THE REGULATORY SYSTEM WHICH SUPPORTS WBOs

Law 49/1985 and subsequent amendments (the so-called Marcora Law)

the Marcora Law, approved in 1985 and subsequently amended and supplemented, defines an aid scheme to support the growth of economic activities and employment levels through the development of cooperation. To this end, the law established an ad hoc Fund to support cooperative societies called Foncooper. Part of this Fund goes to the management of the Ministry of Economic Development in order to safeguard and increase employment (the SPECIAL FUND FOR MEASURES TO SAFEGUARD EMPLOYMENT LEVELS). The Ministry uses these funds to participate in the capital of Cooperazione Finanza Impresa (CFI), a financial company that is, in fact, an institutional investor. CFI can take temporary minority shareholdings in cooperative companies, primarily those formed by workers from companies in crisis, and grant them financing and financial facilities for the implementation of business projects.

Law no. 59 of 31 January 1992

Article 11 of this law establishes the procedures to follow regarding the creation of mutual funds managed by Cooperative Associations that can be used to finance the establishment of new cooperative enterprises.

Decree Law no. 145 of 23 December 2013

Article 11 of this decree introduces the right of pre-emption for workers who intend to rent or purchase their company in crisis or a part of it.

"Nuova Marcora"Decree of the Ministry of Economic Development of 4 December 2014

The Decree introduces additional low-interest financing for cooperatives (also managed by CFI) and, differently from the Marcora law, extends the beneficiary catchment area to social cooperatives, to those managing companies that have been confiscated from organized crime and to already-existing cooperatives in the regions of Southern Italy. The funding will be used for consolidation purposes.

Legislative Decree no. 22 of 4 March 2015

The Decree is part of a long legislative process that started in 1991. As an incentive to self-entrepreneurship, article 8 establishes the possibility for unemployed workers to apply for the early payment of their unemployment benefit (NASpI). This money can be used by workers to join a cooperative and take over the company where they worked.

FINANCIAL SUPPORT FOR WBOs

SELF FINANCING

UNEMPLOYMENT BENEFIT (NASpI)
(Legislative Decree 22/2015 Art. 8)

EMPLOYEE SEVERANCE PAY (TFR)

FUNDS OF COOPERATIVE ASSOCIATIONS

(Law 59/92)

COOPFOND (Legacoop),
FONDOSVILUPPO (Confcooperative)
GENERAL FOND (Agci)

SPECIAL FUND FOR MEASURES TO SAFEGUARD EMPLOYMENT LEVELS

Law 49/1985 and subsequent amendments and additions (Legge Marcora)

EXTRAORDINARY FUND

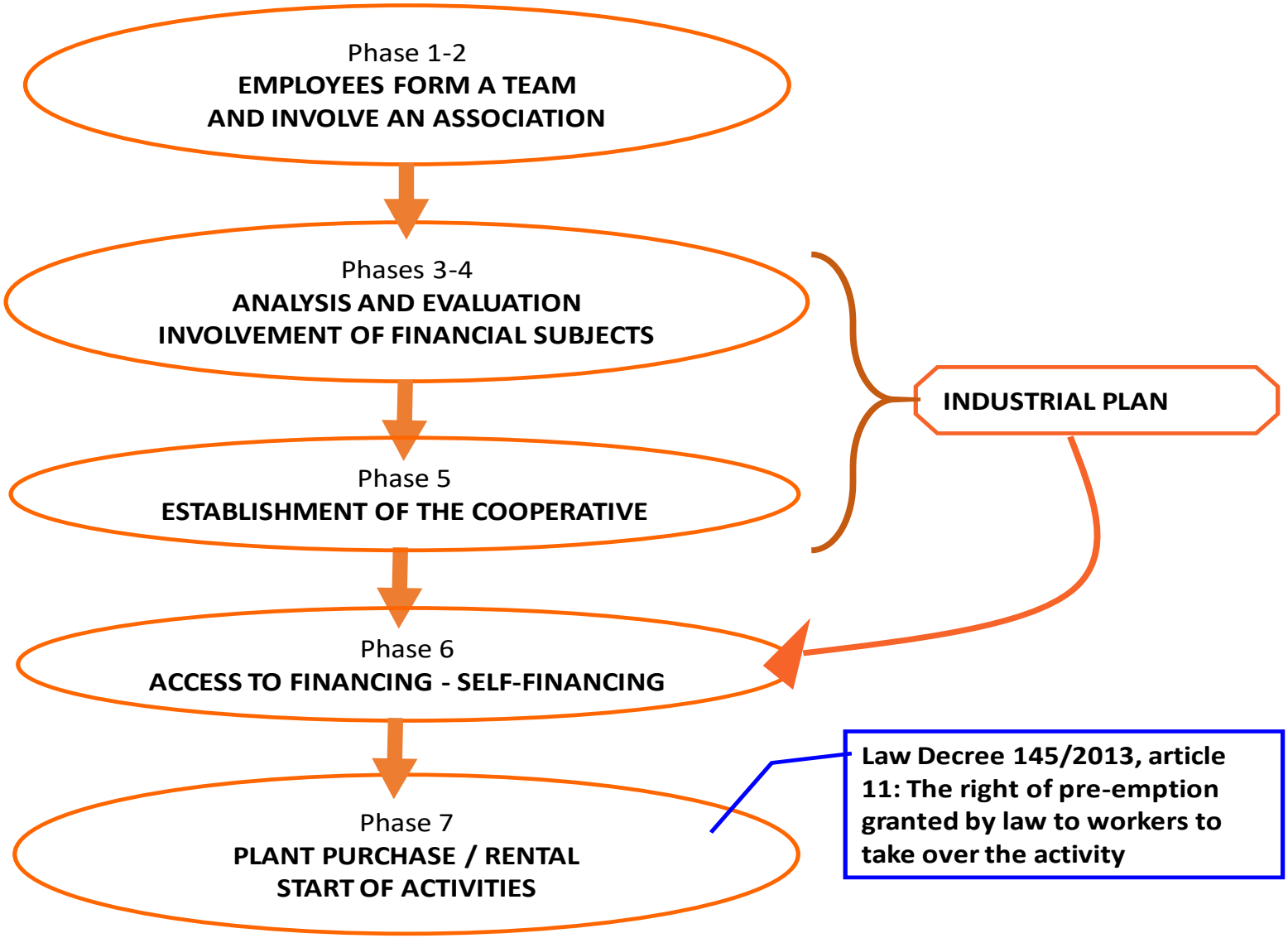
Ministry of Economic Development Decree 4 December 2014 "New Marcora"

COOPERAZIONE FINANZA IMPRESA (CFI)

LOANS OR MORTGAGES

e.g. Banca Etica

MAIN PHASES IN A WBO



THE INDUSTRIAL RELATIONS WHICH SUPPORT WBOs

Summary done by Diesis Network

Italian agreement on WBO between trade unions and main cooperatives associations

On the 21rst of January 2021, an important agreement was signed between Agci (Associazione Generale Cooeprative Italiane), Confcooperative (Confederazione cooperative italiane), Legacoop - the three main national-level associations representing cooperatives - and Cgil (Confederazione Generale Italiana del Lavoro), Cisl (Confederazione Italiana Sindacati Lavoratori), Uil (Unione Italiana del Lavoro) - the three main trade unions of the country - for the promotion and development of worker buyouts (WBO). WBO is considered to be a solution to solve company crises, encouraging generational changeovers, and guaranteeing the preservation of company assets and technical and production know-how. All actors agreed on the need to develop new innovative paths and to enhance a common action.
In Italy, the experiences of WBOs are positive stories to in opposition to the numerous cases of crisis and company closures that are increasingly recurring in the country. They are often the solution that guarantees the maintenance of employment levels (or significantly limiting the number of redundancies). Plus, WBO allows the preservation of the company's assets, and of technical and production know-how.
Behind the Italian WBOs, in many cases, there is already the support of Confcooperative, Legacoop, AGCI, CGIL, CISL and UIL. Nevertheless, there is the need of a further common management of this topic by the stakeholders involved. This is why this agreement has been developed and signed.
This new agreement wishes to:
- Promote a join action to disseminate and raise awareness about WBOs and contributing to its success;
- More awareness-raising on what is a cooperative and which are the ICP rights;
- Cooperative WBO must become one of the examples to underline that the cooperative business model, based on the principles of worker participation and economic democracy, could be one of the possible answers to labour needs;
- Promote closer cooperation with those dealing with pre-bankruptcy and insolvency procedures.

The concrete solutions proposed by the agreement are:
- Create a Permanent national discussion table on WBO to monitor the phenomenon in Italy (news WBO cases, evolutions at local/national level, dialogue with interested stakeholders, etc.);
- Raise awareness and promote WBO at the local and national level. Plus, develop information materials for all potentially interested parties, including workers. Through "pilot cases" and direct testimonies, can be explained the characteristics and methods of a workers' buyout, while also highlighting the value of this solution in preserving knowledge, employment and the economic, social and cultural heritage of the area;
- Promote information and training initiatives, possibly jointly, between trade union operators and managers of cooperative associations at different sectoral and territorial levels;
- Activate training opportunities on WBOs targeting potential interested parties, among which and especially, employees. This will disseminate knowledge on entrepreneurial, managerial and technical-specialist skills;
- Evaluate individual business cases in a common location by activating a network of consultants, service centers, local branches of the trade unions and cooperatives associations and other analysis tools. This will allow to jointly verify the feasibility and sustainability of the business recovery. Moreover, once launched, this process must be jointly monitored and mentored;
- Promote a common awareness-raising activity towards all institutions and institutions and bodies (regions, municipalities, chambers of commerce, INPS/INAIL, INL, business associations, etc.) to promote, the development and multiplication of WBO experiences;
- Encourage the further development of financial support instruments, while at the same time helping to remove interpretative or procedural problems that slow down the delicate start-up phases of these new realities.

A Vademecum has been published with the agreement. This document provides information about the evolution of the phenomenon in Italy and a legal framework of it. Moreover, it highlights financing opportunities and the procedural steps to follow to carry a WBO. Finally, it exposes the support actions developed by the cooperatives' association and the trade unions.