Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 1195 (1999)[1]

Social functions of co-operatives, mutual insurance companies and associations which form the basis of Europe's social economy

Parliamentary Assembly

1. The situation of unemployment in Europe makes essential the search for new instruments, new ways of organising labour organisation and new entrepreneurial ventures essential, as the reflections in Chapter 10 of the European Union White Paper on Growth, Competitiveness and Employment show us the need to find a new socio-economic development model for our continent.

2. Widespread poverty and the dismantling of social protection systems constitute threats to social cohesion. Organisations based on the principles of solidarity, self-help and self-responsibility can, therefore, contribute to improveing social integration and social cohesion.

3. It is generally accepted that the term "social economy" includes co-operatives, mutual organisations, associations and foundations. These often refer to concepts such as social solidarity and the primacy of the individual over capital. They are, in particular, schools of democracy.

4. The term "social economy" describes a certain sector of economic life, and does not imply that capitalist economy is devoid of any social dimension.

5. However, social economy is an open concept including a wide range of organisations alongside the private and public sectors. It is also known as the "third sector", and in some countries user-driven organisations and non-profit-making organisations are also affiliated to this sector.

6. Although social economy cannot offer the sole solution to unemployment, it can play a non-negligible role in modernising the welfare state and encouraging an innovative approach to employment policy.

7. Like all sectors of the economy, social economy whas also been affected by globalisation and is in the process of rethinking and redefining its mission and its specific role.

8. Since the Parliamentary Assembly adopted its Recommendation 1004 in 1985 on the future of co-operatives in Europe, another new phenomenon has occurred:, namely communist regimes have collapsed in eastern Europe, and so have the co-operatives which were an integral part of the economic system. A renewed reflection is therefore necessary in rebuilding and restructuring the social economy, in particular co-operatives, in those countries, in a way which is adapted to the free market economy.

9. The Assembly stresses the importance of promoting and supporting social economy organisations.

10. The special character of co-operatives, according to the principles as defined by the International Co-operative Alliance (ICA) Statement on Co-operative Identity, should be generally accepted and recognised as beneficial to society.

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1. Assembly debate on 25 June 1999 (24th Sitting). (see Doc. 8366, report of the Social, Health and Family Affairs Committee,rapporteur: Mr Arnau). Text adopted by the Assembly on 25 June 1999 (24th Sitting).

11. The Assembly calls on the member states of the Council of Europe to recognise co-operatives as associations through which citizens effectively overcome a wide range of problems and achieve many of their goals that include economic and social objectives, such as the creation of employment, overcoming poverty and encouraging social integration.

12. Full autonomy of the co-operative movement should be guaranteed. Any intervention by government must be positive to that goal.

13. The principle of "equal treatment" between social economy organisations and capital-based enterprises can be reconciled with the recognition of the special nature of co-operatives and other associations. Governments should attempt to create a supportive environment in particular by:

13.1. tax regimes;

13.2. leasing land and property at an agreed rent;

13.3. setting up incentives to motivate the creation of co-operatives, mutuals and associations;

13.4. establishing centres of information and promotion of social economy;

13.5. setting up of specialised structures to interact with them.

14. This idea could be taken one step further by the creation of a European forum on the social economy as a meeting place for providing and exchanging information, experience and good practice and in order to settle the problems originating from general economic globalisation. Opening Initiating a process of harmonisation on social economy regulations would also be desirable.

15. The Assembly considers that the development of a solid and well-structured third sector in eastern Europe should be a matter of urgency;, which this involves the setting up of an institutional framework of relationships among between the western and eastern European social economy organisations.

16. The Assembly decides to transmit this resolution to the European Parliament, the Economic and Social Council, the Co-op Branch of the International Labour Office (ILO), the International Co-operative Alliance (ICA) and the Committee for the Promotion and Advancement of Co-operatives (COPAC) which is a partnership body between the co-operative movement and the United Nations and its agencies.

17. The Assembly calls on the member states of the Council of Europe to give support to guidelines, under preparation, aimed at the development of co-operatives, when it comes before the United Nations' General Assembly in 1999.