

## **Saving Jobs! project: European partners discussed and visited workers' buy-outs in the Spanish city of Murcia**

**The project “Saving Jobs!” has the objective to translate the Spanish experience of maintaining jobs from enterprises facing bankruptcy or succession problems, through the creation of worker cooperatives.**

**In Spain, more than 100 enterprises have been transformed into cooperatives. More data will be systematised and analysed during the project.**

Representatives from European and Spanish entities, specialized in cooperatives, have met in the Spanish city of Murcia to work on the topic ‘workers’ buy-out’.

The seminar was held on 7 and 8 November 2016 in the framework of the European project “Saving Jobs!”.

The objective of the project is to transmit the important Spanish history on workers’ buy-outs to other countries not having this experience. At the same time, the project is helping Spanish autonomous regions to systematize relevant data and review their way of working on this issue.

### **What is a “workers’ buy-out”?**

“Workers’ buy-out” means transfer of ownership of a traditional enterprise to the workers, who transform the company into a cooperative. Most often it happens due to economic problems and looming bankruptcy

or because the owner is retiring and cannot find a successor.

In Spain, in the Sixties, a lot of enterprises were closing their doors. Already before their company went bankrupt, the workers often had no salaries for months. In a number of cases they finally took the enterprise into their own hands and revived it – in a cooperative way. Between several legislative measures, one that has a very big impact on the growing number of cooperatives created was a law providing the possibility to workers to receive all their unemployment benefits in form of a one-off payment in order to have capital to buy the company and restart with the business again. The Spanish Confederation of Workers Cooperatives (COCETA), had calculated that nowadays more than 100 enterprises have been recovered. But still a lot of work remains to be done. Data need to be systematized and existing laws have to be further improved.

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Murcia is one of the Spanish cities with a high number of workers' buy-outs, which made the autonomous region and city an interesting venue for this international seminar. Beside the workshop discussions, project partners had the occasion to visit different experiences of new cooperatives and to speak with local politicians and administrations.

"Murcia is the first region in Europe when it comes to worker buyouts. This is due to the entrepreneurial character of the region, and to a compromise of the regional government in a moment of difficulties", said Juan Antonio Pedreño, president of COCETA and of UCOMUR, the regional organization of cooperatives, in a press conference that took place before the seminar. "The success is also a result of the social recognition of the support that UCOMUR provides to these enterprises".

## Seminar

This first encounter of international representatives with Spanish experts gave participants the opportunity to analyze the different situations in the partners' countries.

Organisations from Denmark, Poland and the UK will receive assistance in planning and developing a local training strategy in each country. Experts from Spain will visit the partner countries, and also offer internet training. They will prepare a set of tools on the transformation of enterprises, such as guides and manuals.

During the Seminar, that saw the participation of the General director of Labour Relations and Social Economy of Murcia, Javier Sanz,

director of Elkar-Lan, a training cooperative enterprise in Euskadi, stated: "A lot of Autonomous Communities in Spain should improve their legislation. There is not a universal legislative framework for workers' buy-outs but many of them throughout Spain." Moreover, Sanz criticized: "Many times the European Commission issued statements and recommendations for the promotion of workers' buyouts and for the cooperatives. However, not much happened." Besides, he called on enterprises and public authorities to be transparent and explain why the workers should be interested in buying the enterprise – one of the main reasons being that they "will become owners of their destiny". He also highlighted that workers' buy-outs should not be considered a panacea for all enterprises in crisis: "If an enterprise has no business possibilities, it should not be transmitted to the workers. It should be closed. We have to work with the viability of the business".

From the European partners, Alice Warton, representative of Cooperatives UK, pointed to the lack of specific legislation on workers cooperatives in her country. Similar statements were made by the Danish representative from Kooperationen, Elsa Brander. Both organisations welcome the possibility to learn from the Spanish examples – even though, in the UK and Denmark, there is already a big tradition of working cooperatively.

Participants had the occasion to meet experts in the field of workers' buy-outs and transmissions from the different Spanish organizations that are part of the project: Unión de Cooperativas de Trabajo Asociado

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de la Región de Murcia (UCOMUR), Federación Valenciana de Empresas Cooperativas de Trabajo Asociado (FEVECTA), Federación Andaluza de Empresas Cooperativas de Trabajo Asociado (FAECTA), Federació de Cooperatives de Treball de Catalunya (FCTC) and Asociación Navarra de Empresas Laborales (ANEL).

Spanish participants agreed that a new national law for the transmission of enterprises is needed. In this context they referred to very specific challenges at the moment of the transmissions, such as the fact that workers usually are informed very late on the situation of their enterprise, with little possibilities to properly prepare the

buyout. Furthermore, more support is necessary, even though some regional communities already foresee specific public aid.

Finally, Carmen Pastor, professor of Commercial Law at the Universidad de Alicante, explained that the “public creditors (Social Security, Tax Office, etc) are one of the most difficult obstacles when recovering enterprises”.



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