

Third Steering Committee and Transnational Workshop

22nd-23th of January, 2020

Congress Centre GLOBE

Sofia, Bulgaria

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The third in4BTE Steering Committee and Transnational Workshop event was held on the 23^d of January 2020 on the premises of the host organisation - CITUB - in Sofia. As usual, previously of the public event, on the 22nd of January, the representatives of project partners gathered to discuss the internal reporting and technical project matters.

In addition to the representatives of main project partners - ASLE (Spain), CITUB (Bulgaria), CISL (Italy) DIESIS (Belgium) and PUBLIC (North-Macedonia) - local guests also joined to the open-for-public Transnational Workshop on the 23th of January. The day started with the introduction words of **Assia Goneva** (CITUB).

She emphasized the transformation of the working places and empowerment of workers in Bulgaria.

During the first presentation, the project coordinator **Jone Nolte** (ASLE) gave an overview on the development of the In4BTE project: on its structure, objectives, partnership, meetings and deadlines. She emphasized the role of the trade unions, also how they could help the buy-out processes. She also stressed the importance to have heard the voice of workers and to strengthen their rights to information and consultation, the management of enterprises and buy-out mechanisms.

Vice President **Chavdar Christov** (CITUB) in his speech pointed out that workers-buyout is a very important issue and reaches the matters of concentration of property and wealth, inequalities especially in Europe and the social problems caused by inequalities. It raises questions how wealth is distributed and how to create a more social world by acquiring goods. As he explained, in Bulgaria, there are historical accumulations, mass privatization i.e. of the cooperatives and there is a tendency in the Bulgarian law to seek solutions for socialization.

Deputy Minister **Sultanka Petrova** (Ministry of Labour and Social Policy, Bulgaria) welcomed the topic of the project since in Bulgaria there is a history of enterprise relationships, sharing experiences, sharing good practices and joint efforts with the state administration. She stressed that help to develop the social solidarity economy is an important government policy for social inclusion and values. This is expressed in the New Law on the New Solidarity Economy Enterprises Policy that came effect into October 15, 2018, which also means the Ministry of Labour and Social Policy encourages setting up cooperatives.

In her response, **Assia Goneva** (CITUB) added, that Bulgaria is now at the stage of an immature capitalism. Social economy is an industry that very clearly represents the transformation and national context.



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The next speaker **Georgi Georgiev** (PhD, National Union of Worker Producers' Co-operatives, Bulgaria, affiliated with ICA, CICOPA and Cooperatives Europe) gave an example how is empowerment works through co-operation at local, national and European level. The co-operative movement in agriculture is one of the oldest in Europe – it has a 125 years long history, started in 1895 after liberation from the Turkish presence and the Bulgarian market opened up to other economies. In Bulgaria, the cooperative idea is very strong; many cooperatives have been created and there are varieties of cooperatives in agriculture. He also mentioned “Cooperative Cluster” as a good example. Many of the Bulgarians cooperatives work in cooperation with trade unions. The question is, in the context of the transition to Industry 4.0 – is it all sustainable? Transfer of ownership could be a goal of the local community, but the main goal overall is to improve quality and jobs.

Svetla Vasileva (President of the Federation of Independent Trade Unions in Agriculture at CITUB) gave further insight on agricultural co-operativism in Bulgaria. Agricultural cooperatives are count as traditional industry for Bulgaria, providing jobs and income for people. Before 1944, low-quality products and job opportunities characterized the sector. However, great results were achieved between 1944-1989: there were developments based on science; Labour Cooperative Agricultural Holdings were created, modern equipment was used and funds were allocated for varieties and breeds. The industry gave 22 000 jobs to professionals with higher education (40,000 jobs in total). Agricultural products made up 30% of all exports. Then a reform plan aimed the liquidation of agriculture that lead liquidation of all cooperatives by 1995. It had consequences: homelessness and total destruction of the sector. More than 400,000 workers were dismissed from the industry by 1994 through mass layoffs. Salary was 91% of the national average wage, down to 60%. The connection between science and practice has ceased. One of a very tangible social consequence is that many specialists - who emigrated - now have no insurance record from the time spent in Bulgaria (retirement). By now, very few people set up cooperatives again. One of them is Agricultural Cooperation Niva 93, established on 1993 by 184 people. However, jobs are created by successful cooperatives mainly in villages.

Moving from Bulgaria to Italy, **Vilma Rinolfi** (CISL) presented a few workers' buyout cases. In Italy, it can happen by three main reasons: company crisis, lack of successors to the entrepreneur and company confiscated from organised crime. In her speech, she presented the legal background of WBO in Italy, the financial mechanisms and the role of the worker representatives that – in cases where they have been involved - normally play important role as mediators, motivate and encourage workers to transfer ownership. She pointed out also on key-elements, barriers and risks of WBO, underlining that many aspects of Italian system, in her opinion, are transferable. However, the transferability of these aspects needs an active involvement of national legislators. At the end of her speech, the speaker showed some data as proof of the success of WBOs in Italy. In fact, investments in WBOs in 10 years have generated in the country an economic return for the State of eight times the capital invested.

In Spain, workers buy-outs have a long tradition as well. **Anabel Yoldi** (ASLE) talked about the restructuring of the company “K1 Ekopaisaia SLL.” The years between 2004-2014 was about crisis in Spain in this sector,



For more info: ASLE, Ercilla, 3 48009-Bilbao (Bizkaia) Spain, tel: + 34 94 435 47 30 email: jnu@asle.es www.asle.es

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there were huge losses in jobs, salaries. In a very complicated economic situation, 30 employees finally bought out the former public company in 2014 with the guidance of ASLE. The speaker also talked about in general the legal form of “sociedad laboral”, what is a unique form in the EU, existing since 1973 in Spain. A “sociedad laboral” is not a co-operative but a worker-owned company, that has adopted the form of public or limited-liability company and the majority of the shares are owned by its permanent employees. In such a company, no one owns more than 1/3 of the capital and make decisions alone. There is a legislative background is given and financing is available for company transformation (e.g. social security fund for salaries, personal contributions from workers based on loans taken with favourable conditions). A few local councils also support the process with tools like projects and tax support. Trade unions may play a significant role as well.

In North-Macedonia the situation is different. **Maja Ravanska** and **Aleksandra Iloska** (PUBLIC) take the project participation as a way of learning good practices. However, North-Macedonia had a difficult transition period after the collapse of Yugoslavia there are developments. The Decent Work Agenda 2019-2022 is aiming to improve social dialogue in the country. There is also a strategy for the development of social enterprise sector and a law. Thus, it is still, an early stage for worker decision-making and it still viewed from a narrow perspective, not as a whole. There are already good examples.

After the partner’s presentation, the speakers were from Bulgaria again. **Zdrawa Vodenicharova** (Bulgarian Centre for Not-for-Profit Law Sofia) in her presentation introduced programs and activities of the organisation that is active more than 10 years in the social entrepreneurship sector. She mentioned initiatives such as The World of Mary Foundation, Bulgarian Biodiversity Foundation, Social Growth Initiative Foundation. Online Gift Market Platform or shared learning space for students.

Peter Nachev (Strategic Planning and Demographic Policy Directorate) presented the aims of the Ministry of Labour and Social Policy (MLSP) regarding a platform on the website of the Ministry. These includes:

- 1 - Demographics developments
- 2 - Standard of living and income
- 3 - Vitalization of economy
- 4 - Social and solidarity economy

Focusing on the latter, he emphasized the importance of material incentives for such enterprises and interconnection of all stakeholders, such as the state, social enterprises and people in the labour market. Community branding and community development is one of the priorities. One of the problems is lack of sustainability and funding as well as attitude: it needs a generation to get used to social enterprises. He was also talking about competitiveness and sustainability of the social enterprises. The platform would provide free market access, marketing space and integration of semantic networks.



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As worker's involvement, he said that integration into decision making of workers increases labor productivity.

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Yuliya Simeonova (CITUB) added a few words as well. As she said, employment in the conventional sectors will sharply decline in the next 10 years, but employment in education, health, social activities will increase and it requires innovative thinking for the benefit of society. **Aleksandra Iloska** (PUBLIC) also reacted – unlikely to Bulgaria, in North–Macedonia there is a different approach: first the strategy and practice and after comes the law. In North-Macedonia, the first national strategy is about to be finalized. The challenge is rather how to develop the criteria for identifying social enterprises and the legal framework.

As a closure line, **Jone Nolte** (ASLE) also made a few remarks how important employee involvement in enterprise management, not only participation in capital and structure, but also a culture of participation for better teamwork. She was also talking about disadvantaged groups, competitiveness, digital presence and sustainability issues. As the examples shows, in case of workers buy-outs it is important to be prepared from worker to owner that requires good government, transparency, inclusion and social responsibility.

The next workshop will be organised in North-Macedonia this year.



For more info: ASLE, Ercilla, 3 48009-Bilbao (Bizkaia) Spain, tel: + 34 94 435 47 30 email: jnu@asle.es www.asle.es