



Procedure file

Basic information		
INI - Own-initiative procedure	2008/2250(INI)	Procedure completed
Social economy		
Subject 3.45.07 Social economy, mutual societies, cooperatives, associations 4.10 Social policy, social charter and protocol		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	EMPL Employment and Social Affairs		26/02/2008
		ALDE TOIA Patrizia	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		24/09/2008
		PSE GOTTARDI Donata	
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion	VERHEUGEN Günter	

Key events			
23/09/2008	Committee referral announced in Parliament		
21/01/2009	Vote in committee		Summary
26/01/2009	Committee report tabled for plenary	A6-0015/2009	
18/02/2009	Debate in Parliament		
19/02/2009	Results of vote in Parliament		
19/02/2009	Decision by Parliament	T6-0062/2009	Summary
19/02/2009	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2250(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative

Legal basis	Rules of Procedure EP 55-p4; Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/66836

Documentation gateway

Committee draft report		PE414.292	14/11/2008	EP	
Amendments tabled in committee		PE416.269	21/11/2008	EP	
Committee opinion	ECON	PE415.134	04/12/2008	EP	
Committee report tabled for plenary, single reading		A6-0015/2009	26/01/2009	EP	
Text adopted by Parliament, single reading		T6-0062/2009	19/02/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)2154	26/06/2009	EC	

Social economy

The Committee on Employment and Social Affairs adopted an own-initiative report drafted by Patrizia TOIA (ALDE, IT) on social economy. It notes that 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). It has a substantial capacity for social innovation, encouraging those facing difficulty to find solutions to their own social problems. The social economy represents 10 % of all European businesses, with two million undertakings or 6 % of total employment, and has great potential for generating stable employment, due mainly to the non-delocalization nature of its activities.

The committee feels 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. It 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 the EU and Member States should recognise the social economy and its stakeholders ? cooperatives, mutual societies, associations and foundations ? in their legislation and policies. Those measures should 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.

Legal recognition: 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. Members consider that the Commission's withdrawal of its proposals for a European Mutual Society Statute and a European Association Statute is a significant setback for the development of these forms of social economy within the EU, and they urge the Commission to review its work programme accordingly.

Members also made recommendations on statistical recognition and recognition as a social partner.

The social economy as a key operator for fulfilling the Lisbon objectives: the social economy helps to rectify three major labour market imbalances: unemployment, job instability and the social and labour exclusion of the unemployed. It creates jobs that normally do not delocalize, which contributes to meeting the goals set out in the Lisbon Strategy. Members stressed the importance of local solutions for social problems. Targeted support must be put in place to help micro-enterprises and small businesses. Members called for programmes directed towards social enterprises offering financial support, information, advice and training and to simplify the process of establishment (including reducing the initial capital requirements for companies).

Resources: the committee made a series of recommendations to the Commission, inter alia:

- to incorporate the social economy into its policies, especially in connection with the 'Small Business Act';
- to ensure that the Observatory of European SMEs systematically includes social economy enterprises in its surveys;
- 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;
- to look into reactivating the budget heading specifically for the social economy;
- to devise a European legal framework enabling territorial partnerships to be established between the social economy sector and local authorities.

Lastly, the Commission is asked to reassess its Communications on cooperatives and the European cooperative society, and its 1997 Communication on the promotion of the role of associations and foundations in Europe.

Social economy

The European Parliament adopted by 580 votes to 27 with 44 abstentions a resolution on social economy. The resolution recalls that this

sector represents 10 % of all European businesses, with two million undertakings or 6 % of total employment, and has great potential for generating stable employment, due mainly to the non-delocalization nature of its activities. Considering that social economy enterprises should not be subject to the same application of the competition rules as other undertakings, Parliament suggests that they need a secure legal framework.

It 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 the EU and Member States should recognise the social economy and its stakeholders ? cooperatives, mutual societies, associations and foundations ? in their legislation and policies. Those measures should 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.

Legal recognition: Parliament calls on the Commission and the Member States to develop a legal framework that recognises the components of the social economy - associations, mutual societies and foundations. A series of measures should be provided such as easy access to credit, tax relief and the development of micro-credit. Parliament considers that the Commission's withdrawal of its proposals for a European Mutual Society Statute and a European Association Statute is a significant setback for the development of these forms of social economy within the EU, and they urge the Commission to review its work programme accordingly. Parliament also made recommendations on statistical recognition and recognition as a social partner.

The social economy as a key operator for fulfilling the Lisbon objectives: the social economy helps to rectify three major labour market imbalances: unemployment, job instability and the social and labour exclusion of the unemployed. 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. It creates jobs that normally do not delocalize, which contributes to meeting the goals set out in the Lisbon Strategy. Parliament 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 increasingly global and which is currently affected by a financial crisis.

Resources: Parliament made a series of recommendations to the Commission, inter alia:

- to incorporate the social economy into its policies, especially in connection with the 'Small Business Act';
- to ensure that the Observatory of European SMEs systematically includes social economy enterprises in its surveys;
- 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;
- to look into reactivating the budget heading specifically for the social economy;
- to devise a European legal framework enabling territorial partnerships to be established between the social economy sector and local authorities;
- to aim for conditions which will facilitate investments in the social economy, in particular through investment funds, guaranteed loans and subsidies.

Lastly, the Commission is asked to reassess its Communications on cooperatives and the European cooperative society, and its [1997 Communication](#) on the promotion of the role of associations and foundations in Europe.