

DO THINGS DIFFERENTLY: THE NOT FOR PROFIT AND VOLUNTARY SECTORS

The community and voluntary sector (CVS) --consisting of mutuals, cooperatives, associations and foundations (hereinafter "ESS") is represented in almost all sectors of the economy: social action, healthcare provision, sport and leisure, education and training, banking and insurance, agriculture, industry, construction, social housing, retail, crafts etc. It has often addressed emerging needs which have since become markets in their own right.

The CVS today accounts for between 7% and 10% of GDP according to information sources

With strong values, practices and statutes of its own, the CVS sees itself as an economy in its own right: neither a substitute for public action and public services, nor a remedy for the excesses of an economic model in crisis. It asserts itself as a socially useful economy acting in the service of the collective interest and of social cohesion

38 million people are protected by a mutual belonging to the National Federation of French Mutual Insurers

Our assembly believes that it is the statutes which define the scope of the CVS. Indeed these incorporate common values (businesses for people rather than capital, solidarity between members, democratic governance, indivisibility of collective ownership) and specific values (non profit for associations, mutuals and foundations; supervised and regulated profit making for cooperatives). Consequently, the introduction of a label or voluntary recognition device offers no real interest.

21,000 cooperative businesses employ nearly one million people

Similarly, the ESEC stresses the importance of social dialogue within the CVS sector and recommends that there be no confusion between the system of governance and staff representative bodies and that the latter have their prerogatives respected.

45% of French citizens are members of an association and more than 1.8 million employees work alongside 16 million volunteers



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MODERNISE THE COOPERATIVE MODEL TO FACILITATE THE TAKEOVER OF FIRMS BY THEIR EMPLOYEES

The takeover of companies by employees should not be restricted to firms in difficulty and the cooperative model, such as the SCOP, can provide a more general solution to the issue of the transfer of SMEs which are in good health. Forward planning, the preparation time for the collective project and access to funding are the factors which will be decisive for the success of such a takeover.

👉 In the case of firms in difficulty:

- this formula should be used with caution while favouring real support for the employee-buyers;
- training of legal guardians and commercial courts should be provided to enable them to better take into account the interests relevant to this solution;
- the mechanisms for help with starting or buying a business (ARCE) and for the wage guarantee scheme (AGS) must change in order to allow employee-buyers to mobilise their financial resources more quickly;
- when a takeover of a failing firm by employees appears to be economically viable, the employees should be given preferential rights to a takeover.

👉 To facilitate transfers of sound businesses it is appropriate:

- to establish, for commercial firms, a right to information for employees on any planned disposal;
- in the absence of a planned family transfer, that employees have, after disclosure requirements, a right to a takeover within a reasonable timescale during which sellers and employee-buyers can review the transfer terms;
- in the specific case of «predatory funds» to exercise a preferential right to takeover by employee-buyers.

👉 The ESEC also encourages:

- the creation of a transitional SCOP statute for seed capital, allowing temporary “piggybacking”; the time for the employees to purchase the shares needed to hold a majority of the capital;
- the creation of a model allowing consolidation and support for the external growth of the SCOP: the cooperative group;
- changing the scale of financial resources.

👉 The ESEC is pleased to note that the public investment bank has a sub-fund specifically dedicated to the financing of the CVS. Developments should be closely monitored.

👉 It is also important:

- that the role of cooperative banks is strengthened with regard to the support they provide to employees setting up or taking over firms;
- to provide a guarantee for funds raised by investor-employees as well as for investment funds;
- to encourage the creation of a fund specialising in business takeovers;
- to direct employee savings to a fund dedicated to business transfers and takeovers by employees.

PROMOTE THE LOCAL DEVELOPMENT OF THE CVS

1. Promote the proper structuring of the regional CVS stakeholders

👉 For the ESEC a greater recognition of the CVS regional chambers (CRESS) is a prerequisite.

To achieve this, it is important:

- to simplify and harmonise the composition, operation and objectives of the CRESS without necessarily calling for
- the CRESS to be transformed into consular chambers;
- to ensure the presence of the CRESS in the third college of the regional economic, social and environmental councils (CESER);
- to define how to associate trade unions with the CRESS with regard to the development of the NFP sector without replacing the forums for social negotiations.

👉 The CRESS must be based on solid associative, mutual and cooperative networks and in this way contribute to the full recognition of the latter's prerogatives.

👉 The ESEC recommends the participation as of right of employers' organisations in the NFP sector and all regional committees for the coordination of employment and professional training (CCREFP) and CESERs (first college).

2. The tools to develop the CVS: contracting and funding

👉 The ESEC strongly encourages:

- structure a policy to promote the development of the CVS via contracts between public authorities and stakeholders. In particular the CVS should be considered in the drafting of State/regional project contracts;
- encourage cooperation between economic stakeholders in a given territory by promoting the structuring of local CVS development policies in a flexible way;
- provide better support for the CVS by using a portion of regulated savings and life insurance, as well as by creating new leverage through the public investment bank;
- mobilising all the financial solidarity tools;
- preferred access to public procurement as now permitted by European regulations;
- securing subsidies as a funding model for the activities of associations and clarifying the contractual relationship between associations and communities.