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DRAFT REPORT

on the contribution of cooperatives to overcoming the crisis
(2012/2321(INI))

Committee on Industry, Research and Energy

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United in diversity

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the contribution of cooperatives to overcoming the crisis

(2012/2321(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union (TFEU), and in particular Article 54 thereof,
- having regard to its resolution of 19 February 2009 on Social Economy¹,
- having regard to its resolution of 13 February 2012 on the Statute for a European Cooperative Society with regard to the involvement of employees²,
- having regard to its resolution of 15 January 2013 with recommendations to the Commission on information and consultation of workers, anticipation and management of restructuring³,
- having regard to Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE)⁴,
- having regard to Commission Recommendation 94/1069/EC of 7 December 1994 on the transfer of small and medium-sized enterprises⁵,
- having regard to the Commission Communication on the transfer of small and medium-sized enterprises⁶,
- having regard to the Commission Communication on the promotion of co-operative societies in Europe (COM(2004)0018),
- having regard to the Commission Communication on the Social Business Initiative (COM(2011)0682),
- having regard to the opinion of the European Economic and Social Committee on Cooperatives and Restructuring⁷,
- having regard to ILO Recommendation 193 on the Promotion of Cooperatives, which was approved by the governments of all 27 current Member States, to the UN General Assembly Resolution of 2001 ‘Cooperatives in Human Development’ and to the fact that

¹ Texts adopted, P6_TA(2009)0062.

² Texts adopted, P7_TA(2012)0071.

³ Texts adopted, P7_TA(2013)0005.

⁴ OJ L 207, 18.8.2003, p. 1.

⁵ OJ L 385, 31.12.1994, p. 14.

⁶ OJ C 93, 28.3.1998, p. 2.

⁷ CCMI/093.

the United Nations proclaimed 2012 the International Year of Cooperatives,

- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy (A7-0000/2013),

Introduction

1. Notes that, in the EU, there are about 160 000 cooperative enterprises owned by 123 million members and providing jobs for 5.4 million people – including around 50 000 cooperative enterprises in industry and services providing jobs for 1.4 million persons – and that cooperatives contribute around 5% on average to Member State GDP; notes that, over the last few years, several hundred industrial and service cooperative enterprises have been established as the result of the restructuring of businesses in crisis or without successors, thereby saving and re-developing local economic activities and jobs; notes that industrial and service cooperative groups have had a key impact on regional development in some of the most industrialised regions of the EU; notes that some industrial and service cooperatives specialised in labour integration provide jobs to over 30 000 disabled and disadvantaged persons; notes that cooperatives therefore play a very important role in the EU in economic, social and employment terms;
2. Points out that cooperatives have proved themselves to be even more resilient in times of crisis than many conventional enterprises and notes that there is considerable evidence of this resilience, particularly in relation to cooperative banks and industrial and service cooperatives (worker cooperatives, social cooperatives and cooperatives formed by SMEs);
3. Expresses the view that this greater resilience is in large part due to the cooperative model of governance, which is based on joint ownership and democratic control by their member-stakeholders, and that it is also due to their characteristic method of capital accumulation; considers that this model helps to ensure that cooperatives take a long-term approach and anchors them in the local economy, giving them a stake in local sustainable development and ensuring that they do not delocalise, even when they internationalise;
4. Notes also that cooperatives have a long tradition of cooperation among themselves and that this allows them to take advantage of economies of scale and to share experience and best practice, as well as to transfer human and financial resources, where necessary; contends that this inherent flexibility allows cooperatives to sustain themselves even in the most trying times;

Regulatory framework

5. Takes the view that this in-built capacity for resilience should be strengthened by paying proper attention to cooperatives in all EU policies designed to contribute to smart, sustainable and inclusive growth, as well as in the relevant flagship initiatives of the EU 2020 strategy; believes that the necessary steps should be taken to ensure a level playing field between cooperatives and other forms of enterprises, whilst preserving cooperatives' aims and working methods;

6. Calls on the Commission to bolster its services responsible for cooperatives by creating a Directorate focused on cooperatives and other social-economy organisations (such as mutuals) within DG Enterprise, with a unit working solely on the restructuring of industrial and service enterprises in crisis or without a successor into cooperatives;
7. Urges the Member States, in keeping with ILO Recommendation 193/2002, to review their legislation applying to cooperatives, with a view to adopting a comprehensive policy to support the cooperative business model and creating a regulatory environment favourable to the recognition and development of cooperatives in all fields and sectors; stresses that this should include the introduction of appropriate financial instruments and the recognition of cooperatives' role in the national social dialogue;

Business transfers and restructuring

8. Considers that the transfer of a business to the employees through the creation of a cooperative is often the best way of ensuring the continuity of an enterprise; stresses that this kind of transfer should be supported by a specific EU budget line that also includes financial instruments; calls urgently for the creation, with the participation of the EIB and stakeholders from the cooperative movement, of a European mechanism designed to promote the development of cooperatives and, in particular, business transfers under the cooperative form;
9. Notes that, very often, the problem encountered in business transfers to employees is not only a question of length of the relevant procedures but also, and even more importantly, of lack of knowledge about this business scenario amongst relevant professionals (e.g. lawyers and accountants) and within the legal system; stresses that training and awareness-raising would greatly contribute to promoting this practice; believes, furthermore, that better knowledge about cooperatives should also be promoted amongst trade unions and bodies tasked with providing information on the creation or transfer of businesses;
10. Urges the Member States to develop a framework to encourage business transfers to employees, including financial mechanisms designed to help employees invest in enterprises in crisis or without a successor, as well as preferential rights for employees, in order to create the best conditions for a takeover bid for an enterprise facing closure;
11. Believes also that the Member States should adopt policies encouraging employees to take part in the capital and results of their enterprises, through concrete fiscal mechanisms in other forms of industrial and service enterprises as well, and with the necessary legal protection and corresponding ratio of participation in the governance, oversight, decision-making and responsibility of the enterprise;
12. Stresses that the conversion of enterprises in crisis into economically sustainable cooperatives requires a precise and early diagnosis; calls on the authorities at all levels to cooperate with the cooperative system in making such early diagnoses and assessing the feasibility of transforming the enterprises into cooperatives;
13. Calls on the Commission to draw up a comprehensive survey comparing national laws which promote the conversion of businesses into cooperatives, in particular provisions

concerning takeovers, bankruptcies, financing arrangements, business support bodies and the setting up of clusters of cooperatives;

Access to funding and business support

14. Recalls that it is not easy for cooperative enterprises in industry and services, and particularly SMEs, to gain access to venture capital and credit on the capital markets; notes also that cooperatives are not normally able to obtain large quantities of capital from their members;
15. Points out that in some Member States outside parties may provide venture capital in cooperatives with limited or no voting rights in order to respect member-ownership and the control structure, and that this has enabled cooperatives to improve their dialogue with other financial institutions; expresses its approval of such policies and encourages all Member States to facilitate cooperatives' access to credit;
16. Considers that the Commission and the EIB/EIF should ensure that cooperatives have access to EU-level financial mechanisms – including the SME financing action plan suggested in the Single Market Act – and that they should make a special effort together with the cooperative banking sector to ensure that this happens;
17. Considers that the programmes and funds being established under the Multi-annual Financial Framework (2014-2020) should be important instruments for supporting cooperatives; contends that, when operational programmes are established, there should be a focus on providing support for sustainable business development and responsible restructuring, including measures such as business transfers to employees, social cooperatives, local development and social innovation, using global grants and other financial instruments;
18. Believes also that Member States should take steps to make it easier for cooperatives to gain access to the whole range of business support services, since this will help them further to contribute to sustainable growth;
19. Considers furthermore that inter-SME collaborative networks, such as those that already exist in the EU under the cooperative form (artisans' cooperatives, SME cooperatives, activity and employment cooperatives, etc.), should be encouraged, since such networks considerably reinforce the sustainability of micro and small enterprises through shared marketing, purchases or other services and help micro and small enterprises to be a source of innovation;
20. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.