

## Final publishable Summary Report

### RECOSET'S SOCIETAL RELEVANCE

Over the last few years the interest in cooperatives (coops) and social enterprises (SEs) by national governments and supranational institutions<sup>1</sup> has increased significantly thanks to the demonstrated ability of such institutions to tackle social and economic problems that public agencies and for-profit enterprises cannot address effectively. Coops and SEs significantly contribute to socio-economic development, support employment growth, and sustain a more balanced redistribution of wealth in both EU/AC and TC.

Against the background of overcoming research fragmentation in this key research area, RECOSET succeeded in establishing a multidisciplinary network. Under the coordination of Euricse, RECOSET network groups together research centres from Italy (EURICSE), Belgium (CES), UK, (CRU), Serbia (UBFP-ISR), Armenia (ICARE), Belarus (ORACUL), Ukraine (SESPS).

### MAIN RESULTS

RECOSET's exchanges helped TC researchers become more familiar with concepts, analytical frameworks and policy instruments specifically aimed at better investigating and exploiting the contribution of coops and SEs for a more inclusive and cohesive society. Thanks to the transfer of knowledge supported, TC researchers were able to: strengthen their knowledge on the competitive advantages of coops and SEs when compared to public and for-profit enterprises, and position the path of development of coops and SEs at country level in a broader international context.

To this end, seconded researchers participated in study visits to selected organizations in Italy, Belgium and Serbia. Examples of successful study visits are the *Cantina d'Isera* ([www.cantinaisera.it](http://www.cantinaisera.it)), Wine Production Cooperative and *Melinda* ([www.melinda.it](http://www.melinda.it)), leading Consortium of Apple growers, both located in the Trentino Province, Italy, which gave stimulating insights to seconded researchers particularly interested in supporting the growth of agricultural cooperatives in Armenia.

EU/AC researchers were offered the opportunity to broaden the geographical reach of the studies so far accomplished, by focusing on countries where research on coops and SEs is rather scarce.

Individualized training programmes were developed by both EU/AC and TC host institutions to accommodate seconded researchers' skills and interests. Among the relevant initiatives accessed by seconded researchers worth mentioning are: lectures and meetings with key experts, seminars on relevant topics ("How to conduct a case study"); participation in major national and international events (Venice Conference, March 2012; "Promoting Social Entrepreneurship in Europe", Brussels 18 November 2011; Republican Social Forum Gomel, Belarus).

Drawing on a shared understanding of coops and SEs, each seconded researcher managed to map the evolution of such institutions in the host country and identify the key factors that contribute to shaping the emergence of coops and SE initiatives. Each researcher conducted a case study analysis of 2 representative organizations according to a shared protocol (EMES Protocol developed by Euricse and EMES) that clearly focused on the history, life cycle, core business model, institutional/governance structure, external relations and policy environment characterizing of each initiative. Two events were organized to stimulate a fruitful exchange of views among RECOSET researchers on work advancements: the seminar "Assessing the potential of social enterprises in former Soviet Union Countries. The cases of Belarus and Ukraine" in December 2011 and the final Conference "Cooperatives and Social Enterprises in Europe and in Transitional Contexts" in Belgrade in June 2012.

The papers delivered (Total number of Working Papers in progress and finalized: 6) confirmed the interest of TC researchers in developing also practical recommendations on how to create an enabling environment for cooperative and social enterprises; hence emerges the strong policy implications of RECOSET both for policy makers and practitioners.

**Fig. 1** *Cantina d'Isera*  
Isera, Italy



**Fig. 2** *Federation of Agricultural Associations*,  
Areni Village, Armenia



**Fig. 3** *Republic Social Forum*,  
Gomel, Belarus



<sup>1</sup> EU Commission Social Business Initiative 2011; Single Market Act 2011; Communication of the Commission On the promotion of cooperative societies in Europe, COM(2004)18, Brussels, 23.02.2004 ; Report on Social Economy,1 recently discussed by the Committee on Employment and Social Affairs of the European Parliament (2008/2250(INI).

## NEW KNOWLEDGE ON COOPS AND SEs GENERATED

The research conducted in the frame of RECOSET corroborates that coops and social enterprise-like initiatives are both a structural and context-specific trend; indeed, evidence from Armenia, Ukraine and Belarus confirms that coops and SEs tend to emerge also where enabling factors are lacking.

RECOSET's research findings highlight that coops and social enterprise-like initiatives exert a significant role as welfare providers and/or vehicles for local development in the studied local contexts analyzed. Despite cross-country variations, each organization investigated can be regarded as a valuable institutional tool whereby unmet needs are addressed by the citizens concerned. These include the supply of general interest services previously not delivered; reduction of market failures; creation of new employment; enhancement of social cohesion and regularisation of informal activities that would otherwise be condemned to perform in the shadow economy. Furthermore, all studied organizations contribute to promoting a new mindset, as communities become aware that they can take stock of their own situation and solve their own problems. The communitarian and participatory approach embraced by coops and SEs enhances the sense of social responsibility of the community towards general-interest issues, which is an especially relevant issue in post-communist countries where the profit motive and self-seeking behaviours have spread dramatically following the transition to a free-market economy.

Based on the literature review conducted, cooperatives are prominent in several sectors, including agriculture, credit, retail, utilities, insurance and social service delivery. In Europe, just to provide some key examples, agricultural cooperatives have an aggregate market share of about 60 per cent in the processing and marketing of agricultural commodities and an estimated 50 per cent share in the supply of inputs. In Italy, which can be regarded as a case in point of social enterprise development, in year 2008 there were about 14,000 social cooperatives accounting for 350,000 workers, 40,000 facing difficulties in entering the traditional labour market. Conversely, in TC, despite their long-standing history, cooperatives are largely underdeveloped and often regarded as a relict of the communist regime. As for SEs, three main stages of development of SEs were pinpointed thanks to RECOSET research: an embryonic stage currently characterizing SE initiatives in Armenia, Belarus and Ukraine; an intermediary stage where Serbian SEs can be presently placed; and a more advanced stage coinciding with the institutionalization of SEs, which presupposes systematic relations of SEs with public agencies. This latter stage involves for instance Italy where the first social enterprise-initiatives emerged in the 1970s and have grown into the main producer of welfare services over the last three decades. In short, in TC when compared to their counterpart in EU/AC, SEs are at an embryonic stage of development, tend to be isolated, rely strongly on voluntary work, and don't interact systematically with public policies; hence their marginal impact upon economic development.

Fig. 4 Development stages of social enterprises

		IT		
Institutionalization of SEs		IT	IT, UK	IT, UK
Emergence of social enterprises	IT			SERBIA
Embryonic social enterprise initiatives	IT	UK,	SERBIA Armenia JKR BLR	Armenia UKR, BLR
	1970s	1980s	1990s	2000s

To sum up, although considerable scope exists for obtaining collective benefits from cooperative mechanisms, the overall potential of coops and SEs is far from being fully exploited in TC.

Fig. 5 Research Seminar at Euricse



Fig.6 Final Conference at the (UBFP-ISR), Belgrade



Fig. 7 Research Seminar at Euricse



## RECOSET's IMPACT

RECOSET contributed to go beyond the national dimension and promoted a common European research area in a field increasingly raising the interest of policy makers and international organizations. These results were achieved thanks to the strong commitment of RECOSET's coordinator, partner organizations and researchers.

RECOSET is part of an ambition cooperation plan coordinated by Euricse. Planned activities include: a new IRSES Marie Curie mobility programme (INT.RE.COOP) specifically focused on coops (funded); a volume on social enterprises in transition contexts (in progress); a new research project on social entrepreneurship for innovative and inclusive societies that will involve both 27 EU/AC and 3 TC (the project proposal will be submitted under the 7FP).