

MESMER+

Mapping European Social Economy: Employment, Social Dialogue and the European Pillar of Social Rights Project nr. 101052222

1st European Event

23d March 2023

From 9.15 to 16.00

Venue: Via Nazionale, 243, second floor, stairs A,
Rome, Italy
(AGCI)

SUMMARY

The aim of the first European event of the Mesmer+ project in Rome was to provide not only an opportunity to discuss research results and policy context, but also to speak about national and EU level aims, such as a SE action plan and ESPR. A special focus was on selected European countries, where social economy players have much experience / opportunity in formal participation in social dialogue, such as in Italy, Spain and Ireland.

The in-person event brought together representatives of co-partners, associated organisations, such as the ETUC, external experts of the Mesmer+ project and invited guests from Italy, all together 25 participants.

Gianluca Pastorelli (Executive President, DIESIS Network, Belgium) and **Giovanni Schiavone** (National President, AGCI, Italy) welcomed the participants and opened the event. Mr. Schiavone emphasised the importance of social economy and of the Mesmer+ project. He said that the economy is based on the for-profit, capitalistic model, while the social economy (SE) model is more sustainable, since it is based on inclusion and cooperation. He also pointed out, that from an EU perspective, it is an aim to increase the number of workers and the SE has a potential to be an inclusive employer.

In the first session - **Social economy and Social Dialogue – Made in Italy** - **Antonio Zampiga** (Head of Industrial Relations Office, Labour Policies, Social Security, Legacoop Nazionale, Italy) talked about Social Economy as a social partner in Italy and provided a quick overview of the workers' buy-out (WBO) agreement. Mr. Zampiga started with facts: in Italy, in the cooperative movement there are three umbrella organisations represent more than 39.000 cooperatives, SE has 161 billion EUR of aggregated turnover, they employ 1,3 million workers and 13,5 million people are members of cooperatives. Of those workers, 58 % are woman; 26 % are in decision-making roles; 15% are migrants coming from third countries. The cooperatives are active in many fields, especially in wholesale, commerce, fish and agriculture, culture banking and insurance sectors. It can be found in other areas as well such as facility management, metal sector and social services of general interest. All together SE makes up almost 10% percent of the national GDP. One out of five Italians are members of a cooperative.

Social dialogue has a long history in the country and Mr. Zampiga talked about the players – trade unions, employers and government - and also about collective bargaining and collective agreements.

The tripartite relationship between members is respected at national level within the national tripartite advisory board that provides opinions on ILO conventions, with the Italian Government. The members of the tripartite advisory body are rotated.

There are other tripartite bodies at national level, two of which are the most important:

- The Steering and Supervisory Board of the National Social Insurance Agency
- The Steering and Supervisory Board of the National Institute for Insurance against Accidents at Work.

Regarding collective agreements and collective bargaining, there is no law establishing the hourly minimum wage, which is agreed through by collective bargaining at the national level. National level collective bargaining has been developing since the 1980s. The three trade union confederations sign collective agreements together, never independently. By 2023, the three organisations signed twenty-two national agreements. Some are negotiated for many years before they are agreed, especially complex regulations, such as on holidays or incomes provided during illness.

Social cooperatives have just started negotiations on the negative impact of inflation and to define minimum income levels. In 2020 a national agreement was signed to address gender violence and any form of harassment in the workplace. A workers' buyout (WBO) agreement was signed between cooperative organisations and the trade unions in 2019. Legacoop is working on the promotion of health and safety at local levels.

Q+A:

Q1. (Spain): in other countries, there is no collective bargaining of cooperatives, in Italy there is also Confindustria from employer side. How it has been developed?

A: Long story!! The system started in 1994, with bargaining within craft companies. However, it is now well developed, but there is a debate on the possible future of collective bargaining, especially in the context of the EU Directive on an Adequate Minimum Wage (EU/2022/2041) and, also, there is a problem with representation. The cooperative associations work in some sectors with Confindustria and other organisations, in other sector collective bargaining it has developed independently.

Q2. (ETUC): WBOs and the impact it has on Italy, especially in terms of job creation.

A: WBO is a good practice to spread! Either cooperatives set up by workers who lost their job due to company crisis or the transfer of companies which are not in crisis, but - typically family-owned SMEs have been sold to the workforce. The Marcora Law helps investment for/of workers. The 'death rate' of companies, in general, is high in their first years, but this is not in case of WBOs.

The second speaker was **Giampaolo Buonfiglio** (President, AGCI-AGRITAL, Italy) and he introduced the social agricultural (SA) sector, which growing in importance in Italy. Cooperatives in the agriculture sector are an important part of the system, especially for the integration of people affected by social hardship, such as people with disabilities of various kinds, both physical and mental; migrants; women who are the victims of violence; ex-convicts; and drug-addicts. . SAs help them to improve their conditions through social inclusion, training and

an introduction to the world of work. These activities, already carried out in many cooperatives, require the activation of partnerships of different subjects:

- Third sector organisations, from which the demand comes, that closely follow the beneficiaries of the initiatives by carrying out an advocacy function in their favour.
- Representatives Associations, such as AGCI, that organise 'networks of interested' and willing companies and cooperatives.
- Local authorities that follow the initiatives ensuring that they are free from market pressures and that they respect the criteria of equity and equal rights among the beneficiaries.

The benefits and advantages that can come from social agriculture are many, both for their socio-educational and welfare effectiveness and for the sustainability and cost-effectiveness of the activities involved.

For participating companies, it is important to re-design their ideas and strategies, as well as shifting the focus of their attention from the product to the person! It involves the creation of a new model of social and productive enterprise, which, on the one hand responds to the needs of the beneficiaries and on the other hand, respect the needs of the farms.

The vision of AGCI Agrital, is to link:

- Food production
- The management of land (including abandoned farms) and natural resources
- The creation of economic value
- The development of social solidarity
- Generating new employment and innovation in companies
- Opening them to a system of good practices and relations with the territory and local communities
- Assuming training and laboratory functions to respond to the emerging needs of society.

From this framework. there are many areas in which partnerships can engage:

- Implement preparatory measures (for example, feasibility studies, surveys on pilot experiences in progress, research on social agricultural entrepreneurship) pending the publication of calls for tenders relating to specific Rural Development Programmes measures such as those dedicated to the support and establishment of operational groups of European Innovation Partnership (EIP) on agricultural productivity and sustainability. The objectives of the EIP-AGRI are the same of those of the Common Agricultural Policy (CAP), such as competitiveness, sustainability, biodiversity, food security, to be assessed also in relation to the characteristics of rural communities,
- Expand the territorial dimension of the interventions,
- Develop consultancy and technical assistance for the planning and implementation of SA initiatives,
- Support the participation of agricultural entrepreneurs, through scholarships or other forms of support, in high level training actions dedicated to the development of specific skills necessary in the field of SA.

In conclusion, over the past five years, AGCI Agrital commitment at a national level, has been within the framework of the standards and guidelines mentioned. It has also prepared a Memorandum of Understanding (MoU) as a reference tool for intensifying SA activities in cooperatives. The memorandum defines the tasks that agriculture and social cooperatives respectively, intend to assume within our organisation to carry out SAs. The

MoU between social and agricultural cooperatives, committed to the AGCI MoU, provides for the following commitments:

- 1) Participation in co-planning actions for the use of SA potential in the innovations of services for social and labour inclusion for the third-country nationals who are victims, or potential victims, of labour exploitation.
- 2) Willingness on the part of agriculture cooperatives to use their structures and production processes for training activities and job orientation in a specific agricultural sector.
- 3) Collaboration in communication activities and dissemination of good practices within the SA.
- 4) Support for the promotion and valorisation of food produced within SAs, with sales also through dedicated channels.

Q+A:

Q1 (HIVA, KU Leuven): Are there any specificities that characterize the challenges of the social farming sector?

A: It is difficult to explain the social hardship of people in the social agriculture. First a cooperative need to be found that is willing to involve people and mix with their workers. The first question farmers ask usually, how many people with handicaps are we talking about, if the people can adapt themselves to work with fields, animals for example. The differences are quite different from each other, it is always a kind of redesign and experiment, and it can be only seen step by step if there is a successful process or employment need to be changed inside the same farm or within sectors. So not one size fits all, each day needs to be decided what is the solution and in 2-3 years needs change again.

Q2 (North-Macedonia): is AGCI-AGRITAL a mediator between vulnerable groups and social agri coops? Is there any program, people work for limited period only, how these programs are funded since integration takes time?

A: The financing comes from EU fundings, national or local authority projects. There is no general framework for financing. AGCI-AGRITAL try to establish a network of cooperatives who are willing to participate or deciding to try at least. AGCI-AGRITAL just opens the doors, has an intermediary role, explain what kind of complications, services, etc. expected or needed.

Q3 (North-Macedonia): Experience with disabled people?

A: yes, but it depends on the type of handicap. The selection is done by the social organization.

Intervention:

Diesis Network: in Ireland, there is a lot of focus on agriculture. Do the Irish colleagues want to share something about?

A: Kevin P O'Kelly, External Expert, IDEAS Institute said, in reply, that agricultural cooperatives were first established in Ireland in the 1890s. At present, there are about 100 such organisations across the island and, while many have evolved into major global businesses, such as Kerrygold or Avonmore, many remain small, local and are involved in providing services around core agricultural activities, including dairy processing and farm shops. Of the 100 co-operatives, over thirty are community based and another seventy specialise in other aspects of farming. There are, approximately, 150,000 individual members in these co-operatives and they also provide substantial local employment, with approximately 12,000 workers. The sector was not impacted by the financial and economic crisis, 2008-2012, as the export of Irish food products grow substantially. The agricultural

cooperatives' national organisation (ICOS) and, in general, the representative farming organisations have a substantial influence on national economic and social policies.

The third speaker in the Italian panel was **Francesco de Rosa** (Senior Expert, Diesis Network). He gave an overview of SEs in Italy, saying that the concept is more restrictive in Italy than that the EU concept of social economy. SEs in Italy include only non-profit organisations, workers cooperatives, while other kinds of cooperatives are not generally considered as SE organisations. Among the so-called non-profit organisations social cooperatives are the most relevant in terms of job creation. They employ around the 80% of the workforce in the sector.

The emergence of social cooperatives goes back to the 1970s and began because of the combination of a welfare crisis and economic development which strongly stimulated the employment of women who were traditionally devoted to home and family care. Services failed to provide for people, so citizens started to organise themselves into groups, associations and cooperative. They used the model of workers cooperatives, informally calling them cooperative of social solidarity. In 1991 a national law (L.381/91) formally established and recognised these social cooperatives. and established an official register for them.

The law distinguishes between:

- Type A social cooperatives, with the objective of providing social services for citizens (disabled, elderly, minors, etc.)
- Type B social cooperatives, that can operate in every economic sector, but membership has to be composed of at least 30% of disadvantaged people (Working Integration Social Enterprises-WISE).

For Type B cooperatives there are some advantages provided by the law: they pay zero tax for disadvantaged members and disadvantaged workers; they can have reserved procedures for public procurement; they can be enrolled in two enterprises registers, the first on of social cooperative register secondly, on the register for the related economic sector in which they operate (agriculture, services, etc.). They also benefit from the eventual advantages reserved to the enterprises of their specific sector and social cooperatives have their own collective bargaining arrangements. The social services can set out who can be included and who are the disadvantaged people to be involved.

The law also provides for a third type of cooperative, the Consortia. These are second-level cooperatives, whose members are other cooperatives. This allows for the creation in local and national networks of social cooperatives doing economy-of-scale and growing as networks but preserving the (social) dimension of the single cooperative. In 2000 another important milestone was reached, with the law on the creation of the integrated system of interventions and services (L.328/2000), which established the concept of 'co-programming' and 'co-planning' of the Local Public Authorities with social entities for developing local social services.

The impressive development of social cooperatives did not prevent the emergence of other types of non-profit organisations or the transformation of pre-existing organisations into social enterprises (i.e., voluntary associations). In response, a more general legal framework was introduced in 2005-2006, creating the legal category of social enterprise. It enables a wider set of legal entities to qualify as social enterprises and expands the permissible fields of engagement. Finally, in 2017 the Code of the Third Sector (Legislative Decree N.117/2017) introduced a common definition for not-for-profit organisations such as associations, foundations,

social enterprises, philanthropic entities, and voluntary organisations, which are all now considered as Entities of the Third Sector. The system is studied a lot and stands as a good practice example for other countries. Sig de Rosa provided further details on the legislation that define types of SE enterprise.

The discussion after the speakers' interventions during the first panel were focused mainly on social agricultural cooperatives, on the investments in the sectors and the green transition, as agriculture is considered one of the most polluting sectors, with the exception of organic farming, and there is a lot to do to change this.

In the second session moderated by Anne Guisset (HIVA, Researcher, Belgium), on **Why social economy needs more visibility and representation in the national IR systems?** with national contributions from Spain, Sweden and Ireland.

Samuel Barco (Senior Expert, DIESIS Network, Spain) provided some history background to the Spanish IR system. Its development goes back to the dictatorship and is linked with the development of democracy and the welfare state. He mentioned the Moncloa Pact in 1978 as part of this process. Mr. Barco talked about the main players in the industrial relations system (employers' associations and trade unions) at national, regional and local levels, in general, the high percentage of collective bargains coverage, work councils, low density, trade union representation, special status of worker cooperatives. He also introduced the organisation representing social economy and the system. These days there is a strong demand for the inclusion of social economy, CEPES, into social dialogue at the national level. The vitality of the tripartite system and agreements enter into a crisis in 2007 due to highly aggressive labour market reforms, that caused a problem and impacted on the IR system. Spain is in the top three countries in the EU that suffered most extensive changes in its wage-setting regime and has always been amongst the two or three EU Member States with the highest unstructured unemployment in Europe. The legislation on relevant labour fields has been changed recently by the new government but a more integral renewal of the system is needed.

In Sweden, history has also influenced the system. One hundred years of democracy has shaped the employment relationship. **Jonas Bergvall** (Project Coordinator, Coompanion, Sweden) explained that there is a shared responsibility of the labour market, with coordinated policies and centralised negotiations. Collective bargaining agreements, without central government intervention and a tripartite approach to social dialogue is rare. Traditionally there were only two main actors, one for each of the employers and workers. By now the system is slightly more diverse and trade union density is high, as 70 % of the employees are members of one of the three main trade union confederations. Ninety-one per cent of employees have part of their pay determined through local level negotiations and 28% have all their pay determined locally. There is only one employers' organisation – Svenskt Näringsliv. There is a need, but little room for involvement for the social economy and is not clearly represented within the national industrial relations system. Fremia (the employers' organisation for the social economy) is growing and gathering the social economy and it is increasingly invited into the dialogue.

The situation is a bit different in Ireland. **Kevin P. O'Kelly** (External Expert, IDEA Institute, Ireland) said that, as he had explained earlier, forms of social economy have been present in the Irish economy, through agricultural cooperatives, since the 1890s. He also outlined that around the 1950s the setting up of local community banks, Credit Unions, (which were started in Germany in the mid-19th century). Currently it is estimated that half of the population of the island of Ireland is a member of a local credit union.

With regard to the State involvement in the establishment of local social enterprises, there are two Regional Development Authorities, governed by Regional Assemblies. These organisations are responsible for programmes funded through the European Regional Development Fund and they promote and fund a lot of activity. He pointed out that during the era of National Social and Economic Programmes, from 1989 to 2009, community and voluntary sector organisations were consulted during these tripartite negotiations, but from 2000 the sector was directly involved in the negotiations – a seat at the table!.

Indeed, in the National ten-year Programme, agreed in 2006, Towards 2016, the Government gave a commitment to establish a specific Government Department (Ministry) to deal with issues impacting on social enterprises, cooperatives and local communities. However, as the Towards 2016 agreement collapsed in the midst of the economic and financial crisis, 2008-2012, this commitment was not fulfilled until 2017, when the Department of Rural and Community Affairs was established.

In 2011 the Irish Congress of Trade Unions participated in an European Commission-funded project, InoTool, which undertook research into the social economy in six Member States and developed training tools. One of the products of this project is a short video to promote an understanding of social enterprises. To conclude his intervention, this one minute [video](#) was shown as an example of cooperation between the social economy and trade unions.

In the final session - European Panel: Social Economy and Trade Unions an alliance after the European Pillar for Social Rights - **Marina Monaco** (Senior Advisor, ETUC) outlined the ETUC's approach to the latest EU Council Recommendations on Strengthening Social Dialogue at European level, as the ETUC is the representative body of European trade unions and is engaged in discussions with the EU-level employers' organisations through the social dialogue process.

In the closing session of the event, the participants had a longer discussion about the recognition of social economy organisations. Topics, such as issues of for-profit multinational companies which de facto rules the market and their representative organisations, the internal conflicts to separate profit and corporate social responsibility also developing conditions together with other companies, the good practice of EU-level cooperation between different players (Stand up for the European Pillar of Social Rights), the not so clear role of organisations such as ConcertES active in Wallonia in tripartite negotiations.

23.03.2023 by Melinda Kelemen (senior expert, project manager)