

Final conference
San Sebastian / Online (hybrid event)

NOTES

6th of July 2021

Venue: Palacio Miramar

Paseo Miraconcha, 48, 20007 Donostia, Gipuzkoa, Spain

Interpretation was provided in English, Italian and Spanish.

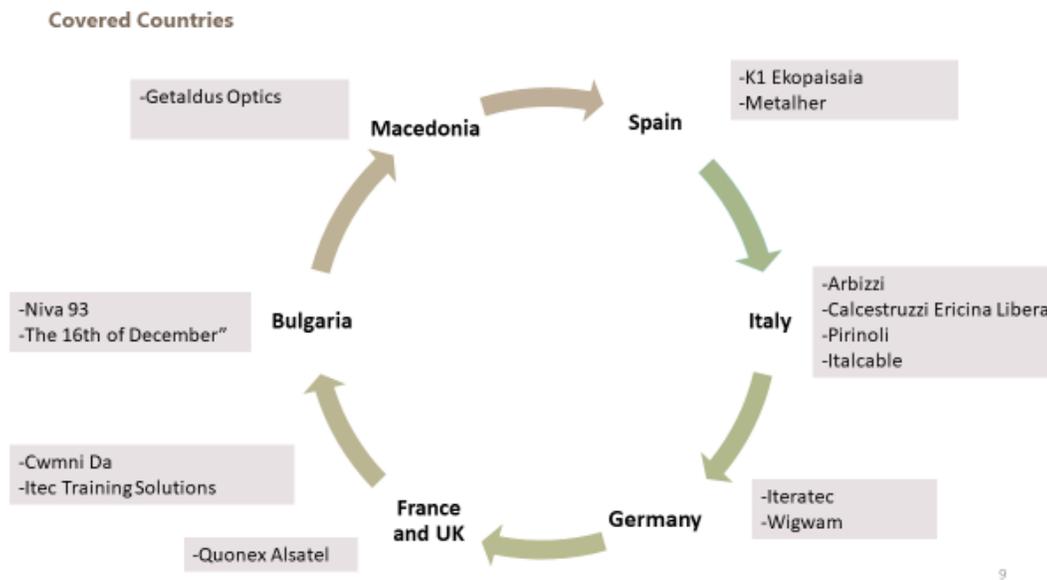
On 6 July last, we celebrated the main event of the IN4BTE European project on Information, Consultation and Participation rights as a factor of success of the business transfer to employees in SMEs. This blended event was held in San Sebastian and online, with the participation of 40 attendees in person at the venue and over 70 on Zoom.

This Project commenced in 2019 under the leadership of ASLE and the co-leadership of Diesis. CISL, CITUB and Public are partners on this project; Innova eG and Legacoop Produzione e Servizi take part as affiliated companies and ETUC, CECOP, UGT, CC.OO and Diputación Foral de Gipuzkoa are involved as co-affiliated companies.

This 24-month project, which was extended by an additional six months due to the pandemic, aims to highlight and analyse cases where rights to information, consultation and participation, as well as transparency principles are structured into governance and provide leverage for success, especially in corporate succession processes and corporate restructuring that developed into business transfer to employees. It also strives to focus on:

- Description of the path towards successful succession and restructuring processes.
- Key elements and barriers
- Strategies and tools for worker involvement
- The role of employee representatives in these processes
- How social dialogue can support employee participation
- Transferability of know-how to countries with less experience

It covers seven member states and identifies fourteen case studies:



A very dynamic and intuitive infographic has been developed for each of these cases and all of them, together with other aspects of interest, such as applicable European regulations and the importance of governance models and information transparency, have been incorporated into the project's Final Report.

Likewise, a very innovative video has been produced, presenting graphic testimonies of the companies participating in the study.

All these outcomes are available to everyone on the project's website: <https://in4bte.eu/>.

Words of welcome

Juan Manuel Sánchez Terán, Deputy Director of Social Economy and Corporate Social Responsibility (Spain), explained:

The In4BTE project addresses two topics that are at the core of the Social Economy:

1. The first of these is participatory processes wherein, rather than remaining uninvolved in company's path, workers are proactively placed at the centre of the decision-making through democratic processes.
2. The second significant topic is employee acquisition of company ownership.

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With regard to participatory processes, it should be noted that they constitute one of the main guiding principles of the Social Economy, recognised as such in Spain's Social Economy Act 5/2011. Specifically, article 4 refers to autonomous and transparent, democratic and participatory management, which prioritises people and social purpose above capital.

In terms of workers' acquisition of production units, article 129.2 of the Spanish Constitution itself entrusts the public authorities not only with promoting the different forms of corporate ownership, but also with the establishment of resources to facilitate workers' access to ownership of production resources.

In this regard, Public Administrations therefore have, within the framework of our respective competencies, the obligation to promote the two main lines of work being developed by the partners of the European project In4BTE.

Spain's Social Economy Department is undertaking two types of activities to promote ownership of businesses and workers' access thereto:

1. The first is programmatic in nature and is included in the Spanish Social Economy Strategy. This is measure 9, which addresses providing support and mentoring for ordinary trading companies that voluntarily apply for transformation into social enterprises. Certain situations (owner retirement, economic crisis, etc.) can constitute an opportunity for people with an entrepreneurial spirit. This measure is being supported with resources from the Operational Programme of the ESF for Social Inclusion and Social Economy.
2. A second activity is carried out in the framework of the Active Employment Policies which, using state resources distributed to the Autonomous Communities, finance the recruitment of working partners in cooperatives and labour societies. These include those who received one-off payment of unemployment benefits (single payment capitalisation) and employees under temporary contract.

There is undeniable scientific proof that social enterprises are more resilient in times of crisis. This was proven during the financial crisis of 2008 and in several other prior crises, and is being proven once again during the economic situation caused by the Covid pandemic.



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This, along with many other reasons, such as territorial involvement and minimal relocation, promotion of social integration, equal opportunities and solidarity, urge us to commit to the social economy as a sustainable economic, social and environmental model.

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The current situation of instability and of rethinking economic models that have proven unfavourable to the situation of people and the environment places the social economy in good stead as the model of the future.

Rolling out the social economy and its values will bring significant opportunities.

On a national scale in Spain, we have the renewed Spanish Social Economy Strategy which, without a doubt, will continue to commit to transferring companies to workers and transforming other business models into social economy models. The new Strategy will be one of integration, seeking to align with regional and local strategies and programmes.

And, at European level, we have the launch of the European Action Plan for the Social Economy by the European Commission in the last quarter of the year.

Moreover, funds from Next Generation EU offer possibilities that, if taken advantage of to the full, will contribute to promoting the Social Economy through different actions of the Plan for Recovery, Transformation and Resilience.

Also highlighted was the work done by the organisations that represent social enterprises, both at national level and in Europe, since their work is key to the sector's development and growth. And, in this regard, emphasis was given to the outstanding commitment of the Spanish Ministry for Employment and Social Economy with this sector and its conviction to contributing now, and more intensely in the future, to the creation of more inclusive, democratic and resilient companies.

Key drivers for a successful WBO

From the perspectives and realities of the different countries taking part in the IN4BTE project, **the speakers have pooled together the Key Elements that enable them to succeed in the WBO process.**



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The importance of an existing legal framework

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Francesca Montalti - Head of Industrial Cooperatives Legacoop P&S (Italy), *explained the importance of providing the states with a Legal Framework to facilitate transmission processes.* During the speech, Francesca presented the Resolution of the European Parliament of 2nd July 2013, which recognises the **resilience** shown by Social Economy cooperatives and companies during the crisis and values the contribution made by worker-owned companies to the states, favouring reconversion and succession situations.

Francesca emphasised the **importance of regulations in promoting WBOs**, presenting the evolution of the Marcora Law during the years 1986-2000, and in a second period 2003-2020, **favouring the capitalisation** of companies. She also presented data that shows how the financial return of companies that have been beneficiaries of public aid for WBOs, is similar to the contribution that the State makes to them. This data indicates that, in order to be successful at capitalisation level, the processes must be accompanied by other players, such as mutual societies and financial partners.

Tax and financial tools

Sarah Owens - Business Succession & Consortia Development Team Wales Cooperative Centre (United Kingdom), presented the tools and financial mechanisms existing in the United Kingdom to promote **financial participation**. She outlined the instruments being implemented by the Welsh Government to support WBO processes, following the Recommendations of the Nuttall Report, **the importance of government attitude, fiscal support, promotion through the EOA Association, regional policies that support direct and indirect participation**, regional policies that stand out in Wales and Scotland, financial and banking instruments that facilitate WBOs.

Evidence shows that public policies are levers that promote WBOs, and thus it can be presented that as of June 2021, 730 WBO projects have been facilitated. (113 in 2020, increasing to this date of 2021 by 113).

Strong Ecosystem towards WBO

Begoña Beobide, Director, Iraurgi Berritzen (Local Development Agency) considers that a fundamental element for processes of transmission to workers to come to fruition is the existence of **a strong ecosystem**.

During reconversion or succession processes, it is important that the different players, **local Agents** (development agencies, Provincial Council) specialized in processes of replacement and reconversion based on WBOs, participate alongside the company. Together they can generate a strong ecosystem based on **relationships of trust, professionalism, dedication, knowledge and commitment to the Territory**.

The role of trade unions in the promotion of WBOs

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Vilma Rinolfi, Researcher at CISL (Italy), focused on the *role of trade unions in the promotion of WBOs*.

Coinciding with the previous speakers, Vilma emphasised the importance of sensitising institutions, **raising awareness** among the different agents, **correctly working itineraries, training, informing, and analysing the feasibility of the projects**. Considering **trade unions** are closely connected to companies and have a good knowledge of their situation, their role for reconversion processes is key. **They must detect difficulties in companies** and act quickly since this facilitates the reconversion process and ensures viable outputs from WBO projects.

Vilma understands that once the company is already transformed, the role of the trade union changes, becoming a trusted figure, taking on the role of mediator.

Diversity and inclusion in the workplace

Aleksandra Iloska, Analytical researcher and Program Developer at Public (North Macedonia), presented the reality of the Western Balkans. Based on a study carried out in that area, Aleksandra introduced very interesting concepts into the debate, such as **diversity and inclusion at work**, and the importance of ensuring more inclusive and social companies. **To integrate the needs of the most vulnerable groups, advocating for policies that promote workers' rights to information and consultation, promote innovative, inclusive and social employment.**

What about the next day? The day after the WBO: cultural change, training, Internal agreements of partners and governance

Having analysed the elements that favour WBOs, **Anabel Yoldi**, Researcher at ASLE (Spain), presented the keys necessary to consolidate the project from a participatory point of view, once the company has already been transformed, highlighting the importance of working on different elements.

Cultural change and participatory management. We must work to get people to participate in the capital, but also in the definition of strategies, to involve all workers in the success of the organisation and to jointly optimise the achievement of personal goals and organisational objectives. Once the company has made its

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transformation, it is essential to ensure **professionalised management**, a management team that shares the project and plans the Company's strategy, fostering **leadership** within the organisation. It is essential to formalise **corporate pacts** that regulate the entry and exit of members, among other aspects. Another fundamental aspect is to continuously work on the **governance model** that provides workers with knowledge, skills, and tools to train people to lead an organisational innovation and be able to take on the different roles, collaborating and understanding the social bodies of the company.

Worker buyouts in a European context Why is the WBO a key factor for European economic and social recovery? What kind of actions and tools are necessary in Europe to promote the WBO?

EU Action Plan on the Social Economy and the promotion of WBOs in post-Covid Europe.

Jabier Larrañaga, Deputy of Economic Promotion, Tourism and Rural Environment, Provincial Council of Gipuzkoa (Spain):

Gipuzkoa's objective is to build a strong economy that allows it to guarantee the **social welfare** model and finance the future. But at the same time, this model must be a mechanism for Gipuzkoa, and in turn the Basque Autonomous Community, to be the European territory with the least inequality in Europe.

The business network of Gipuzkoa is made up of small and micro-companies, normally very well capitalised, positioned in international niches and in increasingly global chains with high added value. These characteristics make them very **attractive companies for investment and purchase**. So there are times in their life that **there is a risk of losing decision-making centres**. This risk was the reason for Gipuzkoa's approach to the participatory model. Moreover, this risk heightens at times of crisis, with investment capacity enduring temporary difficulties and the risk of decision-making centres in the territory being lost increasing. Jabier Larrañaga, pointed out that **for an economy to be strong for the future, the decision-making centres must remain in the territory**. He then cited 5 tools being provided by the Provincial Council of Gipuzkoa in times of crisis:

1. **Help programmes** that also serve as a tool to promote the participatory model. They have three active help facilities:
 - a. **Financing for projects** that promote the participatory model
 - b. **Promoting an ecosystem** that fosters those projects.

Last year 40 companies promoted participatory organisational models aimed at participation and 10 agents participated in the building of this ecosystem.

c. **Competitiveness programme** which addresses the continuity of business projects and is closely linked to the reduction of generational change as a risk factor. Last year, 26 companies participated in transmission and succession projects.

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2. **Recognition**, i.e. **taxation**. Jabier highlighted that in this case they seek to measure it qualitatively rather than quantitatively. They would like to have better supported companies in the territory. Last year, 232 companies with this model were recognised, with a total of over 1,000 people participating.
3. **Financing** People need lines of financing, which is why a line of guarantees is promoted together with Elkargi that allows them to reduce the risk. To enable these people to opt for lines of financing that financial institutions would not grant them if they were not guaranteed.
4. “Etorkizuna eraikiz” in Basque, Building the future, is the tool that helps in **experimentation**. 4 strategic lines have been marked for the future so that companies can continue to work on their strong economy. “Etorkizuna eraikiz” is a systematised learning environment where participatory **pilot projects** are developed. 20 companies have already taken part.
5. **Collaboration with the different agents** Jabier highlights collaboration with ASLE.

Culture of effort, long-term vision, of value and collective commitment, of commitment to the territory and to society, the set of values and principles that characterises participatory models.

In conclusion, Jabier highlighted that **company culture** is one of the challenges to work on, since the participatory model requires **strong leadership** to establish a **culture of effort and long-term vision**. In addition, diversity must be managed in companies and cultural **diversity** must be introduced.

Patrick Klein, Head of the Social Economy Team, DG Grow, European Commission (EU)

Patrick Klein mentioned the importance of **visibility and raising WBO awareness**.

The Covid crisis has affected the economies of different countries and regions, and so it is very important to get back on track. **Develop sustainability, greening and digitalising the economy**. More than 99% of European SMEs are facing difficulties and it is necessary to help them. The European Commission has a new financial perspective. Its new budget and the National Recovery Plan that is currently under negotiation with member states is helping SMEs. Regarding the transfer of businesses, the need to facilitate this solution must be taken into account. Patrick also pointed out **different angles from which WBOs are being supported**:

1. Awareness raising and promoting
2. Exchanging best practices between member states
3. Finding the right financing for them

This is very important for the cohesion of the territories, to keep talent in our regions and to continue to have workflows. In order to stimulate WBOs we need preconditions:

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1. **Build trust** with employees,
2. **Not see WBOs as a financial operation**
3. **Time is needed to build WBOs with different stakeholders**
4. **Foresee the main obstacles** and work on them until success is achieved. For this purpose, the European Commission has developed different **tools**:
 - a. **Co-financing dedicated projects** in member states. For example co-financing projects on awareness-raising and developing skills for WBOs.
 - b. **Creating the right environment** to facilitate business transfers

In 2020, the European Commission launched the SME strategy to facilitate business transfers and **create a WBO-friendly environment**. Working with the European Investment Fund, Regional Funds and other stakeholders, such as trade unions, is key to building this environment.

Reinforcement of Social Dialogue to promote WBOs - Round table

The following four speakers took part in this section:

- **Marina Monaco**, Policy Advisor, European Trade Union Confederation (EU)
- **Antonio Zampiga**, Head of Industrial Relations Office, Labour Policies, Social Security, Legacoop Nazionale (Italy)
- **Javier Fernández Prieto**, Head of Sectorial Policies, CC.OO (Spain)
- **Angelo Colombini**, National Confederal Secretary, CISL (Italy)

The four experts on the panel addressed the role of social dialogue in promoting company transfers to workers, representing both the unions and the businesses.

This topic was tackled in a round table format, with each of the guest speakers answering a series of questions posed by the moderator. The questions posed were as follows:

- In the organisations each of you represent, is there a set position on company transfers to workers?
- What barriers (social, legislative, political) do you see in terms of company transfers to workers?
- What factors or elements need work in order to strengthen these transfers from a social dialogue standpoint?
- Each of the participants contributed responses from differing and complementary perspectives.

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On one hand, **Marina Monaco**, political advisor of the **European Trade Union Confederation** spoke from the viewpoint of trade union organisations at European level. Ms. Monaco could not attend the entire panel session, however, during her talk, she explained that the Social Economy as such at European level does not take part in social dialogue, although it plays a very important and active role in the European Union due to the resilience and innovation capacity of its business models. She also explained how, in her opinion, trade union organisations and Social Economy organisations have a broad space for collaboration because they have shared purposes, such as social inclusion, job sustainability, the democratisation of the Economy, and business governance.

Thereafter, **Antonio Zampiga**, Director of the **Office of International Relations, Employment Policy and Social Security of Legacoop Nazionale** offered his responses on the situation in Europe from an entrepreneurial standpoint. He explained that, for his organisation, company ownership by workers is obviously constitutional, since it is a cooperatives organisation. He said that at Legacoop they work actively to set up new cooperatives as a formula for creating jobs through entrepreneurship. He believes it is very important in entrepreneurship processes to support the preparation of enterprise plans and the assessment of business risks.

He also mentioned the national agreement of 21 January 2021 adopted by the social players of Italy, which includes the promotion of entrepreneurship and company transfers to workers, highlighting the importance of this national agreement in the support that new enterprises need in the early stages, which can be particularly difficult.

Mr. Zampiga also pointed out that in Italy the topic of worker buyouts is present in the social dialogue but the state needs to be more involved in driving it, since in a situation of crisis like the current one, the strength of the trade unions and business organisations is not enough.

He also emphasised the importance of showing examples of worker buyout success stories. He said that a very significant difficulty in transfer processes can be new project financing. From his organisation, financial support instruments for new cooperatives have been created, he said, to provide a response to these difficulties.

Speaking more specifically on the situation in Spain, **Javier Fernández Prieto**, head of Sectorial Policy of the **Spanish trade union organisation CCOO**, explained that his organisation has a favourable opinion of the Social Economy, although it is not without its difficulties and contradictions. Currently and in the near future, he said, the social dialogue will be faced with two issues or extremes that will clash with each other -on one hand, the reality of the so-called “economy of (digital) platforms”, i.e. companies without workers (such as

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“riders, for instance), in which there is a clear “outsourcing” of work and therefore a distancing of the workers from the possibility of participating in the business processes. On the other hand, there are those who believe, like Mr. Prieto, in a more participatory business model, with greater involvement of all parties comprising the company, holding a shared long-term vision.

He explained that these two models are in conflict and social dialogue is fundamental to see how the issue is resolved. He remarked that, if the platforms model wins out, there will be a serious for the Social Economy. However, he explained that the challenges of digitalisation, climate change or the territorial structuring are an opportunity for the Social Economy, because they will call for greater participation of the workers in enterprise. In this regard, he believes that the European funds to be provided, which are geared towards digitalisation, territorial cohesion, equality and combating climate change, will enable this opportunity for the Social Economy to be reinforced.

Lastly, he recognised that, despite all this, the subject of worker buyouts is currently not present in the social dialogue in Spain, since it is still in the “emergency”, crisis-response phase, subject to the effects of labour reform.

For his part, Angelo Colombini confederal secretary of the **CISL (Italian trade union confederation)** explained the vision of the Italian trade union organisations for company ownership transfers to workers. Among other things, Mr. Colombini highlighted the importance of enhancing training and professional upskilling of workers and said that this is particularly relevant in the face of imminent digitalisation, which is increasingly present.

He also said that improving worker training has a direct impact on co-responsibility within the company.

Angelo Colombini also stressed the importance of state support for worker buyouts as well as the support of the financial sector because one of the difficulties faced in these processes is precisely that of sourcing financing.

What policies for WBO promotion?

The following five speakers took part in this section of the project’s final conference:

- **Juan Antonio Pedreño**, President, Social Economy Europe (EU), chairman of CEPES, the Spanish business confederation for the social economy (Spain)
- **Francesco Lauria**, Researcher, CISL National Study of Florence (Italy)
- **Adrián Zelaia**, Chairman of the consulting group EKAI, and professor of applied economics at the Basque Country University (Spain)
- **Alessandro Viola**, Officer, Cooperazione Finanza Impresa - CFI (Italy)

- **Jokin Perona**, Regional Finance, Delegate Deputy for Tax and Finance, Provincial Council of Gipuzkoa (Spain)

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The first speaker was **Juan Antonio Pedreño**, who, as senior representative of the entity that structures the Spanish social economy, presented the challenges and strategy of his organisation with regard to the promotion of worker buyouts.

He pointed out that the fundamental purpose is to avoid any viable company in crisis from being forced to close if it can be transferred to the workers and they can secure its continued activity. For this to be possible, there has to be complete involvement of the social players, trade unions, business organisations and public powers.

Mr. Pedreño asserted that this aim calls for three basic points:

The first is to detect the risk of closure in time in order to act as early as possible. For this, the role of local authorities and local development agencies is crucial. Due to their proximity to the local economy, they can act as antennae to detect companies at risk.

Secondly, he highlights the importance of having a system of guarantees that ensures that the debts of the former company are not passed on to the workers taking over the activity.

Thirdly, he highlights the need to modify the bankruptcy law, which establishes a complicated, long-term procedure that does not facilitate worker buyouts in the least. According to Mr. Pedreño, bankruptcy law must prioritise the collective interest of workers in taking over the company when this can mean the continuity of the activity. He says that bankruptcy law must support giving workers priority when it comes to taking over company assets.

In addition to the three basic points stated, Mr. Pedreño also stressed the importance that worker-owned businesses avail of technical assistance measures (viability plans, training, etc.) through entities that represent the Social Economy.

In closing, Mr. Pedreño mentioned the importance of making good use of the European “next generation” funds to promote company transformations.

Following this, **Francesco Lauria** from CISL gave a presentation on the trade union vision in Italy regarding policies governing the promotion of worker buyouts. Firstly, he pointed out the positive results seen by worker-recovered companies in Italy. It is estimated that between 1986 and 2001 the Italian state has saved almost 600 million euros thanks to recovered companies in social security and grants alone, he reports.

Furthermore, the tax contribution of these companies was Euros 3,600 million. Moreover, companies recovered by workers have shown greater resilience than standard companies (15 years as opposed to 12).

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In terms of the reasons for promoting company recovery by worker buyout, he pointed out, among other things, that these types of companies can be key to combating unemployment and the impoverishment of entire territories, they embody active employment policy (a testing ground for knowledge and professionalism), they have real innovation potential, and they implement highly participatory corporate governance.

In terms of obstacles, Francesco Lauria mentioned the lack of a global information strategy on these types of processes, territorial inequalities regarding the participation of workers in capital, and the slowness of responses to bankruptcy situations that call for a swifter reaction than currently exists. He also pointed out that, in the initial stages, these companies often have issues with suppliers as a result of defaults by the previous owners.

Another matter that Mr. Lauria explained was the need to resolve the issue of worker transitions to partner level. Clear work needs to be undertaken around shared responsibility and the specific skills needed (economics, management, etc.) and how they can be acquired.

In terms of ideas and areas of opportunity, Francesco Lauria listed the following:

- An information campaign to gather and exchange experiences
- Creating a permanent committee representing all parties
- Using the European next generation funds

He even proposed the possibility of new European directives on rights of information, consultation and self-management, which could contribute to promoting the recovery of companies by workers.

Following this was a presentation from **Adrian Zelaia**, chairman of consultancy firm EKAI GROUP, who has long-standing experience in the world of cooperatives.

Mr. Zelaia presented a different vision of the worker buyout issue than the commonly held view. His presentation focused on laying out a framework to illustrate the pros and cons of this type of operation from a macroeconomic perspective and in terms of the impact on economic development, in order to define why it is necessary to address a public policy to promote the transfer of companies to workers.

Firstly, Adrián Zelaia highlighted the importance for the company of replacing shareholders with workers due to the significant differences between these two figures. The worker, in contrast to the standard shareholder, usually has a greater interest in the activity in the long term and is also more invested in the company's surroundings and has a better professional knowledge of the activity. Furthermore, in companies transferred

to workers, which Mr. Zelaia refers to as worker-owned companies, there is a greater complexity in terms of adopting corrective measures.

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Mr. Zelaia said that one of the greatest challenges for transferring companies to workers is the challenge of transience, in the sense that these companies are used to overcome a business crisis and, once this is achieved, the company reverts to being an ordinary company, in other words, once the transfer of the company to the workers has served the purpose of saving the activity, an entrepreneur is sought out to take charge of the company. Faced with this risk, mechanisms must be found to contribute to keeping the company in the hands of the workers over time. These include business associations, i.e. organising these companies into business association that defend their interests, creating specific institutional settings or ensuring the availability of economic resources.

Mr. Zelaia considers that this image of transience is due to the fact that in periods of crisis, worker-owned companies often have a greater willingness to invest (in response to the situation) and when times are buoyant, the opposite occurs. Thus, these types of companies are only seen as a response to a business crisis situation.

However, Mr. Zelaia maintains that this vision is no longer true, since in a context in which the net production investment in Europe has been falling consistently, we find that the worker-partner may be a driving force of production investment.

Therefore, taking into account that the ongoing decline of production investment is perhaps currently the top challenge of the European economy, Mr. Zelaia proposes that it is necessary to consider different forms of investment to the traditional shareholder format, such as worker investment, so that the “anti-cyclical” role of worker-run companies can be extended to periods of apparent economic expansion. Hence, in conclusion, Mr. Zelaia understands that, faced with the structural crisis of European production investment, public policy must open up spaces to promote types of investment other than the shareholder format, such as worker investment.

Adrián Zelaia concluded, thus, that the reasons for promoting company transfers to workers are not only social, but also economic. According to Mr. Zelaia, the experience of worker-owned companies proves that the participation of workers in the governance of companies has a major impact on the economic model and business strategies and, in particular, in maintaining the company's commitment to production investment.

This means, therefore, that the promotion of company transfers to workers is not, as Mr. Zelaia sees it, a matter that should be restricted to the realm of social and labour policies, but that should also extend to the realm of economic development and fiscal policies.



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The following presentation was by **Alessandro Viola** of CFI Cooperazione Finanza Impresa de Italia, an entity specialising in company recovery by workers. Mr. Viola presented data on the activity of CFI in its mission to promote the creation of companies recovered by workers. He pointed out that a fundamental element when workers wish to buy out a company in crisis is the support that organisations like his can provide, both to help the workers transition from employee to worker-partner, and to create the company itself, particularly in terms of analysing project viability, as well as support in the first months of existence. Supporting and accompanying workers in this way is, according to Mr. Viola, fundamental to the success or failure of the project.

In his presentation, Alessandro Viola outlined data from companies recovered by workers in Italy in recent years. This data shows that they are companies of varying sizes and sectors, from micro-businesses to large companies, which means that the formula for company recovery can work for any sector and any size of activity.

He also points out that the amount of this type of companies being created varies according to the economic climate of the country and the Marcora Law led to a major impulse for the creation of worker-owned companies.

Another conclusion gleaned from the data offered by Alessandro Viola is the great success of these reconversion projects, since the vast majority of the companies created in this way have stayed the course, overcoming the initial critical stage and going on to consolidate and grow.

The last presentation of this part of the conference was given by **Jokin Perona**, Regional Finance Delegate of Diputación Foral de Gipuzkoa, who spoke about the fiscal measures implemented in his region to promote the acquisition of company capital by workers and the reasons for and results of these measures.

Mr. Perona pointed out that these measures are explained in part by the climate that existed when both he and Javier Larrañaga, the Regional Economic Promotion Delegate who spoke earlier in the morning, entered their posts in 2015. At that time, several economic indicators were quite negative. For example, in 2013, the number of companies gone into administration in the Territory of Gipuzkoa had reached its peak, and in 2014 unemployment was at its highest in recent years. In these circumstances, three key objectives were set out, in this order:

1. To underpin the decision-making centres in Gipuzkoa
2. To promote and support new business projects emerging in Gipuzkoa
3. To attract talent and projects.

For the first of these objectives, they saw the importance of worker participation in the company and that is why they focused largely on promoting this in the region.



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Mr. Perona pointed out that in Gipuzkoa there is great sensitivity towards worker ownership thanks to a strong presence of cooperativism and worker-owned companies.

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One of the aspects focused on by the department has been succession in companies in which the owners are retiring because with the 70s and 80s seeing many businesses set up in Gipuzkoa, these business owners are now reaching retirement age. It was clear that this context could be an opportunity for promoting worker buyouts and therefore tax measures were put in place to encourage retiring business owners to sell their shares to the workforce. The message this has projected from the Tax Authorities has been that transferring company capital to the workers is the most favourable third-party transfer option for tax purposes.

Mr. Perona explained the specific tax measures which, based on this premise, have been in place in Gipuzkoa since 2016 to promote the buyout of companies by workers and the creation of worker-owned businesses. These measures are also based on the idea that workers' offers can often be less appealing to the business owner, since the workers usually avail of less financial resource than possible external buyers and this difficulty needs to be overcome.

Hence, Mr. Perona explained that a set of measures were designed that aim to incentivise capital transfers to workers both from the owner-seller perspective and from the worker-buyer side, insisting on the basic idea of making the capital transfer to the workers more fiscally appealing than a sale to a third party.

To end, Mr. Perona offered a balance of the results of these measures in the period 2016-2019, which in short shows that in this period in Gipuzkoa 16.5 million euros was invested by workers in 232 companies. The importance of this, according to Mr. Perona, lies not only in the fact that it contributes to keeping decision-making centres in the territory of Gipuzkoa, but it also contributes to spreading the worker-owned model throughout the territory.

Closure

Lastly, both Jone Nolte - Director, ASLE (Spain) and Gianluca Pastorelli-Executive President, Diesis Network (Belgium) gave a brief summary of all the topics addressed during the conference, placing special attention on the policy recommendations that can be made from here forward at state and European level to promote the WBO in Europe.

This summary was prepared by ASLE.

