



Conférence Européenne Permanente
des Coopératives, Mutualités,
Associations et Fondations

European Standing Conference
of Co-operatives, Mutual Societies,
Associations and Foundations

Brussels, 29 March 2007

**« Modernising labour law to meet the challenges of the 21st century »
Response of the CEP-CMAF to the European Commission's Green Paper**

The European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations (CEP-CMAF) represents the main social economy organisations at European level. The **CEP-CMAF** represents cooperatives, mutual societies, associations and foundations and various other forms of enterprises which share the values defined in the Social Economy Charter.

Social economy enterprises account for 10 % of all enterprises in Europe, an equivalent to 2 millions enterprises. They employ more than 9 millions people and represent 10% of Europe's total employment. Through their different structures, **social economy enterprises are involved with the near total of the European population.**

Social economy enterprises distinguish themselves by the primacy of the social objective over capital, their relationship with the territory and their involvement in local development. **Social economy enterprises are strong players in the market**, with high levels of competitiveness. Originating from their very nature and enshrined in their statutes, social economy enterprises defend and apply principles such as solidarity, social cohesion, social responsibility, voluntary and open membership, democratic control by the membership and independence. They do represent a different form of entrepreneurship from the dominant model of capital-based companies.

The **CEP-CMAF** has been looking at the European Commission's Green Paper "*Modernising labour law to meet the challenges of the 21st century*" with great interest. As part of the public consultation, the **CEP-CMAF** is willing to give its comments and suggestions to consideration. In addition to the **CEP-CMAF's** common contribution, some of its members such as **Coopératives Europe, CEGES** and **CEPES** have developed their own positions. Please find these contributions attached.



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Labour law reform

The **CEP-CMAF** considers that a labour law reform should take into account social economy enterprises' specificities. These specificities have made social economy enterprises strong contributors to the **European Social model**.

Social economy enterprises are major actors in maintaining and developing **social cohesion**, acknowledged during the Lisbon Summit as "*a strategic aim for the next ten years*".

- **Proximity:** thanks to their firm rooting in the territory, social economy enterprises take an active part in the development of less favoured regions and meet the needs of local members and local population
- **Solidarity:** thanks to their shared social values, social economy enterprises favour solidarity towards disadvantaged people and the promotion of employment. They provide easy and unhindered access to services essential to social and human existence
- **Democracy:** thanks to the principle of *one person, one vote* shared by social economy enterprises, workers' participation in the decision making process contributes to productivity and competitiveness increases, as well as to a greater level of security in employment
- **Repartition:** thanks to the alliance of social objectives and economic efficiency, social economy enterprises differ from other forms of companies. They are groupings of persons with a non-profit priority goal, built around the repartition of financial surplus to the individuals or a framed lucrativity.

The European Commission should consider these specificities as, by their very own nature, social economy enterprises can give solutions in area such as the creation of quality employment, the fight against unemployment, the fight against exclusion and any form of discrimination, life long learning, population ageing and easy access to health care for all.

Security and flexibility

A reform program should not only be about flexibility and security (or *flexicurity*) but should focus on the **improvement of working conditions** and of **quality in employment**.

More flexibility should not mean more precariousness. The **CEP-CMAF** worries about the increase of precariousness in employment.

The **CEP-CMAF** intends to promote vocational training and life long learning. It reaffirms its investment in **Human Capital**. Content of training programs should meet the market needs and social economy enterprises have great experience in bringing adequate solutions.

The predominant model of employment contract in the social economy sector is permanent contract. However other models of employment contract allow for diverse employment situations, such as the inclusion of people facing difficult conditions in areas such as entertainment, sport and employments in some areas of health services.

Social Dialogue

The **CEP-CMAF** sets the **development of social dialogue** as a priority. Therefore, and taking into account each and every particularity of social economy enterprises, social economy enterprises assert to be considered as **social partners as such**, in order to play an active part in the development of social dialogue at European level. In this context, CEP-CMAF advocates for the development of **branch-level collective bargaining**.

The **CEP-CMAF** considers it crucial to maintain **fundamental social rights** and to take into account the European Charter for fundamental rights in legislations and in the social dialogue. The **higher level playing field** should be guaranteed in terms of labour legislation. Increased protection and guaranties' levels should be promoted in national legislations in order to reach **highest levels of social and employment protection** in the European Union. Furthermore, the recognition of national legislations' complementarities should be encouraged.

Considering the complexity of existing legislations, the **CEP-CMAF** considers not necessary to add legislations referring to SMEs. **Collective bargaining processes should adapt to SMEs' particularities.**

Furthermore, the **CEP-CMAF** points out to the Commission that the *ILO's recommendation 193 on the promotion of Cooperatives*, approved in 20 June 2002 with almost total unanimity and with a positive vote by all EU member States, includes a basic package for workers' rights.

Finally, the 2004 European Commission's *Communication on cooperatives (COM (2004) 18)* acknowledges the **importance of cooperatives** in the filed of job creation and proposes a number of concrete measures aimed at improving their productivity, strengthening their competitiveness and developing their business potential.