

FINANCIAL ACTIVITY FOR GLOBAL SUSTAINABILITY

The social economy agents' boost

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The contribution of the social economy in general, and cooperativism, in particular, to the efforts of the circular economy is very relevant: The Electric Cooperatives of renewable energies (for example, Som Energia), or those of proximity farms or ecological food consumption (for example, Som Alimentacio), as well as the Insertion Companies, cooperatively or not, dedicated to the waste management (for example, Koopera). All of them have taxation issues to be considered. However, given that in other Forums of this COP25 reference has been made to these areas, we will now focus our exhibition on the Agrifood Cooperatives, whose Chair I direct.

The relevance of the agricultural sector for the achievement of the objectives of combating climate change must be taken into account. And the importance of the Cooperatives in this sector is unforgettable, they produce around a 70% of the whole national agrifood turnover. On the other hand, they are leading a responsible agriculture, which also allows for a balanced growth between rural and urban areas, to curb the harmful effects of the mass exodus to cities. Agri-food cooperatives allow also family farms to be conserved, which are a key part of environmental and food system sustainability. Indeed, where cooperatives work, best practices can be detected in the care of soil, water, and, in general, production systems.

In recent times, agrifood cooperatives have played a very important role in fixing the population to the rural territory in a sustainable way, adopting several strategies:

- starting to be multi-activity, which would allow the coops to meet the needs of the rural population (such as the Rural cooperativas, from Castilla-La Mancha).
- Establishing new organizational formulas that would allow young people to continue with their elders' farms, or find work in the rural area, through mechanisms such as the Common Management Initiatives that have been developed in Valencia.

On the other hand, Spanish cooperatives have several examples of success stories in the circular economy, which have focused mainly on the use of by-products, avoiding contamination as waste. In cooperative oil mills and warehouses, waste and by-products are used in cascade. In addition to oil or wine, and distillation

products such as alcohols and pomace oils, granules and scrapes are used as fuel for boilers. Special mention should be made of the olive bone considered by many to be the highest quality biomass in existence. Ashes and final waste can be used as fertilizer by closing the circle.

These are some examples of the dynamism of cooperatives in this activity.

But this dynamism meets fiscal barriers:

Firstly, the law does not establish any fiscal incentive that compensates for the extra effort that this entails, or that encourages the positive externalities for the environment that generate.

But even worse, some of these initiatives are penalized fiscally. The Spanish tax regime provides for a "special" treatment for agri-food cooperatives with which they pay for an effective rate of around 12.5%.

This result is no better than that enjoyed by the large Spanish multinationals, according to the Spanish Tax Agency itself.

But in addition, the regime is subject to requirements that do not take into account the current needs for innovation in the production and organization of the cooperative.

As a result, the cooperative loses the scheme, and pays double taxes, if it has members that are not farmers, or is engaged in activities other than those that have been considered typical: that is, the marketing of the partners' production, or the provision of agricultural or livestock supplies to said partners.

Therefore, we need a tax regime that encourages cooperatives to fight against the trend of mass exodus to cities, providing services in the territory and generating employment and economic activity with criteria of social and environmental sustainability.