social dialogue is thus the aim of this report's fourth recommendation.

5. The social economy and markets

The various enterprises and organisations making up the social economy are facing the challenge of integrating effective manufacturing processes and the aims of social well-being in their activities. The social economy's actors must be encouraged to put in place strategies that comply with the new demands of the markets that are increasingly competitive and

enable them to strengthen their task of recognising their members' well-being, responding to the needs of the general interest and strengthening social cohesion.

Among those competitive strategies the implementation of business networks and alliances must take an important place, as must the search for particular ways of funding businesses innovation in goods and services or the stimulation of training policies and the development of social economy skills.

6. Exchanging experience at local, national and European level

The social economy more often than not forms part of a local and regional dynamic. Many of the most innovative organisations are small in scale and operate at local level. There is thus a risk that their experience can only be shared with difficulty and slowly. For this reason it is important that national and European levels should use appropriate forms of finance to stimulate the exchange of experience and coordinate their efforts to set up a socio-economic innovation fund that could support the most innovative social economy projects.

7. The social economy and the European social model

The Member States and the European Commission should make a more specific commitment to ensure that the social economy is not just an effective instrument for achieving the specific objectives of public policy. The social economy is also an end in itself, indispensable for consolidating the values associated with the European social model. The organisations that are representative of the social economy should therefore be authorised and encouraged to put forward proposals in the area of social policy.

8. Assessment of results

A final recommendation of the report concerns the promotion of a research programme at European level to examine the whole range of activities belonging to the social economy that are not attributable to other services provided by the private sector or public authorities. It is important not to assess social economy bodies only by means of such crude indicators as 'number of people employed' or 'level of self-financing', and it is important to use the bundled indicator method.

The growing interest in the social economy derives from recognition of the limits of the traditional private sector and the public sector in solving some current challenges such as unemployment, but also of the quality and quantity of services of collective interest.

4.12.2008

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Employment and Social Affairs

on Social Economy
(2008/2250(INI))

Rapporteur: Donata Gottardi

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Highlights the key role of the social economy in the achievement of the Lisbon goals of sustainable growth and full employment, because it addresses numerous imbalances in the labour market, in particular by supporting female employment, creates and provides welfare and proximity services (such as social, health and social security services), and creates and maintains the social and economic fabric by contributing to local development and social cohesion;
2. Considers that the social economy is important, in view of what it symbolises and the results it achieves, as a means of enhancing industrial and economic democracy;
3. Is of the opinion that the European Union should take action to establish a framework for the social economy agenda as this would strengthen local and EU competitiveness and innovation capacity, given the ability of the social economy to generate stability in a context of eminently cyclical economies, by redistributing and reinvesting profits locally, where appropriate, promoting an entrepreneurial culture, linking economic activities to the local needs, sustaining activities at risk (e.g. crafts) and generating social capital;
4. Stresses the importance of the social economy in relation to services of general interest, and highlights the added value created by setting up private-public integrated networks, but also the risk of their being exploited as a pretext for outsourcing with a view to reducing the costs borne by public authorities, including by having recourse to services provided by the voluntary sector;
5. Invites the Commission to integrate the social economy into its other policies and strategies designed for social, economic and enterprise development - especially in the context of the Small Business Act - as social economy structures providing socio-

economic activities may be of particular interest to small and medium-sized enterprises and services of general interest; invites the Commission, therefore, to re-consider the possibility of reinstating a social economy unit;

6. Calls on the competent authorities and the operators in the sector to assess and enhance the role of women in the social economy, both in quantitative terms, given the high rate of employment of women in all fields of the sector, including associations and voluntary work, and as regards the quality and organisational aspects of work and service provision; is concerned about the persisting problem of vertical integration, even in the social economy, which limits the participation of women in decision-making;
7. Calls on Member State governments and local authorities and on operators in the sector to encourage and support the potential synergies which could be generated in the services sector by stakeholders in, and users of, the social economy by broadening the scope of participation, consultation and co-responsibility;
8. Urges the Member States to make provision for training projects involving higher education, university and vocational training courses designed to create awareness of the social economy and of business initiatives based on its values;
9. Takes the view that the European Union and the Member States should recognise the social economy and its stakeholders – cooperatives, mutual societies, associations and foundations – in their legislation and policies; suggests that those measures include easy access to credit and tax relief, the development of microcredits, the establishment of European statutes for associations, foundations and mutual societies, as well as tailored EU funding and incentives to better support social economy organisations operating within market and non-market sectors, which are created for the purpose of social utility;
10. Considers that the removal of the proposals for a European Mutual Society Statute and a European Association Statute from the Commission's agenda has been a serious setback for the development of those forms of European company (SE) in the European Union and therefore urges the Commission to review its agenda;
11. Asks the Commission to establish a European think tank on co-operative banks and other financial services related SE organisations in order to conduct a study investigating how these specific SE entities have performed at EU level to date - in particular during the ongoing global credit and financial crises - and how they will avoid future risks in this respect;
12. Calls on the Commission to take account of the realities of the social economy when reviewing the policy on State aid, given that small businesses and organisations operating at local level encounter considerable difficulties in accessing funding, particularly during the current economic and financial crisis; also calls on the Commission not to obstruct national company law and fiscal provisions such as those applying to cooperatives in the banking sector and the distribution sector which operate on the basis of mutuality principles, company democracy, the intergenerational transmission of assets, the indivisibility of reserves, solidarity, the work ethic and business ethics.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2008
Result of final vote	+: 21 -: 0 0: 4
Members present for the final vote	Mariela Velichkova Baeva, Paolo Bartolozzi, Zsolt László Becsey, Sebastian Valentin Bodu, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, Christian Ehler, Jonathan Evans, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Robert Goebbels, Donata Gottardi, Louis Grech, Othmar Karas, Wolf Klinz, Astrid Lulling, Gay Mitchell, Sirpa Pietikäinen, John Purvis, Peter Skinner, Margarita Starkevičiūtė, Ivo Strejček, Sahra Wagenknecht
Substitute(s) present for the final vote	Harald Ettl

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.1.2009
Result of final vote	+: 45 -: 2 0: 0
Members present for the final vote	Jan Andersson, Edit Bauer, Iles Braghetto, Philip Bushill-Matthews, Milan Cabrnock, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Luigi Cocilovo, Jean Louis Cottigny, Jan Cremers, Harald Ettl, Richard Falbr, Carlo Fatuzzo, Ilda Figueiredo, Joel Hasse Ferreira, Roger Helmer, Stephen Hughes, Ona Juknevičienė, Jean Lambert, Raymond Langendries, Bernard Lehideux, Elizabeth Lynne, Thomas Mann, Maria Matsouka, Elisabeth Morin, Juan Andrés Naranjo Escobar, Csaba Óry, Siiri Oviir, Marie Panayotopoulos-Cassiotou, Pier Antonio Panzeri, Rovana Plumb, Bilyana Ilieva Raeva, Elisabeth Schroedter, José Albino Silva Peneda, Kathy Sinnott, Jean Spautz, Ewa Tomaszewska, Anne Van Lancker, Gabriele Zimmer
Substitute(s) present for the final vote	Françoise Castex, Gabriela Crețu, Richard Howitt, Rumiana Jeleva, Magda Kósáné Kovács, Sepp Kusstatscher, Csaba Sógor, Patrizia Toia, Evangelia Tzampazi, Anja Weisgerber
Substitute(s) under Rule 178(2) present for the final vote	Adrian Manole