

To the attention of Ms Ursula von der Leyen
President of the European Commission

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cc: Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy
Ekaterina Zaharieva, Commissioner for Startups, Research and Innovation
Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition
Roxana Mînzatu, Executive Vice-President for Social Rights, Skills, Quality Jobs and preparedness

Rue de la Loi 200
1049 Brussels

Brussels, 30 Juillet 2025

Subject: open letter ahead of the European State of the Union address

Dear Madam President

Across the EU, 176,000 cooperative enterprises are collectively owned by nearly 141 million individual members. Grounded in principles like democratic governance and long-termism, cooperative enterprises need a strong, resilient, competitive and inclusive Single Market. Ahead of your State of the Union address, Cooperatives Europe and its members wish to share key reflections on the Commission's upcoming 2025–26 work programme:

A regulatory environment that fosters diversity and fair competition

The simplification efforts undertaken in recent months are essential steps towards establishing a legal framework that will enable businesses to thrive. It is important for these efforts to be consistent and proportional, maintaining support measures adapted to SMEs. In doing so, it is crucial to broaden the spectrum of business models considered and take into account *all* legal forms to the same degree, including cooperatives enterprises. Cooperatives play a crucial role in retaining and reinvesting value locally, demonstrate higher survival rates during the start-up phase compared to other enterprises, and have the capacity to effectively leverage and multiply raised capital. Nevertheless, they often operate within regulatory environments that fail to account for their specific characteristics throughout their life cycle. We therefore call upon the EU to actively promote the diversity of business models and ensure a level playing field for all types of business models within its competition and business policy framework. This diversity of business forms is an asset for the Union and a tool to enhance our competitiveness.



Support innovative cooperatives on the Single Market

We welcome the Commission's commitment to fostering innovation and Europe's strategic autonomy through the Startup and Scale-Up Strategy. To achieve this goal, it is vital to unlock access to finance for *all* SMEs to innovate, scale up and compete on the Single Market. Cooperative enterprises, with their long-term vision and capital-patient structure, bring unique value to Europe's economy but often remain underserved by current financing systems. We therefore urge the Commission to address the persistent gap in funding, particularly the scarcity of private capital, by providing incentives and financing tools that are adapted to enterprises' sizes, specific needs and different ownership structure. Moreover, public procurement and state aid—often out of reach for smaller players—must be adjusted and mobilised to actively support innovation (social, technological and organisational) across all sectors, not just in high-tech and energy-intensive industries.

A strong budget combining competitiveness and social cohesion

We welcome the creation of a Competitiveness Fund within the new MFF proposal. While the introduction of a single rulebook improves access, we urge that funding for SMEs be ringfenced and express concern over the lack of dedicated SMEs earmarks in other funding instruments. We acknowledge the added flexibility, but this also brings significant uncertainty, as the funding allocations for each priority within the National and Regional Partnership Plans (NRPPs) remain unclear. This is particularly troubling for the Cohesion Policy and the European Social Fund (ESF), which—despite a declared 14% minimum allocation—have lost all earmarks, leaving decisions to national and regional authorities. We call the Commission and co-legislators to guarantee protected minimum allocations for the social economy and the incorporation of strong social conditionalities. The strength of our European model lies in its ability to combine competitiveness and social cohesion — two objectives that go hand in hand.

Madam President, this letter is a call to action: we must support businesses that contribute to sustainable growth, long-term competitiveness and democracy in the workplace. As 2025 was declared by the United Nations the International Year of Cooperatives, we firmly believe that the cooperative model — rooted in resilience, solidarity and innovation — can serve as a strategic partner in achieving Europe's goals.

Yours sincerely,



Giuseppe Guerini
President of Cooperatives Europe





**International Year
of Cooperatives**

Cooperatives Build
a Better World

About Cooperatives Europe

Cooperatives Europe is the European cross-sectoral organisation representing cooperative enterprises and the regional office of the International Cooperative Alliance (ICA). Its network counts members from 34 European countries, representing 176,000 cooperative enterprises across all business sectors (industry, services, energy, housing, agriculture, banking, consumer, pharmaceuticals). Cooperatives Europe advocates for an economy that serves people and promotes the cooperative business model, as a locally rooted and democratically owned business.

