Parliamentary Assembly
Assemblée parlementaire
https://pace.coe.int

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Recommendation 1004 (1985)[1]

Future of co-operatives in Europe

Parliamentary Assembly

The Assembly,

1. Noting that member states' co-operative movements, which are little known despite their historical importance, have developed remarkably in recent years, both in the traditional sectors, such as agriculture, consumers and credit, and in the sector of workers' production and labour cooperatives, by spreading to areas where the co-operative system has not traditionally been active, such as the social services, health, tourism, automatic data processing, pharmaceutics, culture, youth, the environment, Third World projects, housing, etc. ;

2. Considering that this development is all the more remarkable in view of the present situation of European society, characterised by high unemployment levels, a disturbing rate of inflation, stagnation of investment and a need to alter the organisation of work, due to the crisis affecting the economy and to the tendency in some countries for young people to turn to autonomous and collective forms of work organisation ;

3. Convinced that co-operatives are a factor which could help to meet the crisis by providing an original response not only as a job creator, but also as an excellent framework for avoiding traditional employer-employee conflicts, and pursuing other social aims ;

4. Considering that research by ILO and OECD as well as other international surveys and a recent detailed study by the European Communities have highlighted the co-operative movement's positive role in generating employment, especially for young people, and correcting sectoral and geographical imbalances in Europe ;

5. Noting nevertheless :

a. that the present difficulty in precisely defining the legal status of co-operatives is a source of problems and sometimes leads to abuse of the co-operative concept ;

b. that co-ordination between various sectors and national movements is piecemeal, that contacts are irregular and that the movement seems to lack a common strategy commensurate with its potential ;

c. that current legislation, regulations and practice relating to credit are inadequate in certain sectors for fostering the development of co-operatives ; and

d. that the co-operative movement is having to make a special effort to reconcile statutory restrictions on inputs of capital, the lack of venture capital and the special nature of cooperatives' structures with the need for competent technical administration and efficient business management, since commercial success is just as necessary in a co-operative as in a conventional company ;

6. Considering that a European agreement for co-operatives should be drawn up, setting out principles for improving collaboration between co-operatives, both geographically and sectorally, with the aim of coping more effectively with economic problems which often go beyond national boundaries ;

---

1. Assembly debate on 1 February 1985 (29th Sitting) (see Doc. 5321, report of the Committee on Social and Health Questions, and Doc. 5333, opinion of the Committee on Agriculture). Text adopted by the Assembly on 1 February 1985 (29th Sitting).

7. Aware of the major role played by agricultural co-operatives in defending and furthering the interests of European farmers, both as purchasers and producers ;

8. Conscious, however, of the growing difficulties of agricultural co-operatives in recent years, due in particular to increased competition from other types of production, distribution and marketing ;

9. Believing in particular that a way has to be found to combine the traditional commitment of agricultural co-operatives to internal democracy &mdash which in today's world may lead to slower decisions and belated adaptation to new market conditions &mdash with the requirements of modern management,

10. Recommends that the Committee of Ministers :

10.1. instruct a committee of experts to study legislation on co-operatives in member states in order to work out a set of minimum standards and prevent the co-operative concept from being abused &mdash as far as the latter problem is concerned, particular emphasis should be placed on ways in certain circumstances of transforming enterprises of capital into co-operative societies, especially with regard to the workers' right of pre-emption in the event of business bankruptcies ;

10.2. draw up a list of the forms of aid which central and local authorities could allocate to cooperatives at national and regional level, in order to eradicate certain types of discrimination from which they may suffer at present and, above all, promote the proper development of sound, well-managed co-operatives, with the responsibility resting on the participation of their members ;

10.3. help to set up a European system for pooling documentation and information on national research, statistics and experience, as well as increase scope for creating employment for young people, especially in experimental sectors ;

10.4. encourage the setting up of a European college or institute or new departments in existing establishments for training executives capable of managing co-operatives in a modern manner and adapting co-operatives &mdash particularly small ones &mdash more closely to their environment, such training being a priority need ;

10.5. entrust such a college or institute with studies regarding the need for internal reforms in agricultural co-operatives in particular, aiming at giving a greater role to women in leading positions and increased responsibility to managers for current affairs and long-term planning &mdash while preserving the flow of information to members and guaranteeing them the ultimate right to decide on strategic matters ;

10.6. invite the governments of member states to encourage a reorientation of agricultural cooperatives towards a better adaptation to new market conditions, greater readiness to adopt new technology and a diversification of their operations ;

10.7. arrange for the earliest possible convening of a European co-operative conference as a means of initiating a dialogue between national and European co-operative organisations, local and regional authorities, European institutions and governments ;

10.8. place the question of co-operatives on the agenda of a forthcoming Council of Europe conference of Ministers of Labour, and invite the Assembly to participate actively therein ;

10.9. invite the Resettlement Fund to increase its scope for financing co-operative projects as generators of employment in accordance with the spirit of Recommendation 981 (1984), with special emphasis on youth unemployment and the advanced branches of the tertiary sector.