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SEEDING

Social Economy Enterprises addressing Digitalisation,
Industrial relations and the European Pillar of Social Rights



**CASE
STUDY
FRANCE**

France Barter



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France Barter



NAME OF THE PRACTICE **FRANCE BARTER (FINTECH COOPERATIVE, FRANCE)**

Responsible actor	<ul style="list-style-type: none"> management
Type of practice	<ul style="list-style-type: none"> business plan
Challenges addressed	<ul style="list-style-type: none"> platform work other: cash-free commercial activity, identification and valorisation of unused assets (within a circular economy)
Employment impact	<ul style="list-style-type: none"> other: <p>Employment is not the focus of the activities of France Barter. However, by using platform technologies to identify and create value out of unused assets, the company has adopted new technologies to create business opportunities with a social aim, while creating new jobs both within the company and amongst partner companies.</p>
Geographical coverage	<p>The company was founded in September 2014 by three people. It has offices in Paris, Lyon, Albertville, Rennes and Mulhouse. France Barter operates only in France.</p>
Sectoral coverage	<p>N – Other service activities (NACE)</p> <p>France Barter is a business-to-business (B2B) marketplace / innovative model / exchange network. It presents itself as a “general platform” aimed at start-ups, SMEs and commercial companies of any size, and covers a very wide scope of activities.</p>

	<p>Individuals or consumers cannot subscribe to its services.</p> <p>France Barter had 1,650 members in June 2020, mainly very small (VSEs) and small enterprises (SMEs). When a company joins the France Barter community, it is given a secure barter account which it can use to buy and sell. Members exchange services such as legal advice, printing, website creation, hotels, accounting, communication and advertising space. There is also barter in goods and products such as food, building materials, electronic goods, industrial equipment, logistics, raw materials, furniture, textiles, cosmetics and leisure items.</p>
Company coverage	<p>France Barter is a B2B business network set as a cooperative. It is based in France and employs seven people.</p> <p>Turnover: €240,000 Profit: 0</p> <p>The company is not unionised at all.</p> <p>France Barter is an inter-company exchange system which facilitates multi-party exchanges that may be deferred in time, associated with a commercial technique called "payment by clearing invoices". Barter allows companies to finance their purchases through their sales, without resorting to cash. It includes both customers and suppliers within a single network, and operates on a human scale for maximum quality. France Barter secures the network via its partner, Credit Safe, which assesses each company financially.</p> <p>Legal form: cooperative society of collective interest (SCIC).</p> <p>As a cooperative, France Barter involves its members in decision-making via the general assembly which is held every year. In principle every member has the chance to be elected to the board.</p>
Occupational coverage	<p>The key to France Barter's success is to create a local ecosystem of SMEs. To achieve this, the cooperative finds partners such as banks, cities (chambers of commerce) and other start-ups (such as crowdfunding platforms) which enable it to gain visibility and spread the network. Therefore, the platform addresses general rather than specific business sectors.</p> <p>The founders and area representatives of France Barter come from a background of innovative entrepreneurship and finance.</p> <p>Bartering is an alternative form of commerce that invites companies to work together with local clients and suppliers based on the identification of opportunities within the network. France Barter's role is to build up local communities of businesses and to facilitate trade between them.</p> <p>For companies this means feeling less isolated in a globalised world.</p>
Workforce addressed	<p>No special workforce addressed.</p> <p>Since France Barter is a B2B cooperative it only has a few employees (IT and administrative staff) but also has directors, beneficiaries (all the companies which want to join the network subscribe to a share in the cooperative) and partners (mainly banks which support it financially).</p>

ACTORS INVOLVED IN THE ACTION

Company management	Yes
Worker members of the cooperative at large	Yes
Works councils	No
Trade unions	No
Employers' organisations	No
NGO	No
Public authority	No

DESCRIPTION

Rationale for the adoption of the practice	When the idea of the start-up was born, the interested parties wanted to create a transparent organisation, where goods and services are exchanged without using cash. The cooperative form was the best option.
Process of the adoption of the practice	<p>The founders already had experience of barter in other countries and wanted to set up their own innovative and collaborative company or cooperative in France. Later other like-minded people joined as partners.</p> <p>In 2018 France Barter acquired the Jacoop site, which extended its collaborative B2B marketplace.</p>
Description of the practice	<p>The members of the France Barter cooperative join the online marketplace and indicate their commercial offers and needs. Once they have registered on the network, members can list their offers with a fixed price or simply offer them "on quotation".</p> <p>The prices charged during an exchange are the market prices and, as in any commercial transaction, the buyer is required to make inquiries so as to understand the offer which is transmitted to him/her and to negotiate the price if it appears too high.</p> <p>Each member has a barter account, which is equal to zero when they start. France Barter promotes their offers within the network to make sure they find clients. They can then bill their clients by sending an invoice with the special remark "payment by France Barter with compensation". France Barter then credits the seller's barter account and debits the buyer's barter account.</p> <p>The direct consequence of a transaction is that a member will be credited and can purchase from other companies in the network, paying with his barter account. The buyer has a debit in his/her barter account, so will need to sell. France Barter will assist the buyer to make sure he/she gets a proper introduction to new clients in the network.</p>

	<p>France Barter's role is to animate the network in order that transactions are facilitated, and the goods and services bartered circulate as fast as possible.</p> <p>The cooperative system is based on the trust and goodwill of its members. France Barter checks members' creditworthiness and establishes partnerships with professional rating organisations such as Credit Safe which have extensive credit databases.</p> <p>In addition, France Barter has developed a specific rating system for online marketplaces. Its purpose is to:</p> <ul style="list-style-type: none"> • ensure the quality of the services and goods delivered as part of the exchange; • rate the responsiveness of members to enquiries; • check the prices charged; • develop a collaborative attitude in the network. <p>Thus, a company which has already carried out several sales and purchases is upgraded. Conversely, a company that refuses to sell repeatedly and without justification sees its rating downgraded.</p>
Dismissed alternatives	<p>When the start-up was established, the legal form of a conventional company (SA) was also considered. Given a desire to ensure transparency and meet members' expectations, a cooperative (SCIC - société coopérative d'intérêt collectif / cooperative society of collective interest) was set up instead.</p>
ASSESSMENT	
IMPACT OF THE PRACTICE ON:	
Job stability and secure employment	<p>France Barter has no direct impact on job stability and secure employment. However, indirectly it might affect the productivity and profit of the member companies and thus of the community at large. Its presence sustains companies by enabling them to create value from products or services they would otherwise be unable to sell.</p>
Skills needs and training	n/a (however, to be part of the network requires some technical skills or interest in using innovative solutions on behalf of the members).
Working conditions	n/a.
Company performance	<p>The business model of France Barter builds on innovativeness, transparency and democracy. There is a commission on each transaction and members also pay an annual fee. However the 'barter euros' used in transactions are not convertible and do not even count as a cryptocurrency. The cooperative earns real euros through transaction fees and membership fees, and these appear on the balance sheet.</p> <p>France Barter holds a general assembly every year which allows members to share in the governance of the cooperative following the principles of collective and democratic management.</p> <p>Members have the opportunity to learn about the cooperative's finances, to vote for new members, and to take management decisions for the coming year.</p>

	<p>Members have the opportunity to learn about the cooperative's finances, to vote for new members, and to take management decisions for the coming year.</p> <p>Regular networking events such as networking lunches and video meet-ups strengthen France Barter's approach to participative and collaborative networking.</p>
Overall strengths and weaknesses	<p>Strengths:</p> <ul style="list-style-type: none"> • huge market • young technology • autonomous members • data driven with geolocalised offers and requests to enable suppliers and clients to meet • circular economy – organising a new circle of economy <p>Weaknesses:</p> <p>The cooperative's growth is impeded by three factors:</p> <ul style="list-style-type: none"> • raising finance: because cooperatives do not give control to financial investors, they often find it difficult to raise capital; • perceived risk: investors see the cooperative's project, an innovative approach to exchanging goods and services without money, as very risky; • widening markets: it takes time and energy to build up networks, which requires both digital and commercial inputs. <p>In addition, Barter euros are not convertible and circulate only within the France Barter community.</p>
Overall opportunities and threats	<p>Opportunities and risks can be summarised as follows:</p> <ul style="list-style-type: none"> • further networking with other businesses • mapping of transactions • digital tools are not always seen as preferable <p>Bartering is local but the model could be adapted to an international setting. France Barter is keen to expand its business.</p>
Potential for social partners and collective bargaining to upscale/transfer the practice	<p>France Barter provides an example of how small and medium-size businesses can cooperate to strengthen each other.</p> <p>Although this aspect is not directly relevant to collective bargaining, social partners could promote to policy-makers the adoption of similar platforms to sustain local economies or, as far as employers' organisations are concerned, create similar tools, or collaborate with similar platforms that need to reach out to a critical mass of companies.</p>
Potential for public authorities to support upscaling/ transferring the practice	<p>France Barter has experience in transferring its know-how, technology and workforce to build up barter networks for a region (Region Centre in France), for a social entrepreneur community (in Brittany), and for an existing community of farmers (www.agri-echange.org)</p> <p>Ideally, policy-makers could support similar initiatives, even if only by promoting networking initiatives targeting potentially interested companies.</p>

**List of annexes,
sources**

- Sources:

<https://www.francebarter.coop>

<http://blog.francebarter.coop/retour-sur-lassemblee-generale-2018/>

- Articles:

<http://fintech-mag.com/samuel-cohen-france-barter/>

<https://blog.francebarter.coop/france-barter-marche-sagement-dans-les-pas-du-wir/>

- Interviews:

Phone interviews with one co-founder

Company website

<https://www.francebarter.coop/>

The case study was prepared by Diesis Network (Belgium).