

FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
FONDATION EUROPÉENNE
D'ÉTUDES PROGRESSISTES



THE PEOPLE'S
BUSINESS

mutuo

THE PEOPLE'S BUSINESS

Framing the New Progressive narrative: a mutual and
Cooperative approach to the Economy and society

How Progressives can build the People's Business: policy ideas

- Progressives have the opportunity to seize the initiative and promote business that puts people's needs before that of the market
- We propose that Progressives across Europe adopt the 'People's Business Charter'

An Economy that prioritises people before other interests

- The financial crisis shows the consequences of becoming overly reliant on one business model which is motivated to maximize shareholder value
- Unlike listed firms, cooperatives and mutuels are incentivised to adopt a long term strategy which puts members first
- Whilst they have a strong presence in many sectors and countries in the EU, in others this is not the case, and this leads to discrimination and a lack of support for them

It is essential that:

- There is a regulatory framework in place that allows all business types to compete on a level playing field across the EU, not giving an advantage to any particular model
- Business policy actively promotes corporate diversity, backed up by a responsibility for governments to measure corporate diversity on an annual basis as part of an EU wide database

Policy ideas that counterbalance the effects of globalisation

- Globalisation has led to a growing dominance of large multinationals
- The power of these corporations is such that governments have little influence over their strategies, that are often not to the benefit of ordinary people
- Cooperatives are locally focused and operate within national boundaries, and are therefore less likely to participate in the global 'race to the bottom'
- They put people first, providing sources of quality employment

We propose that:

- There should be fiscal incentives that recognize the role of cooperative and mutual ownership across the EU
- Policies should be pursued that ensure cooperatives and mutuals are not disadvantaged
- All EU member states should adopt legislation to restrict demutualisation

Businesses that challenge inequality and spread wealth

- The way a business is owned affects its priorities
- Cooperatives spread wealth by distributing their surpluses to members through dividends or lower prices, combating income inequality

We Propose that:

- Customers and workers should be encouraged to participate in cooperatives, such as through fiscal policy to incentivise investment

Financial Services in the interests of customers, not capital

- The financial crisis has had a profound effect on European countries, with citizens having to pay for the recession through years of austerity
- Governments have a responsibility to protect their citizens from economic shocks in the future
- Promoting cooperatives and mutuals, which are less inclined to take risks for short term profit, would represent a step toward achieving this

We propose that:

- Cooperatives and mutuals should be promoted to offer financial services in every EU member state
- Regulation should recognize the unique features of cooperative banking and insurance
- Cooperatives should be able to raise capital from members and external investors alike

Work that is meaningful and rewarding

- In a fair economy, work should be fulfilling as well as well paid
- There is strong evidence to suggest that employee ownership boosts worker satisfaction and productivity
- They can also help to revive regions that have been deprived of economic opportunities

We propose that:

- Governments should promote initiatives to allow employee ownership to be achieved through the use of social security funds as investment

Access to quality affordable housing

- Cooperative housing enables tenants to control decisions affecting their homes
- This allows them take decisions that are not only in the interests of their members, but the wider public as well
- They can provide a route to more affordable and sustainable quality housing

We propose that:

- Financial support for social housing initiatives should extend to cooperative housing projects
- Publicly funded housing should insist on a minimum of tenant control

Energy Security through local control

- Cooperatives are able to provide a business model which people can trust in and benefit from in the switch to renewables
- Shared ownership allows for profits to be redistributed to members, or reinvested into green projects in the community

We propose that:

- EU Member states should support a diverse range of citizen ownership schemes for renewables, including setting planning expectations
- They should also establish targets for renewable energy and community power
- Financial aid should be available to those who wish to conduct preliminary investigations into establish renewable energy cooperatives

Questions to Consider

- What can be done to get governments to promote policies that will strengthen the cooperative sector?
- What can be done to promote cooperatives and mutual at a grassroots level?