

Strategic Partnership for Vocational Training Cooperation for Innovation and Good Practice Exchange Call for Proposals - Action 2, 2015-1-RO01-KA202-015094



CO-OP For Empowering Youth

O2: The repository services of the employment and activity cooperative (CAE)

This project was funded with the support of the European Commission. This publication is the sole responsibility of the author and the European Commission is not responsible for any use that may be made of the information contained therein.



Tabel of content

1. Introduction	4
2. History	5
3. Operation in practice	7
4 Provided services of CAE	13
5.Relation of cooperative and bank	23
6. Division of responsibilities for particular operations	27
7. Summary	30

1. Introduction

The subject matter of this document is to describe the services that are provided by the employment and (business) activity cooperative (CAE), the innovative economic model, which has appeared in the last decade of the last century.

The goal of the business activity cooperative is to enable people, who have adequate skills and the interest in the creation of own work position or own economic organization, to do so in safe conditions, while they are provided with assistance, support, and also they have the possibility to acquaint themselves with the operation and management of a company. These "applicants (candidates) - entrepreneurs" - who are mainly the unemployed who are not able to succeed and other risk groups - make a contract with the business activity cooperative (for a definite period), in which there is stated assistance, consultancy, supervision and coaching related to their business activity. Also there is a possibility given to test the viability of their business activity in the real market conditions, where they as self-employed persons (entrepreneurs) plan to settle, while during the whole contract validity period their social rights are maintained (the claim for unemployment benefit, social benefits or other form of social help, which they had drawn before they signed the contract with the cooperative).

In the cooperative the support to entrepreneurs is offered in three stages:

To test their business activity, and to achieve this, they make a contract on the support of business project (CAPE in French);

As entrepreneurs – employees, to become the employees of the cooperative (through an indefinite period contract and later to become «entrepreneurs-employees»;

And lastly they can participate in the operation of the cooperative as its associate members (partners).

Within the CO-OP project, we consider as benefit the testing of this model on the group of young people from several European countries.

2. History

The first business cooperative called Cap Services was established in 1995 in Lyon (France) and its aim was to create the safe conditions for the process of starting business for people who wanted to create their own work position. Originally the idea was to enable the testing of the business idea in the «real market conditions» and to develop the economic activity without necessity of establishing a company, independent from a legal aspect and so that a business applicant does not lose the claim for social rights. Within the business cooperative the business applicants can learn their craft (to become an entrepreneur), while they can use the pragmatic consulting, adapted to their needs and do not have to solve the administrative, tax or accounting matters, that are solved collectively in the cooperative.

After some time this original frame started broadening itself in the spirit of growing collective utilization and acquisition of these companies by their members (each entrepreneur – employee can become the cooperative/SCOP partner). Nowadays the business cooperatives create the new legal form of entrepreneurship, especially of the collective entrepreneurship.

The concept that initially was confidential/non-public started spreading in France very quickly (now there is about one hundred employment and activity cooperatives in the Metropolitan France and its overseas regions, but also in Belgium several cooperatives operate like this, as well as in Morocco, Sweden, and Canada (province Québec). There are more projects for cooperative establishment in other countries too.

The concept that is attractive to entrepreneurs in all fields gradually began to specialize in particular activity sectors. The cooperatives that concentrate on professional sectors have to fulfil the requirements included in the collective contracts of these sectors, the work safety requirements or specific legal regulations. This way besides the general cooperatives, the cooperatives specialized in the human care services, building industry, artistic occupations and culture, or in agriculture have been established.

3. Operation in practice

Virtually any business applicant can be admitted to the business cooperative under the condition that their business activity can be integrated into the cooperative from the technical aspect. In the cooperative right after the admission the applicants can start their commercial and economic activity under their name/brand (while the consultancy is free of charge, the funding of this consulting service is provided by various public partners or by the subsidies for the social economy).

The business applicant in the cooperative firstly develops the economic activity without losing the social rights and so he can distribute his income and expenditures. But when he begins to invoice for his performances, he signs the employment contract with the CAE (variously long terms) and begins to pay himself the salary within the CAE, thanks to the signing the consultancy agreement (for 3 month duration with the possibility of 3 month prolongation) or the CAPE agreement (agreement on the support of business project – which lasts one year and can be prolonged twice). It is signed by the business applicant and the employment and activity cooperative either of general orientation or specialized in some business activity. The provided consultancy is focused on the gradual growing of activity (and also the income from this activity), until he reaches the stable and sufficient income. From

this moment the entrepreneur – employee can become the partner of the CAE (entrepreneurs – associated members). The business applicant can leave the cooperative anytime and continue in his activity, establish own company or decide for a different solution.

Each entrepreneur - employee contributes to the collective payment of administrative costs for the operation of the CAE (management of business activity, accounting and salaries administration), and every month the contributions are transferred from his bank account (calculated in the range from 7 to 20 % from his turnover or gross margin), while the share of purchase – sale from the turnover is taken into account. The collective costs for the insurance of business activity are counted to it (in the extent from 15 € to 60 €/month, depends on the type of activity). The individual success of particular entrepreneurs is consolidated by the collective and vice versa, the collective success dynamizes the individual successes. The economic growth of the cooperative enables to entrepreneurs - employees, mainly those who are already the partners of the cooperative, to participate in the collective payment of increasing number of costs and to admit new business applicants.

All who are in the cooperative want to create together the security (economic, human, social, and financial,) and the rights (employee representation, social protection,) and together to share the business frame and to mutually exchange and to use their competences. The base of the business cooperative is the collective dynamics (the cooperation), which is grounded on the regular monthly meetings of entrepreneurs, individual coaching and consultancy in the terrain, which are provided by the professionals in particular sectors/activities. The cooperative provides to the business applicant «entrepreneur - applicant» its legally registered organization and its company ID number; so in a certain way, it becomes to be the invoicing center for the entrepreneur.

The principle of indebtedness, which is the primary principle for the business cooperative, to a great extent restricts the area of accepted business activities of entrepreneurs: to services or craft trades – activities that are not very demanding for the investments and which do not require large stock (of goods, raw materials). The cooperatives cannot provide help for such activities that require big financial investments, as industrial production or the commercial activity or those that demand great guarantees or long term insurance.

The progress of entrepreneur - employee

First contact – diagnostics.

The business applicants who contact the CAE get the information about the consulting organization and if they want they can meet the whole team of workers of the cooperative during the individual discussion. The cooperative workers verify if the business applicant and his project fulfil the selection criteria. In case that the applicant and his project fulfil the criteria, the future entrepreneur can sign the consultancy agreement with the CAE. At this stage the applicant does not have the status of cooperative partner yet.

Test.

The entrepreneur can during few months, or years test his business idea, while keeping the original status. He makes the market survey, improves the project and uses the help/consultancy of the CAE consultants.

Employment contract.

When the tested business activity starts being solvent the business applicant signs the employment contract with the cooperative and formally becomes the entrepreneur – employee. The working time and salary are determined based on the preliminary (presupposed) turnover and the cash flow of the business activity. Often it happens that the low turnover at the beginning leads to the setting of significantly shortened working time (about ten hours a month) and the salary that is on the level of minimum salary. In this case in France the business applicants are included in the «shortened activity» proceeding of the organization Assedic (public services of employment) and that allows them to further draw the unemployment benefits.

Consultancy and its compensation (payment).

The consultants train the business applicants either individually or collectively in the fields as the management, accounting, marketing, financial management, law, sales psychology, etc. The entrepreneurs - employees can apply for taking the specified training modules, which are organized in the form of workshops. Concurrently the CAE takes care of administrative management, accounting, social and tax matters of business activities of entrepreneurs –employees. The cooperative offers also other services as for example providing computer, Internet connection, etc. As the compensation for this service the entrepreneur employee already from the first earned money pays 10% of the turnover (without tax) to the bank account of the CAE. The cooperative does not provide the space for business nor the financial sources (investments, cash flow) to the entrepreneurs employees. However, the cooperative can use its regional networks and so facilitate the task of the entrepreneurs – employees, if they have problem with finding the adequate space.

The CAE is usually operated by one manager and three or four consultants. The entrepreneurs - employees can meet once in a month in the meeting regarding the operation of the cooperative.

To become the cooperative partner.

If the business activity succeeds and the entrepreneur – employee does not consider the immediate establishing of own independent company, he may become the cooperative partner (entrepreneur – associated member). He will participate in the animation of the

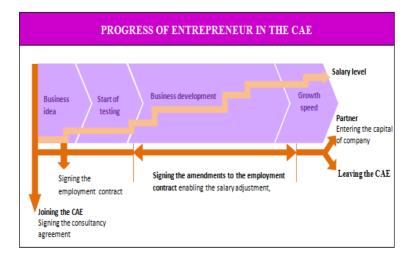
cooperative and the consultancy for new business applicants that are admitted by the cooperative. His investment in the cooperative can be increased, if the common utilization in the cooperative is growing (the purchase of collective tools, equipment).

Leaving the cooperative.

When the business activity is sustainable and the entrepreneur – employee does not want to develop the business in the cooperative any more, he can establish own company and choose its legal form (self-employment, various forms of commercial companies,...). And vice versa if the business is not solvent, he can come back to the previous status (mostly registered unemployed), without losing the claims and social security.

Consultancy network.

To be admitted to the employment and activity cooperative in France, the business applicants have to contact the national network of CAE, called Coopérer pour entreprendre (To cooperate for entrepreneurship) or the manager of the cooperative that is the nearest to their residence.



4 Provided services of CAE

As already stated, CAEs provide the alternative to the establishment of standard companies for all people, who wish to be independent. The cooperative of business activity and employment can have the legal form of cooperative and participative company (French abbreviation SCOP) or the cooperative company of collective interest (French abbreviation SCIC) or cooperative limited company (French abbreviation SCRL). The principle of the cooperative is necessary.

The cooperative offers set of services that can be divided into the following sections:

- administrative & accounting
- training & coaching and awareness raising
- animation, management of entrepreneurs network & help with orders acquisition
- legal & tax.

As a model for the description of particular services we have chosen the cooperative of Petra Partimonia Corsica, our French partner, who made the transfer of his skills for partners during the lecturers' training in February 2016. This cooperative is specialized in the building industry, therefore some services are specifically related to this sector.

a. Administrative & accounting services

The first service (one of the most important and most specific) is to **provide** to the entrepreneur – employee the **Company ID Number of the cooperative,** which allows him to pursue for orders legally. In other words it is the rental/leasing of the authorization for entrepreneurship. Right this service makes the cooperative so attractive. To be able to provide such service by the cooperative, a specific law has to be adopted in the country.

In France it is the Act on the social and solidarity economy. The executive regulation to this Act approved in October 2015, recognizes the statute of employment and activity cooperatives, their operation and also the statute of entrepreneurs – employees. It means that these cooperatives worked for a certain time without a specific legal frame.

In Belgium the activity cooperatives worked too without the specific legal frame for several years. But the legislator settled the situation: the Act of 1st March 2007 in various regulations (III) names the term activity cooperative and entrepreneur - applicant; the Regulation of 15th July 2008 on "consulting organizations for the creation of own work position" in Belgium called also SAACE (the regulation states the establishing and maintaining the certain initiatives in the form of non-profit associations, as business incubators (couveuses) or business activity cooperatives) and sets the goals for SAACE and the consulting process for business applicants, the terms of gaining the accreditation for SAACE, terms of provision of grants and the calculation of grants as well as the ways of assessment and control of SAACE.

Signing the CAPE agreement (Contrat d'appui au projet d'entreprise – agreement on the support of business project – for one year period with the possibility to be prolonged twice) is the precondition for the use of services in the activity cooperative. In this contract there are terms stated under which the business applicant can receive the services in the activity cooperative, the

rights and obligations of both contractual parties. There are also determined the annual results of an entrepreneur.

The second service related to the first one, is to **provide insurances** to the entrepreneur necessary for the performance of business activity (for two, ten years, civil liability,...). The cooperative signs the agreement on the insurance with the insurance company for their entrepreneur. Mainly in the building sector the insurances are compulsory, although they are long term ones. The cooperative Petra Patrimonia has for instance the two year and ten year guarantee. At the end of the year they announce to the insurance company the turnover amount that they want to be insured. Even if the entrepreneur leaves the cooperative, the guarantee remains valid, because it is made on the name of cooperative.

The third service that is typical for the activity cooperative is enabling the access of entrepreneurs to the specific accounting intranet software, which enables the printing of price offers, invoices, the access to the disposable cash flow in the real time, as well the economic result, the receivables of clients, information about unpaid expenses and purchases. This software was created by the founder of the network COPEA. The software is called Louty and is adapted to the needs of entrepreneurs.

The cooperative is responsible for the **administration of general accounting** of the business activity of the entrepreneur, as well as for the archiving of documents in paper and electronic form. The cooperative supervises that each entrepreneur is given the information in the written form that allows determining the kind of expenses that can be refunded. The cooperative also examines if the invoices issued by the entrepreneur are in compliance with the law, mainly the VAT amount and the formulations stated by the law.

Two another services are related to the **assistance** of the cooperative with the **processing of the tool for monitoring of activity** of entrepreneur and **elaboration of the entrepreneur's project for procurement**. That means that in case of monitoring of the activity it is the processing of an excel file which facilitates the creation and monitoring of price offers, invoices, purchases related to the cash flow.

In case of procurement the cooperative helps to entrepreneurs to process the offer and formal layout of the offer, processing of tables, summaries, etc.

The entrepreneur performs the activity to provide services to his clients: one of the possibilities of broadening the clientele is also the public orders. To increase the chances for acquiring of such order, the consultant of the cooperative helps to the entrepreneurs to elaborate the price offer, the project for procurement.

The cooperative provides to the entrepreneur also the **printing of payrolls for him** or his employees, if there are any.

The cooperative provides the written information to the entrepreneurs, latest at the time of signing the agreement on

admission to the CAE, about their possibility and also the obligation to become the member, the partner of the cooperative after three years. The statute of cooperative is regularly provided to the entrepreneurs when signing their agreement.

b. Training & coaching and awareness raising

The second area of services is related mainly to the first time period after the joining the cooperative, which means the services provided during the validity of the consultancy agreement and the first employment contract. The primary role of the cooperative is to make from a man without a job the entrepreneur – employee. This role is fulfilled by the cooperative by the provision of several services to the business applicants.

The cooperative ensures the specific training in various fields regarding the entrepreneurship:

marketing (marketing characteristics, market economy characteristics, marketing algorithm, marketing terms, customer survey, competition survey, market study methods: observation, questionnaires, experiment, SWOT analysis, Pareto analysis, strategic marketing and marketing strategy, operative marketing, marketing mix);

financial management (financial sources of company, business assets, investments, operating capital, financial result, cash flow

and its management, financial management, accounting and taxes relation);

accounting (types of accounts, accounting entries, balance sheet, income statement,...);

management tools (the overview of monitoring of business activity is a part of management tools. It is, besides others, the forms that facilitate the calculations for price setting at the building site);

law (different forms of entrepreneurship, their analysis, advantages and disadvantages);

sales and customer relationships (verbal and non-verbal communication, telephone and written communication, psychology of sale – phases of sale: trust establishing, recognition of needs, product presentation, making a deal, after-sales service, how to retain customers (client loyalty), business negotiations, how to become a good negotiator,...);

tax law (tax rules, categories of taxes and charges (rates), VAT, property tax, vehicle tax, etc., ...).

The consultant working in the cooperative briefly states the mentioned topics. He has to find out to what extent the future entrepreneurs – employees have the knowledge of these topics and whether they need to be recommended to take a specific training or if they can learn the missing knowledge themselves in the individual consulting. If they cannot, he makes a plan of specific

training that can be offered to all entrepreneurs – employees or to some of them.

In the program of regular monthly training meetings there are also **more specific topics** as work with computer (informatics introduction), the knowledge of which mainly persons of middle and higher age miss, then how to set the price of a product/service (which can be discussed form the marketing or financial aspect), how to elaborate the price offer, how to manage the business from the administrative aspect (for example to make a tool for the reminding of due dates of invoices, financial transfers to bank or the insurance contributions, loan payment,...), how to correctly use the accounting software,....

Very effective and from the point of view of entrepreneurs very appreciated service is the **individual/personal coaching** (individual consultancy) in the form of regular monthly individual discussions/meetings. During these meetings all the matters are solved which make the entrepreneur worried. For this service the deep trust among both partners, entrepreneur – employee and his consultant is needed.

The cooperative applies in practice the activities for the **raising of awareness in the field of sustainable development, potential risks** at the building site (in cooperation with Professional organization of prevention in the building and public works sector = OPPBTP <u>www.oppbtp.fr</u>.) as well as the training related to the work safety at the building site: professional authorizations, first aid at work (rescuer, safety technician).

OPPBTP organizes training and generally raises the awareness of entrepreneurs of different risks that are potential in the building occupations. One of these trainings is first aid at work, the two week training of first aid provision.

Regarding the professional authorizations there are several kinds (electricity, asbestos, work at height,...). Such authorizations are either compulsory, so the entrepreneur have to gain them or they are recommended, depending on the particular occupations. There are several levels of these authorizations. The authorization can be gained after taking a shorter or longer training and passing the exam.

c. Animation, management of entrepreneurs network & help with orders acquisition

Entrepreneurs in the standard companies often feel isolated and they miss contact with other entrepreneurs. The CAE concept avoids such isolation trough establishment, animation and administration of entrepreneurs network (former and current entrepreneurs – employees).

Within this mission the CAE organizes the **animation «coffee for entrepreneurs»** each half year. The former and current

entrepreneurs – employees meet, discuss the building matters, exchange the experience, ideas, which supports the development of offers and collective initiatives among entrepreneurs. Besides sharing the experience, these meetings allow to identify the progress and advancement directions of work and professionality.

Another service offered in the cooperative enables **the networking between different occupations**. The cooperative consultant is the main contact person. If for example a bricklayer needs a painter, the consultant contacts them, since they might not know each other. In case of need, the cooperative can **contact the entrepreneur with the network** which has its members.

During the first contact with the business applicant, the cooperative carries out the diagnostics of his business idea (the analysis of conformity of business idea and its creator). If the analysis result is positive, the applicant is admitted to the cooperative. If there are any doubts about the conformity, the organization provides the business applicant a **different orientation**, either on training, to learn the knowledge necessary for the economic activity and/or establishing own company or on other organizations that can offer other solutions of career prospects.

The cooperative is not a business subject. Its main role is to facilitate the procedure of entrepreneurship to entrepreneurs. In this case it is the collective entrepreneurship, which the entrepreneurs – employees learn in to cooperative. The

cooperative has the own network of partners (also the former trainees) and this network enables to acquire the orders for their entrepreneurs – employees.

d. Legal and tax services

The fourth and the last section are the services in the area of law and tax agenda.

The cooperative provides the **assistance in case of entrepreneur's failure to pay the invoices,** takes over the task of distribution of notices, or they look for a mediator or a lawyer (at the expense of the entrepreneur).

Into this section also the advice provided to entrepreneurs on **tax optimization** (mainly in the matter of costs) is included or the advice how to **invest the most appropriate**.

5. Relation of cooperative and bank

As stated above, the cooperative is the one that has legal subjectivity and therefore the relation to the bank is established and dealt by the CAE cooperative. The cooperative uses several bank accounts to operate properly. There are at least two accounts: **account** of organization/institution (**cooperative**), called also "**the**

main account" and the **entrepreneurs account**. These accounts are opened right after the official establishment of cooperative.

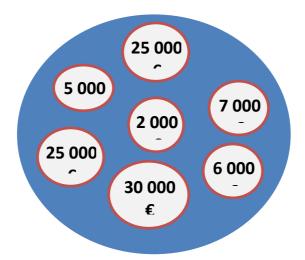
The organization account enables to support the operation of cooperative. On this account there are all financial means accumulated that are not related to the entrepreneurs, that is:

various financial assistance, that the cooperative gained: subsidies, grants, donations ...

resources for payments for the cooperative offices, insurance, salaries (of accountant, trainers/ consultants, cooperative administrative unit), membership fees, software...

On the entrepreneurs account there are financial resources deposited which are the result of business activities of cooperative entrepreneurs. On this account there are all resources (undifferentiated) and only the analytic accounting enables to find out the exact composition of resources belonging to the particular entrepreneurs. Since it is only one account for all entrepreneurs, the cooperative does not have to open new accounts when admitting new entrepreneurs. The financial resources are transferred to the entrepreneurs account already during testing of business activity of a business applicant. Cooperative Petra Patrimonia Corsica deposits on the entrepreneurs in testing stage, entrepreneurs-employees and also entrepreneurs – associated

members. The following scheme depicts the composition of entrepreneurs account.

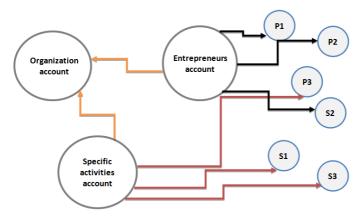


Business activities of some entrepreneurs require particularly high attention of the accounting administration. For example if it is an online shop. In such case the cooperative can ask the bank to open another additional account that is determined for such specific activity. In case that there are specific activities of several entrepreneurs, the sub-accounts are opened on the specific account. Number of sub-accounts corresponds to the number of specific activities.

It is the accountants and consultants who administer one or more entrepreneurs accounts. Main operations that are done between particular accounts are as follows: transfer of monthly contributions of entrepreneurs from the entrepreneurs account to the organization account (for the common payment of administrative costs of CAE cooperative operation, insurance,...), payment of entrepreneurs' costs from the entrepreneurs account (payment of salaries to entrepreneurs to their personal internal accounts of cooperative, payments of invoices to suppliers,...).

The organization account (of CAE cooperative) is administered by the managers of cooperative.

The cash flow between the accounts is depicted in the following scheme:



 \rightarrow = transfer of resources to the cooperative account

 \rightarrow = direct payments to suppliers

 \rightarrow = payment of salaries, expenditures for cash purchases, advance payments

P = personal accounts of entrepreneurs

S = suppliers accounts

6. Division of responsibilities for particular operations

The CAE cooperative in order to prepare well the business applicants for the independent business activity created a certain kind of Charter, in which they state the responsibility of particular participants for all operations that are performed in the CAE cooperative by the workers of cooperative and also by the entrepreneurs. The overview of these operations and the division of responsibilities are stated in the following chart.

Employment and business activity cooperative: administrative consulting, accounting & financial management				
<u>Operation</u>	<u>Entrepreneur</u>	<u>Cooperative</u>		
Admission to the cooperative				
Elaboration of contract CAPE (contract on				
the support of business project)		Х		
Submitting of CAPE contract to URSSAF				
(Social Insurance Institution)		X		
Risk analysis		x		
Communication with the insurance				
companies	(X)	х		
Cycle: "Sale - Clients"				
Searching of clients and accounts	х			
Answering the launched calls	x→	x		
Contracts on provision of services				
between entrepreneur and (end) client		х		
Submission of quotation of services or				
works	x →	← X		

Invoicing of services or works		←X
Accounting processing of supplier		
invoices		Х
Annulment of sale or service		x
Urging the unpaid invoices	$x \rightarrow$	
Solving the problem situations with		
clients /suppliers	x→	←X
Cycle: "Purc	hase - Costs"	
Monthly report of purchases based on		
the supplier invoices payments	x →	
Monthly report of travel expenses	x →	
Checking, registration and payment of		
supplier invoices and travel expense		X
Cycle: "Purc	hase - suppliers	;"
Order	х	
Checking the correctness of		
invoices/orders for delivered goods and		
services	Х	
Checking, registration and payment of		
supplier invoices and travel expense	X	
Checking of remuneration deep check of a	economic and s	ocial situation
of recipient of CAPE contract		
Simulation of remuneration		←x
Application for remuneration payment	x →	
Social insurance contributions: regular		
and monthly reports		x
Proceedings in case of sick leave,		
occupational injury		X
Supplementary payment of		
salary/remuneration		←X

Tax obligations				
VAT reports		х		
Report of personal income tax	x	←x		
Accounting and cash flow				
Accepting the payments from clients	x →	←x		
Payment of remuneration in case that				
the account balance enables that		Х		
Payment of insurance contributions and				
direct and indirect taxes		Х		
Payment of purchase invoices and travel				
expenses of entrepreneur		Х		
Payment of supplier invoices		х		
Information				
Printing the statement of accounting				
information		←X		
Discussion of financial situation (once in				
6 months)		←X		
Individual discussions to analyze the				
accounting results		X		

Legend: X = performance of operation

 $\leftarrow \rightarrow$ = submission of personal document

7. Summary

In the complicated (disadvantaged) social and economic context, often the standard models of company establishment seem to be inadequate in a particular situation of business applicants. Mainly in case of those who would like to apply their skills and work independently without establishing the company in a standard way.

The CAEs offer the solutions which nowadays go beyond the national borders, because creation of work positions and production of economic activities is common for our European society, but also outside that.

Main advantages of CAEs for a business applicant:

- to dispose of advice from entrepreneurs team, which animates the cooperative, in the relationship which is stable and the possibility to avoid the isolation;
- it enables to learn the system of the entrepreneur occupation by performing the business activity, while creating the base for own work position;
- it provides the possibility to devote all working time to the business activity, production and sale: administrative, accounting and tax aspects of all entrepreneurs are covered by CAE;

- it provides the possibility to develop the business activity and to not losing the social rights (unemployment benefits) and to distribute the income and expenditures in time;
- it enables to be socially insured in the amount as any employee;
- it gives the possibility to generate own income by combination of more activities;
- it provides the possibility to use the network effect, the flexible cooperation of professionals within one company (mutual subcontracts, information and procedure exchange, discussions about activities of particular entrepreneurs – employees and discussions about the future progress of the cooperative). The time devoted to these discussions and the exchange of experience supports the synergy and guarantees that the entrepreneur is not alone/isolated;
- it gives the possibility to participate in the collective project and to create sustainable solidarity.
- Obviously, there are also certain disadvantages. The main drawbacks of the cooperative identified by the entrepreneurs – employee are the following:

- the costs for social insurance (contributions of employer and employees),
- difficulties to communicate about this yet little-known statute, mainly in banks
- impossibility of access to some forms of financial assistance.

The countries where this model has not been implemented yet have the problems with testing of the model in the current legal frame. The project could be the opportunity for the first attempt. And later it can become the foundation for negotiation, argumentation, promotion,... of this effective and interesting model.