

CONSULTATION ON THE FUTURE “EU 2020” STRATEGY - A EURO COOP CONTRIBUTION -

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EURO COOP is the European Community of Consumer Cooperatives, whose members are the national organisations of consumer cooperatives in 18 European countries. Created in 1957, EURO COOP today represents over 3,200 local and regional cooperatives, the members of which amount to more than 25 million consumers across Europe.

Euro Coop welcomes the consultation of the future “EU 2020” strategy as a unique opportunity to reshape profoundly the EU agenda for the 10 coming years and beyond. As stressed by the European Commission, Europe needs a **new sustainable social market economy**, putting people and responsibility first, a confident fight against exclusion and a transition to a green economy.

This praiseworthy vision asks for the involvement of all actors. **Cooperatives** are the type of enterprises that are best placed to deliver these results and **have to be clearly included in the “EU 2020” strategy**.

Cooperative enterprises are the best-placed actors to contribute to the “EU 2020” strategy

A sustainable social market economy: the aim of cooperatives

Euro Coop is particularly satisfied to see the European Commission referring to “**a new sustainable social market economy**”, following the adoption of the Lisbon Treaty. This is indeed the original aim of consumer cooperatives and cooperative businesses at large.

To understand this, a brief presentation of cooperatives is necessary. A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Such cooperative business is run democratically, meaning that each member has an equal voting right, following the “one person, one vote” principle. Besides that, cooperatives favour a sustainable development of themselves and their surrounding communities. They put emphasis on intergenerational solidarity through the constitution of indivisible reserves.

Consumer cooperatives are **cooperatives operating in retail**. Consumers are their direct members, who receive a dividend according to their purchases. Mainly active in food retail,

consumer cooperatives are also providing energy, books, transportation and many other services. European consumer cooperatives represent 25 million consumer-members and a global turnover of more than 75 billion Euros. Their outlets range from small convenience stores in remote villages to hypermarkets in cities. They are market leaders in several countries such as Italy, Finland, Denmark or Slovakia.

To achieve the objective of a sustainable social market economy, the European Union needs to support the already existing sustainable social market players that cooperatives are.

The promotion and protection of cooperatives by the EU would be a concrete step towards this new objective, which has now to be translated into reality.

Putting people and responsibility first

When the European Commission stresses its will to promote a sustainable growth putting “**people and responsibility first**” and “**empowering people**”, Euro Coop considers that cooperatives are the best suitable option to reach this objective.

Cooperatives are means to empower individuals by enabling them to answer to their needs through a business they control. This **cooperative empowerment** is fully integrated in the market and develops the autonomy of the individuals without State intervention. Cooperatives make people responsible of themselves through a business they jointly control and where profit is not an end, but a means to achieve their needs. As democratic undertakings, cooperatives entail active participation from their members.

Cooperative self-help instead of self-employment

Self-employment is suggested by the European Commission as a real option for those who may have recently lost their job. As cooperatives, although we recognize self-employment may deliver some results, we believe that much more can be achieved through the stimulation of cooperative start-ups. **As all start-ups, these cooperative start-ups should get an adequate support.** While self-employment is quite often a fragile and solitary undertaking, a cooperative, created by a group of individuals to answer their needs and expectations and help themselves, is more socially inclusive and economically sustainable. Empowering people through inclusive businesses is the aim of cooperation, which echoes the objective of the European Commission as expressed in the working document.

Cooperatives as a way to reach a greener economy

Euro Coop welcomes the objective expressed by the European Commission to create a “**competitive, connected and greener economy**”.

This praiseworthy objective needs the contribution of all businesses and, among them, cooperatives. Cooperatives are active green energy producers and users and particularly well positioned to be key players in the energy revolution needed.

What has been missing up until now has been the question of 'how?' What sort of energy structure can provide a vehicle through which communities can both reduce and meet their energy needs? How can we ensure that all people, not just a few, will be able to share in the gains of the newly created energy infrastructure?

Again, the co-operative enterprise model can offer interesting answers. Having a long-term perspective and being deeply rooted in the communities they operate in, cooperatives perfectly fit the radical green change needed.

For example, Coop Italy has launched in 2006 the "Coop4Kyoto" project, reducing by more than 61,000 tons the amount of CO₂ produced by the supply of own-brand products. A similar projects exist in the Nordic countries, where Coop Sweden, Coop Denmark, SOK Corporation and Coop Norway have come together to calculate and reduce carbon emissions of the private labelled products. In the UK, the Co-operative Group has reduced energy consumption across the business by 12% (compared to 2006), with reduction targets of 20% by 2010 and 25% by 2012 (based on 2006 levels). Furthermore, all the Group's energy comes from renewable sources (893 GWh in 2007).

Moreover, consumer cooperatives provide much information to consumers on concrete actions they can take, among others through magazines and leaflets. For example, SOK Finland issues a monthly magazine distributed to its 1.8 million consumer-members, explaining how to minimise energy consumption and which products can serve to this purpose and Coop Italia has carried an educational project entitled "Save Energies" raising awareness about energy efficiency.

The cooperatives' contribution to a greener economy is also illustrated by energy producer cooperatives and energy consumer cooperatives. Energy producer cooperatives favour the expansion of renewable energy production, while energy consumer cooperatives directly involve communities in the development of their activities. Through collectively pooling their purchasing power, inhabitants, local businesses and public sector organisations can all come together to save money and help tackle climate change. In this way, energy co-operatives are able to purchase their own energy on the wholesale markets and negotiate affordable deals for advanced new technologies thereby allowing households to realise important savings.

While these organisations may begin as a practical expression of self-help, they have the capacity to fundamentally change the way in which energy is purchased and produced. In the case of energy consumer cooperatives, once established, the co-operative forms a framework through which **ordinary people can build and own an infrastructure** that will reduce their long-term energy costs and manage the reduction of their carbon emissions, notably with the growing use of renewable energy.

Cooperatives and among them energy cooperatives can hence effectively contribute to a competitive, connected and greener economy¹. Not only do energy cooperatives need to be recognized as valid solution, they need also **support from the EU**. A clear mention to cooperatives in the future EU 2020 strategy would be therefore a first, important step.

¹ During the last General Assembly of the International Cooperative Alliance on 19-20 November in Geneva, US economist **Jeremy Rifkin** stressed that cooperatives are key tools to shift to a **distributive energy model**. Generalising local production through community energy cooperatives and interconnecting these local renewable sources into an electricity super-grid would be decisive in the green mutation of our energy supply chain into an open access intergrid.

The need for tailored policies for cooperatives as to fully contribute to the EU 2020 strategy

Consumer cooperatives demonstrate in their day-to-day activities their commitment towards a sustainable social market economy. It would therefore be important the support of the EU of the social entrepreneurial model they represent through policies adapted to their specificities.

Euro Coop supports the Commission's views regarding access to credit stressing that **"new sources of growth such as the creative industries need new types of financing adapted to their business models"**. This should also apply to the cooperative business model, which has always encountered difficulties in accessing credit for its growth, given its particular financial and social capital structures.

Similarly, Euro Coop considers that if **"the development of SMEs, the support of their growth potential and internationalisation"** is obviously laudable, the focus should be broader and include cooperatives.

Finally, Euro Coop welcomes the will to create a competitive, connected and greener economy through **"targeted regulation"**, which is ideal to reach a new sustainability model.

Once more, cooperatives would need EU regulations providing them with a specific legal framework.

Conclusion

Whatever the options chosen by the European Commission, the European Union of 2020 will be profoundly different from an economic, social and environmental perspective. As highlighted by the European Commission, **this is a time of deep transformation for Europe**. The growing climatic and economic crises are modifying much deeply rooted certitude and stressing the need for a change of paradigm.

Cooperatives in general and consumer cooperatives in particular, can be at the forefront of this structural change provided that they are not only recognised by the EU but also supported by concrete and tailored politics. Therefore, **we call for the inclusion of a specific reference on the promotion and development of cooperative societies in the future EU 2020 strategy**.

For further information, please contact:

Thomas van Zwol

Cooperative Enterprise Policy Officer

Euro Coop aisbl

Tel: +32 (0)2 285 00 78 - E-mail: tvanzwol@eurocoop.coop