

# **COPAC OPEN FORUM**

## **SOCIAL ECONOMY AND NEW COOPERATIVES CREATE JOBS?**

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Dear friends, chairman, women and men in the audience. As a woman I'm proud to get the opportunity to share my experiences and values with you. I'm very pleased to be invited to make a contribution here at the COPAC Open Forum.

With a gender perspective I will concentrate on new needs, new areas of cooperation and employment.

Maybe some of you participated on the conference in Bologna, 30<sup>th</sup> November and 1<sup>st</sup> December 1998, "Cooperation and Entrepreneurship 2000", which was a good start for the work with a whitebook on cooperation within EU.

The Bologna conference provided an opportunity for wide-ranging discussions between representatives of the cooperatives in Europe. It realised also that the cooperative sector in Europe is highly diverse and complex, and that it has always been in state flux - particularly in the recent past. Legislation and structures are both constantly evolving, with new regional laws and laws on new types of cooperatives.

Cooperatives have a potential of undertaking, for developing new activities, creating jobs and responding to various needs of the market and society that are new or have not yet been met. Cooperatives have also an important role in the maintenance of a welfare society and social cohesion.

Tomorrow's business policy has to cover the various aspects of cooperatives and provide tools and support services to enable our enterprises to make optimum use of our capacities.

I've been working as cooperative advisor during more than 15 years to be more precise on the Swedish West Coast, in Sweden's second largest town - Göteborg. Since 1998 I work for Koopi, the Cooperative Research and Development Institute in Sweden as responsible for cooperative development issues and European affairs.

I will start on a personal level. I'm lucky to live on a small island in our beautiful West Coast archipelago.

I am 45 years old, married with Björn and I'm the mother of four daughters, and I'm also grandmother to a wonderful one year old girl. I tell you this because; to me the cooperative development work represents a life style. I strongly believe that to all cooperators our active engagement and active presence must permeate our work as well as our spare time. To me it's extremely important to participate in the creation of a better society for all of us. It's also important to show my daughters that everything is possible. If we just work together.

On my island we started some 15 years ago and created a parental childcare centre, a user coop. Now it has change to become a community coop with different activities such as, library, leisure centre, telecottage etc. We start activities that are fulfilling our needs on the island. And you have to know it's a very small community, we are just a hundred persons living there. The two latest projects that we have fulfilled are a new port and a windmill. The port has been created in a local partnership and it has facilities that are given all people, also those of us with disabilities, access to the sea. The partnership was created by the Island Coop, The Sailing-association for disabled persons, the Port cooperative, and the municipality and partly financed by European Structural Funds. Last year we also started our first cooperative windmill, the windmill provides us energy to a lower cost and makes us more independent.

Cooperation - to cooperate - to unite what's beneficial to you with what is good for the common is a goal, but above all it is a mean to make us gain power over our own everyday situation. This also shows in the cooperative development work in Sweden.

Sweden has a long tradition of cooperative associations. Studies show that there are some 200 000 local societies in Sweden with between 25-30 million members. This means that the great majority of the population is members of one or more societies. I think you know that we are around 9 million inhabitants.

Furthermore, cooperative associations and the cooperative movement have played an important role in the social and democratic development of my country. During the depression in the 1930s when there were high rates of unemployment, the cooperative movement played decisive part in bringing about an improvement in conditions and increased interest in new forms of cooperatives, for examples housing coops.

Today cooperative enterprises constitute a considerable proportion of the Swedish economy. The lines of business in which cooperatives are of major economic importance in Sweden include retail trade, housing, agriculture, forestry and insurance. In some regions and in some districts, small cooperative enterprises have emerged over the last fifteen years and become a significant part of the local economy.

In the welfare sector particularly, new forms of cooperatives have strongly increased. At present there are approximately 4500 cooperatives in the welfare sector in Sweden. These cover cooperative childcare run by parents, schools, care of elderly, mental care, ante natal care, physiotherapy, dental services, services for the handicapped and other forms of social cooperatives.

The Government takes a very positive view of the new cooperative developments. In the past thirteen years the Swedish Parliament has allocated funds for the development of cooperatives. The money is chiefly used to contribute to financing information and counselling concerning the establishment of new cooperatives provided by 24 local development centres all over the country.

In relation to the government resources invested, these activities have been created in hundreds of enterprises at very small expense.

Very often the local work is about social cooperatives, in the cities it is a way to solve a shortage situation, to gain power and influence, in the countryside it is more a question of survival. It's also so that around 80 percentage of those who starts new coops are women.

To the cooperative sector it's naturally to support partnership creations. Partnership in a new and broad meaning has to be built on all level. In the cooperative development work in Sweden we're talking about the importance of parallel strategies.

Partnership on the ground, in the local community, the suburbs, the villages, municipality, regions, national, Europe and global. The local work depends firstly of the needs among the people living there.

It all started of in the mid-seventies, with the establishment of parents' cooperative childcare, and several workers' cooperatives. The workers coops were, at that point, seen as an alternative to the complete closure of a company.

The beginning of the eighties saw the start of youth cooperatives, which were seen as a way to fight unemployment amongst youth. Here in these local youth cooperative projects the idea to start local development centres first saw daylight.

In the beginning of the 1980s, a special group was formed within the Ministry of Industry to support the growing development of worker cooperatives in Sweden. Earlier, consumer and agricultural cooperatives were totally dominant in Sweden. But now the Swedish Government had discovered that new forms of cooperation had a lot to offer society as a whole, and it responded with increased public support for cooperative development.

In 1986, after some massive local as well as national lobby work from the entire Swedish established cooperative movement, the Cooperative Council decided to take measures to build a national cooperative development system. In the cooperative development systems program, 1986, they state;

" Through this system of information education and development on central and local levels, it is our expectation to create as favourable conditions to new cooperative enterprises as we have for all other types of companies."

The system's funding was a mutual effort from the established cooperative movement and from the government.

One task was to support the creation of local development centres (CDC's). The CDC's was supposed to launch local initiatives, where the local cooperative movement should provide its part of the expected funding. The primary aim for a CDC is to support local cooperatives establishing in all sectors. This means that the prime target is to create cooperatives and not to provide jobs, but of course new jobs are a natural consequence of cooperative development.

In 1990 an evaluation was carried out, and this showed that the local development centres had been successful in their work, and that their users appreciated their efforts. The evaluation showed that the new cooperatives and the cooperative development centres had had a positive influence, both on local economic development and on the development of society as a whole.

A later audit of the new cooperative enterprises, carried out by the Swedish National Audit Office, showed that the local CDC's had a total turnover of SEK 20 million during 1992. The same year 1300 jobs were created within new cooperatives at an annual cost of SEK 11000. This can be compared with calculations made by the Swedish board of Labour and Employment, which suggest that the generation of a new "traditional" job cost about SEK 74450.

The local cooperative development centre does, with its work, increase the possibilities for rural development; another effect is that the parents' cooperative childcare-centres enable women to find work outside their homes. Cooperative development also adds a healthy dose of pluralism to the Swedish industrial life. This increased pluralism, in its turn, gives increased opportunities for non-traditional entrepreneurs to find a suitable

form for their activities. Last but not least it could be said that social cooperatives are an alternative to common privatisation of the Swedish public sector.

The CDC's, through developing enterprises with a non-profit and public interest aim for disadvantaged groups, not only creates new job opportunities, but also stimulates empowerment of the people and community through participation and control by members and workers. Through such an active participation process, the CDC's also creates a new entrepreneurial culture of the social entrepreneur.

A great number of new enterprises are created in the context of welfare municipal public sector. This development is due to the real needs within the local society. To develop a sustainable local economy partnership is extremely important.

The local cooperative development centres have a focus on non-traditional entrepreneurs, by aiming at people with different kind of handicaps, they decrease the societal costs in this area, and at the same time give these people an increase in the quality of life.

All CDC's in Sweden are independent, secondary cooperatives working mainly with information, training and counselling in the cooperative and the social economy field.

In 1985 we had 3 local cooperative development centres in Sweden, today there are 24, at least one CDC in every Swedish county.

The first Swedish CDC's were started in the early and mid-eighties, in 1986 they started to cooperate in informal networks. The Network was founded for mutual training, competence development, and exchanges of experiences and information between the different CDC's. Amongst the members we find the established worker cooperative, agricultural and consumer cooperative movements alongside the growing new cooperative movement. In some CDC's you will find county councils and communities as active members, and in other places you will find other parts of the national movement. All together the CDC's have more than 1000 members and around 150 employees.

Every CDC has a strong local and regional attachment: a condition to obtain governmental subsidies. This rather modest financial support is used to provide a first free advice for groups forming coops, as well as for the general public in the region.

In 1994 the CDC's decided to form an organisation to become even better in local development. The Association of Swedish Cooperative Development Centres is a non-profit organisation. The organisations main aim is to support the local CDC's.

To be successful there must be a supporting political atmosphere in the sense that the political parties both verbally and financially express their support both to the idea of worker coops as well as to the idea of consumer coops and the whole social economy. The financial support must be substantial, as the groups that form cooperatives are normally financially weak and cannot, on their own, afford to pay for the support they need. Also, the newly formed cooperatives needs support in initial funding of their company, this support need not to be direct, it could be indirect financial support in form of vouching for loans. For example in Göteborg there is a foundation, created by the municipality and the cooperative movement, that gives this kind of financial support.

The CDC's in Sweden has every year been involved in the creation of around 300 - 500 new cooperatives each year. It's now a strong movement. Different evaluations show that the CDC's create new jobs or remains jobs to a very low cost. The financial support from the government is very efficient.

The CDC's it self is partnership on the regional/county level. You will find the whole cooperative family, side by side with other parts of the social economy, folksmovement, trade unions and municipals, counties and so on.

The latest evaluation shows the lack of knowledge about cooperatives within many authorities and organisations working with support and information to new entrepreneurs. A main part of the information-activities in the CDC's are dedicated to overcome this situation. Extremely many resources are used to inform municipalities, employment offices and others about the fact that there are legal and fiscal similarities between a ltd company and the cooperative. It's not well known that the financial support to newstarters is similar no matter what kind of enterprise you start.

Finally about Sweden, we are very proud of the work that has been done during the last years. Last year we organised a huge information campaign together with the Government. This is called Starting enterprise together. The Swedish public television has shown eight programmes about how to start cooperatives; we have a new WEB page and a lot more.

This story about Sweden is one example of what's going on in Europe today.

In the research that was made for the Bologna conference that I mentioned in the beginning, shows similar development all over Europe. I will give you some examples what we did find important.

We need a dynamic and interesting discussion and to agree that it's important to stress the opportunities to create new bridges, to work cross-boarders or intersectorial. We all have to learn from each other.

There is a strong trend of new creations within the movement both internally with new solutions and new actions in the existing and classical cooperative movements. We can also se a strong new creation.

To start with a general reflection on new phenomena, What sectors are emerging, which are the new sectors and what kind of support is needed and political recommendations.

We need to strengthen our work and the actions we can take to make Europe truly inclusive. We have to fight for social and economic integration, equal opportunities and combating marginalisation and social exclusion.

Integration demands solidarity, fellowship, teamspirit, companionship, consideration, thoughtfulness, regard, respect and empowerment.

It demands that we decisively tackle all the factors, which lead to exclusion, lack of democracy and possibilities for active participation, poverty, unemployment, poor education, poor health and housing, urban decay and marginalisation.

There is a great need of visibility. One good idea is to set up an OBSERVATORY, to follow, learn and share what's going on in the cooperative field.

First of all Cooperatives are enterprises with economic and social objectives. Coop' is one way to create new jobs, but beyond job-creation cooperatives are a lot more. It's also a question of solving a shortage situation, to gain power and influence, it's about quality of life but it's also simply a question of survival.

Plenty of social and economic needs are solved in cooperatives.

We are now facing both opportunities and risks or obstacles entering the post-industrial society.

We do have difficulties to describe the cooperative movement as it is today because the statistics are not well organised. Just one figure; on the basis of figures from Eurostat 1990 and more recent study from ICA 1996 there would be a growth in employment from 2.2 million to 3.25 million jobs during this period.

We can see the following;

- In sectors that are declining, the cooperatives are better in maintaining jobs than traditional companies
- In new sectors, services and social, the creation of new jobs is heavily expanding.

The emergence of new cooperatives

- ◆ Social cooperatives in different escapes are one of the most dynamic phenomena
- ◆ CUMA Cooperatives using agricultural machinery is a way for farmers to combine fewer costs of investments into machinery through the purchase and collective use of materials. Its both a way to involve younger farmers and to use the common machines offering services to others, public sector and private companies in the region.
- ◆ In the area of commerce we'll find coops dealing with ethical, faire and interdependent trading.
- ◆ Ethical financing and other new forms of financing cooperatives, for example a new growth of credit unions
- ◆ Community and village cooperatives, in general these are multi-purpose or multistake coops, combinations of social services for different groups of users, local crafts, community-based micro enterprises.
- ◆ School coops, everything from parental child-care coops to primary schools but also cooperatives dealing with lifelong learning vocational training.
- ◆ New types of worker coops which we may call integration coops, training for reintegration, rehabilitation.
- ◆ Female entrepreneurship while our society is undergoing profound changes for example with a growing demand for female employment, there is a great need to become economic independent, we'll foreseen a great number of women coops in all different sectors even if the main part is in traditional female sectors such as social caring.

Concluding this part it can be said that cooperatives constitute more than 130 000 enterprises and more than 3,7 million jobs. We can also see that the fast expansion new forms are appearing as much in areas of the classical cooperatives as credit, consumption, commerce, agriculture etc. but talking about job creation it's mainly in sectors such as social services, local services, education, leisure, tourism and local development.

A new phenomenon is however that the majority of the new work opportunities that are created in the new work cooperatives are opportunities for women's employment. It is especially women that invest in cooperatives and that are the cooperative entrepreneurs. It was to meet this development that CECOP 1996 created our Women's Commission and it is in the framework of the Women's Commission that CECOP has developed the project "Participation & Flexibility: An Opportunity for Women's Employment". To meet the growing female participation in social economy CECOP has also integrated equal opportunities in our statutes and election procedures. Furthermore, CECOP hopes to be able to promote equal participation of women and men within its member organisations. CECOP (The European Confederation

for Workers Cooperatives, Social Cooperatives and Participative Enterprises) is a European organisation representative at European Union level and a representative for the region of Europe, Cicopa Europe.

It is inevitable that an organisation like CECOP creates the opportunity of promoting female social economy entrepreneurship, as the new enterprises created by women are a veritable laboratory of social innovation concerning work organisation, elaboration of new methods for work sharing and methods for positive flexibility. This experimentation in the field of restructuring of working time has not only contributed to the individual aspirations of women, but also to better reconciliation of individual, family and working time. Furthermore, the female innovations show good examples of how the new "spare times" within the enterprise have been turned into new job opportunities for women.

In all, this experimentation constitutes an answer to the important deficits Europe is confronted with in the context of a high level of structural unemployment. It is an answer to the demands for modernisation of work organisation and for a growth of female employment. The special features of these enterprises that have put into practice models of advanced participation meet the demands of society, but through models of positive flexibility and work sharing they also meet the demands of individuals and enterprises. The creation of an entrepreneurial culture that include female participation as elected to higher posts of decision-making within the enterprise will also lead to a growing recognition of equal opportunities between women and men.

In Sweden new cooperatives are especially expanding in female-dominated areas, that is, in branches which are dominated by the work, professional skills and interests of women. One reason might be that the "flat", non-hierarchical organisation suits women particularly well. It provides an "easy" framework for starting a business and to run a cooperative might imply a useful experience in entrepreneurship.

The Swedish cooperative day-care centre "Sjöelefanten" provides an example of how women's participation and flexibility actually increase with the cooperative as it enables women to have certain jobs that they could not have had without this service. "Sjöelefanten" provides child care 24 hours a day to be compatible with the special working hours of employees on "Stena Line"- a passenger ferry between Sweden and England. "Kalabaliken", which is another cooperative day-care centre in Sweden is an example of how flexibility increases for single parents, as the running of the cooperative is organised by themselves with respect to their particular situation. Parents also collaborate when the day-care centre is closed.

One hypothesis is that cooperatives are generally more open organisations than private businesses, and in some cases they do also provide means for enhancing male participation. Experiences from Sweden indicate that fathers are more involved in cooperative day-care centres than in public ones. Firstly, they participate more in the development of their own children at the day-care centre. Secondly, as all parents usually carry out various duties at their cooperative day-care centre children get to know each other's fathers. In Sweden men's participation in the family life increases women's possibility to have interesting jobs.

Coming to an end, in the Cooperatives we have no use of nice and beautiful explanations and words. It's not enough to have the song on everybody's lips. There has to be a change and stronger concrete actions on global, European and national level.

We need a common cooperative strategy, develop a common language learning from each other

We have to start a process in the field of social balance or audit; maybe it will be possible to develop criteria that are used by all cooperatives in the different countries.

We need to develop models for special research-action, a special model for a "social-gender-ecological-audit". This demands dynamic processes and that both WOMEN and MEN within the cooperatives are having a "listening" capacity and who also get things done, because action is needed.

With the help of new technology we may strengthen the horizontal links

Develop a list of common good experience in the startingprocess with a bottom up approach.

As you see and you all know there is no lack of work that has to be done.

We can see that new creation of cooperatives and other social economy entities are emerging all over the world and that what I mean with global presence. We need to strengthen the networking and partnership creation an all levels.

One tool that may be used in this work is the European Social Economy Conferences. The last one was held in Birmingham in1998 and the 7th European Conference for Social Economy will be held in the city of Gävle, Sweden, from 7<sup>th</sup> to 9<sup>th</sup> June 2001. I have the pleasure to be in charge of the preparations and hereby I warmly welcome all of you to this Conference.

The Conference will focus on the **Social Capital of the Future** with four main themes, Empowerment, Employment, Entrepreneurship and Enlargement. Everyone are hereby invited to take part in the preparatory work, all your suggestions on sub-themes, speakers and so on are warmly welcome. On the way to June next year we also organise 10 preparatory seminars or mini-conferences on different subjects. You may find all information on our web page, [www.socialeconomy2001.se](http://www.socialeconomy2001.se).

The Social Capital has to be counted also in a global context.

Thank you for listening

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