



WINS

WORKERS' INVOLVEMENT IN
SOCIAL ECONOMY ENTERPRISES

FINAL REPORT

ICP rights of workers in social economy enterprises in selected countries



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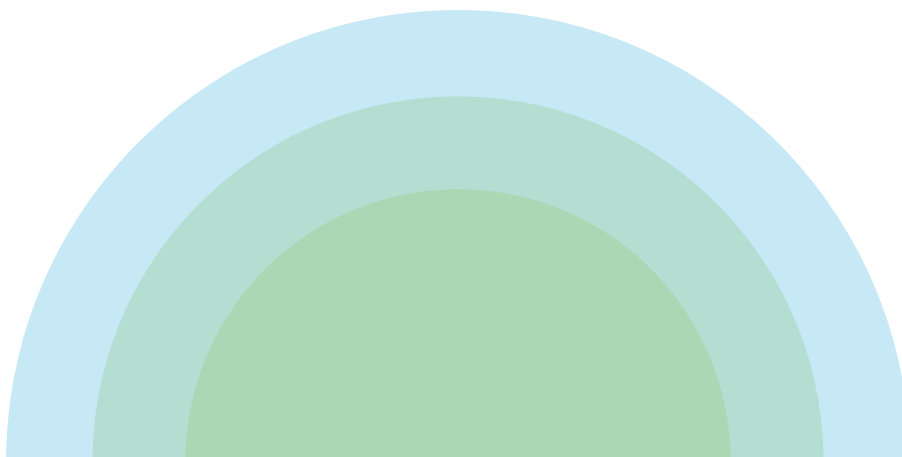
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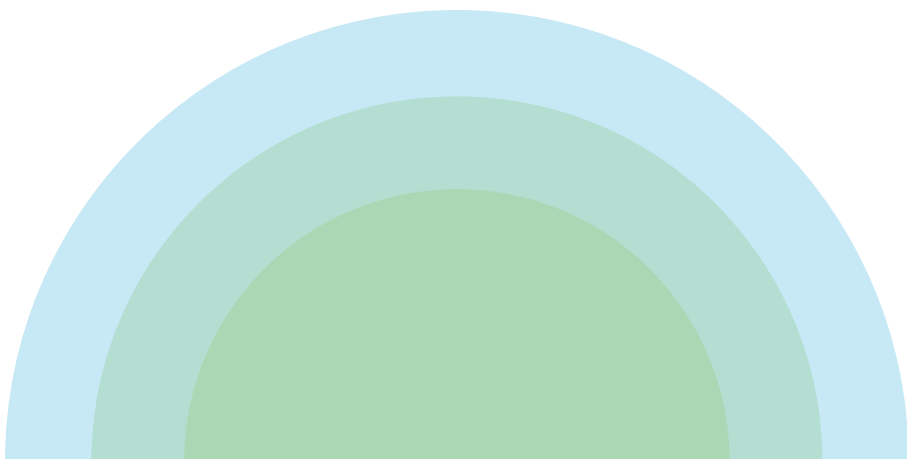
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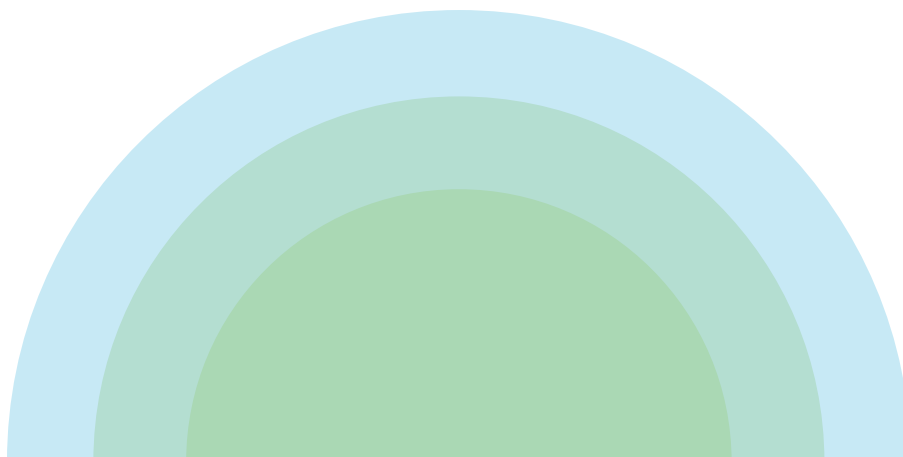






CONTENT

Introduction	7
About the WINS project.....	8
Democracy at work and selected topics	10
Country chapters	12
Italy – Worker buyouts and the role of cooperatives and unions in creating new enterprises, especially in the platform economy.....	12
North Macedonia – ICP rights of workers in North Macedonia.....	18
Slovenia – European Employee Ownership Plan.....	23
Spain – The case of platform cooperatives.....	28
Special focus of the WINS project: worker buyouts.....	32
Conclusion.....	33





INTRODUCTION

There is a well-established legal framework for employee involvement at the EU level, with more than 15 directives dealing with it in some form and implemented in the national law of all the EU Member States. One of the most important pieces of legislation is Directive 2002/14/EC¹, which established a general framework for informing and consulting employees.

However, there is no legislation specially designed for the social economy with regard to information, consultation and participation (ICP) rights; social economy enterprises count as “conventional” companies in this respect. The only EU directive which is specific in this regard, no. 2003/72/EC², regulates employee participation in the European Cooperative Society, a legal form which has met with limited success and relevance since its introduction in 2006.

However, the legal framework itself does not guarantee good practices in everyday working life. When it comes to information, consultation and participation rights of employees, there are gaps. It still happens that workers or employees are not aware even of their most basic rights and employers are not willing to introduce training activities on them either. Social partners are playing a crucial role by making employers and employees aware of and able to exercise these fundamental rights. Trade unions are the traditional guardians of information, consultation and participation rights, but on the other hand, social economy enterprises, which tend to be democratic by nature, are good examples of their application, often without involvement of any trade unions. Still, trade unions and social economy enterprises are complementary partners when it comes to employee involvement.

That is why the WINS project was launched. Through WINS, a partnership composed of social enterprise organisations and trade unions, each committed to learn from each other, aimed to find and spread good practices, and to disseminate EU and national legislation on workers’ involvement in enterprises, with the emphasis on employee involvement in a national setting in the social economy context. In this way the project also aimed to contribute to the fulfilment of the objectives of the European Pillar of Social Rights and, in particular, of its Principle 8 (b): *“Workers or their representatives have the right to be informed and consulted in due time on matters that concern them, in particularly on the transfer, restructuring and merger of companies and on collective dismissals”* and also provide information for future policy-makers especially for the Social Economy Action Plan³, launched on 16 December 2021 by the European Commission. However, why did the project focus on companies and ICP rights in the social economy? According to the European Commission, the social economy encompasses a variety of businesses, organisations and different legal entities.

¹<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32002L0014>

²<https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32003L0072>

³<https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10117>

⁴https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu_en



They share the objective of systematically putting people first, producing a positive impact on local communities and pursuing social causes⁴. Social economy enterprises constitute 2 million enterprises (i.e. 10% of all European businesses), and they employ over 14.5 million Europeans, i.e. some 6.5% of the EU working population. There is a growing interest in social economy enterprises across Europe, strongly driven by a growing recognition of the role they can play in tackling societal and environmental challenges and fostering inclusive growth.

This report was written with the objective of drawing the attention of social economy employers and trade unions, who have direct access to and also an interest in training on ICP rights for workers in cooperatives, members of worker cooperatives and employees in the social economy in general.



ABOUT THE WINS PROJECT

The WINS project started in March 2020, at the start of the first wave of the COVID-19 outbreak, which caused a severe economic and societal crisis. It had a strong impact on the job market, and a significant number of people lost their jobs and were forced to reorient their work life. But also new forms of work – platform work, telework, etc. – quickly became a complementary option or an alternative to the traditional employment relationship. This impacted on the traditional systems of industrial relations and influenced how the main players – employees and employers or their representatives – collectively communicate and behave towards each other, and what they talk about. These rapid changes made the WINS project timely because during this crisis information, consultation and participation rights were often lost. If these rights were in place, they would be more crucial than ever.

As previously mentioned, the project's primary objective was to promote workers' involvement in social economy enterprises (SEEs) in Europe. It also aimed to strengthen transnational co-operation between workers' and employers' representatives, as well as between social economy enterprises and trade unions, with respect to employee involvement. Moreover, WINS encouraged employees to know their rights to information, consultation, and participation when they work for a (social) enterprise, and also the rights and obligations which allow them to have sufficient information when they become an employee and owner of a worker-owned company. The partnership of the project covered four countries – Italy, Spain, Slovenia and North Macedonia. The partners represent trade unions and social economy enterprises.

A specific focus, in terms of transnationality, was on fostering relationships and mutual learning among 'old member state' partners, social economy enterprises and trade unions (Italy and Spain) and organisations from 'new member states' and candidate countries (Slovenia and North Macedonia). The target groups were not only enterprises and workers in the social economy and trade unions, but also further stakeholders such as experts and policy-makers, to whom it was desired to build bridges.

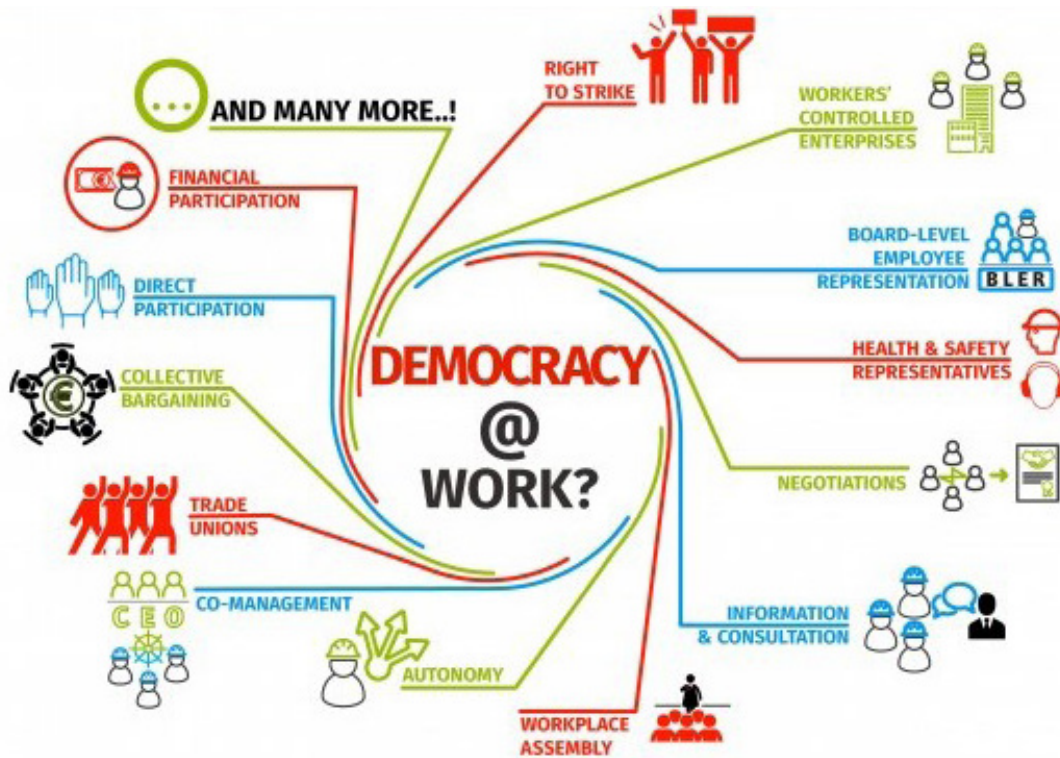
The WINS project included information gathering, dissemination and networking activities. For this reason, seven European⁵ and four local events were organised online. The project took a classical approach regarding the written materials, to comply with the needs of the stakeholders by creating easy-to-read, easy-to-use information materials – including this report. The website also serves as a knowledge platform, collecting sources and providing information on ICP-relevant topics in a social economy context, with an emphasis on worker buyouts. Also, leaflets and brochures in Italian, Spanish, English, Slovenian and Macedonian languages were produced and disseminated.

The current report is also part of the activities.

⁵ Two launch events, three transnational workshops, a co-creation workshop, and a final conference.

DEMOCRACY AT WORK AND SELECTED TOPICS

There is no democracy at work without worker involvement. Democracy at work covers a whole range of topics, processes and instruments. To give an idea of the extent of this topic, an extensive summary is found in the European Trade Union Institute’s Benchmarking Working Europe 2019 report⁶:



Source: Benchmarking Working Europe 2019, ETUI (page 68)

In his presentation to the WINS Slovenian workshop, Romuald Jagodziński (ETUI Senior Researcher) explained that more democracy at work also strengthens political democracy and means better jobs, higher wages and more life satisfaction, not to mention the positive effect on workers’ health. There is evidence that democracy at work results in high productivity and employment.

These impacts come mostly from the fact that a democratic workplace also keeps inequality at bay, and this is especially true in countries with greater levels of equality. Companies which exercise more democracy in decision-making or other areas are more sustainable. In summary, democracy at work has numerous advantages for all involved.

⁶ <https://www.etui.org/publications/books/benchmarking-working-europe-2019>

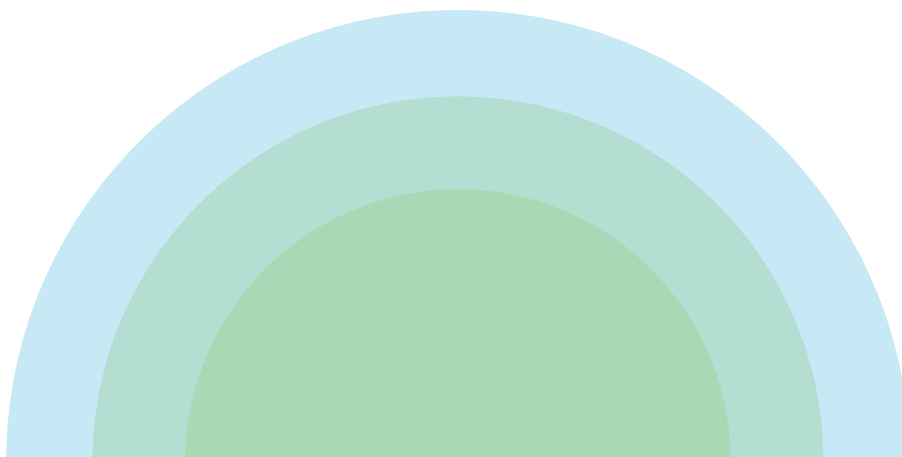


The WINS project could not tackle the full spectrum of democracy at work outlined in the above chart, so the partners decided to focus on a few aspects. As one of the first steps, the partner organisations from the four countries held a brainstorming session to decide what was the most relevant and timely topic for them at the national level, from an organisational point of view.

The list below reflects the variety of the topics available when it comes to ICP rights:

- The Association of Social Economy Enterprises in Slovenia (ASES) concentrated on a new form of financial participation, namely the cooperative employee share ownership programme (video: interview with Tej Gonza, IED);
- The Italian trade union organisation Confederazione Italiana Sindacati Lavoratori (CISL) opted for the role of cooperatives and unions in creating new enterprises, especially in the platform economy (video: interview with Fabrizio Creston, Confederal Operator CISL Verona);
- The Italian social economy organisation Legacoop Produzione & Servizi chose the topic of worker buyouts (video: interview with Alessandro Viola, Researcher, CFI);
- COCETA, as an umbrella organisation for social economy employers in Spain, opted for platform and false cooperatives (video: Paloma Arroyo, Director of COCETA on “Workers’ involvement in turbulent times: restructuring, transformation and worker buyout processes in Spain”);
- Public, as a research and advocacy organisation in North Macedonia, decided to put the emphasis on ICP rights in general and particularly in the case of vulnerable groups (video: Aleksandra Iloska, Policy Researcher, Public on ICP rights in social enterprises in North Macedonia).

These selected topics are described and explained in the following country chapters.





COUNTRY CHAPTERS

Italy – Worker buyouts and the role of cooperatives and unions in creating new enterprises, especially in the platform economy

Social economy in Italy

The concept of social economy in Italy has not spread significantly so far, since research, public debate and legislative activity have tackled only specific components, such as cooperatives on the one hand, and associations, social cooperatives and social enterprises on the other. This fracture has partially recovered, starting from 2016 with the adoption of the umbrella term ‘third sector’ under which social cooperatives and social enterprises have been unified. While companies with different legal statuses can now qualify as social enterprises, social cooperatives, recognised as a specific type of cooperative since 1991, are considered social enterprises *ex lege*.

In 2015⁷ the social economy in Italy – composed of cooperatives, associations, foundations and other non-profit institutions – consisted of 379,176 organisations, with a total added value of over €49 billion, 1.52 million employees (of which 1.49 million are permanent staff) and more than 5.5 million volunteers.

Cooperatives in Italy

The main workforce within the social economy is represented by cooperatives which employ more than three-quarters of the total number of workers. As of 2015 there were 59,027 cooperatives in Italy, which accounted for 1.3% of private enterprises in the country and around 1.2 million workers, equal to 7.1% of the total employment generated by the private sector⁸. About half of these cooperatives are worker cooperatives (49.8%), followed by social (24.2%), user and consumer (6.5%), agricultural cooperatives (3%) and cooperative banks (0.5%), with worker and social cooperatives accounting for the highest percentage of the value added produced by the whole cooperative sector (73.4% in 2015). In terms of people employed, the share of worker cooperatives amounts to 42.2%, followed by social cooperatives (33%), while all other types remain below 5%. The social value of cooperatives, defined as mutual organisations, is stated in the Italian Constitution (Art. 45) which also recognises the role of legislation in helping and promoting the growth of cooperatives.

Information and consultation rights in the Italian and European contexts

The debate on the rights to information, consultation (and participation) developed, in Italy and in Europe more broadly, especially in the 1970s following the oil crisis, industrial restructuring and the impact on employment in industrial agglomerations, resulting from massive investment by multinationals in Europe. The existence of multiple production plants in different national contexts under the control of a single company represented a significant difficulty **for the effectiveness of collective action, due to the development of a kind of “competition”** not only among workers of different countries, but also among workers of the same company.

⁷ The last available data

⁸ Struttura e performance delle cooperative italiane (ISTAT-Euricse, 2019)



In 1975 the European Commission adopted the directive on collective redundancies. Simultaneously, in Italy, the debate on information and consultation rights in collective bargaining (the first part of sectoral national collective agreements) developed alongside the oil crisis and a significant series of restructurings and collective dismissals.

The national agreement for Italian metalworkers was the first to introduce information and consultation rights and was signed, remarkably, on 1 May 1976. **The 1976 agreement** marked a real innovation in Western trade unionism in dealing with company crises from the point of view of collective bargaining. At both national and European levels, **information and consultation rights were “separated” from participation rights in the late 1970s**. Information and consultation rights developed as:

“procedures by which the entrepreneur informs and consults workers or their representatives, gathering their needs and assessments before taking decisions.”

The protection of workers’ **information and consultation** rights, however, has been enforced in national legislation only tardily.

In Italy, **Article 46** of the Constitution remains substantially unimplemented:

“For the economic and social elevation of work and in harmony with the needs of production, the Republic recognises the right of workers to collaborate in the management of companies, in the ways and within the limits established by law.”

Even in collective bargaining at national level, workers’ rights tend to be general in character, i.e. not linked to situations of crisis or company restructuring (as was the case with the directives on collective redundancies and company transfers).

As is well known, after a long series of considerations and difficulties, **a European framework directive on workers’ information and consultation rights (2002/14/EC)** was adopted in 2002.

With **Legislative Decree No. 25 of 6 February 2007**, the Italian government has belatedly implemented Directive 2002/14/EC on the general framework for informing and consulting employees.

This national decree, which was adopted following a joint announcement by the social partners, emphasised the **need** to inform and consult workers as a **precondition** for the success of restructuring processes and for the adaptation of companies to the new conditions resulting from economic globalisation.

The **focus is on the forecasting and prevention of the risks** impacting on employment and the provision of anticipatory measures to prevent disruptions resulting from increasingly flexible market dynamics, and on training and the upgrading of workers’ skills to enhance employability and adaptability. The key issue is to overcome the **ex-post management** of change processes, neglecting the economic factors of decisions and not encouraging a **real anticipation** of employment developments within the company. The objective of the decree is to intensify **social dialogue** and levels of trust within companies as an impetus to achieving the ultimate objectives of the directive.

Worker buyouts in Italy

WBOs represent the ideal case for the application of workers’ information and consultation rights and for the implementation of participatory business models.



In Italy, the WBO phenomenon is particularly widespread and has developed since the mid-1980s with the approval of the Marcora law (law 49/1985) which made public financial resources available to deal with the economic crisis existing at the time and to safeguard employment levels threatened by an increasing number of business closures. The Marcora law promotes the establishment of worker cooperatives by laid-off workers or employees belonging to companies in crisis or subject to bankruptcy proceedings, who obtain control of the company by acquiring or renting either the whole company or parts of it.

In 1986 a new financial institution – CFI (Cooperazione Finanza Impresa) was established to manage the Marcora law resources. Today, CFI's main shareholder is the Italian Ministry of Economic Development and it acts as financing partner in cooperatives through both temporary equity participations of between 7 to 10 years matching similar investments by workers, and additional debt capital instruments, such as loans. The equity participation of CFI can leverage further financial resources from other financial partners such as mutual funds or banks. As of December 2021, CFI has funded 317 WBO operations, creating 9,655 jobs and having a very low failure rate (10%) for WBOs created between 2012 and 2021. In terms of taxes, social contribution returns and a more efficient use of unemployment benefits, the return for the state has been 6 times the amount of public resources invested in the companies, thus demonstrating the success of the Marcora law as an effective instrument of industrial and active labour market policy.

According to a recent study by Legacoop, 76% of WBOs operate in traditional and highly labour-intensive sectors. WBOs are also active in services, particularly in logistics and transport. The average life span of WBOs created before 2003 (15.2 years) is longer than that of conventional Italian businesses (12 years for traditional companies). In most cases, WBOs result from companies in crisis, while in only a few cases have they been used to support business succession or to acquire and manage companies confiscated by the state from illegal entities. Besides the Marcora law, the legal framework supporting the establishment of WBOs in Italy is complemented by a set of important provisions and instruments.

The process of setting up a WBO is particularly complex and is not always successful. The essential precondition for a successful outcome is the presence of a group of motivated workers who voluntarily decide to become members of the cooperative by investing their own resources in order to safeguard their jobs and to give continuity to their professional experiences. It is fundamental that the workers should be aware of how the cooperative business model works and the role and responsibilities of worker members. Cooperative associations and trade unions both help to raise this awareness so as to ensure the presence of a motivated group of people capable of carrying out an entrepreneurial project, which has to be sustainable over time.

The workers must be proactive in the early stages of the process when they are expected to work alongside a multitude of actors to develop the business plan, acquire the pre-existing company and define all the organisational and management aspects of the new cooperative. The workers' know-how, and their professional and market knowledge, are crucial factors for the new business plan, which must be based on a new development strategy and a more effective and efficient operational plan. During this phase the support provided by business associations, by the cooperative financial instruments and by trade unions is essential for the start-up's success.



In some cases trade unions can be the main facilitator of the entire process, driving workers towards the cooperative option and directly supporting them during all the subsequent stages of activities.

One of the main challenges of WBO projects is to increase the level of awareness and participation of workers throughout the business development process while, at the same time, ensuring a good level of expertise from professionals, consultants or external managers who might also be involved in the management of the company at a later stage.

Main developments in worker buyouts

The Italian experience of the last decades with WBOs is among the most advanced in Europe. Several factors are likely to positively affect its further implementation, such as the evolution of a supportive legislative and regulatory framework, and the increased knowledge of WBOs among stakeholders, institutions and civil society. Furthermore, since the outbreak of COVID-19, WBOs have gained a great deal of media attention as a possible response to the turbulent times in which conventional businesses find themselves.

Among the major developments, the **agreement between the main national cooperative associations and trade unions** signed on 21 January 2021 should be mentioned. This “historic” agreement stems from the common recognition that WBOs can represent a solution for businesses in financial and economic distress, for tackling generational change issues and difficult social situations of widespread illegality, but also for promoting more democratic business models placing workers at the centre.

The agreement is based on a set of actions aiming to ensure greater dissemination and qualification of WBO experiences. These include:

- a) The implementation of a territorial monitoring activity;
- b) The promotion of the WBO business model at institutional level and towards those organisations responsible for providing support and for removing barriers that still hinder the development of the model;
- c) The assessment of individual business cases and the provision of support and expertise;
- d) The organisation of training and information/awareness activities supporting all stakeholders, including workers.

This agreement provides for the establishment of a joint steering committee responsible for implementing the actions agreed. Following the conclusion of the national agreement, a number of regional/local agreements have been signed and various training and awareness-raising initiatives have been launched. Collaboration between the social partners has been positively tested in various situations.

Starting from 2022 **CFI** will participate in the “**National Crisis Table**” established by the Ministry of Economic Development with the aim of assessing the possibility of creating WBOs from large companies in crisis. Further space for the development of WBOs is represented by the **transposition of EU Directive 2019/1023 (Directive on Restructuring and Insolvency)** which calls



for the involvement of stakeholders – including workers – in corporate restructuring processes of large companies. This directive provides for the establishment of an early warning system aimed at protecting business continuity and preserving jobs.

Social dialogue and consultation with stakeholders and workers' representatives may concern the choice of measures envisaged in relation to the objectives of the restructuring operation, as well as the alternative options to be applied. In Italy, the directive will enter into force through the "**Crisis and Insolvency Code**" in May 2022. In the meantime, Legislative Decree no. 118/2021 has introduced a "**Negotiated procedure**" with the objective of helping businesses to manage financial crises. Independent experts, appointed by local chambers of commerce, may intervene in companies to help them overcome financial distress through a negotiated procedure, which may also include transferring all or part of a business. These developments may open up the possibility of new WBOs.

To conclude, the **2022 National Budget Law** introduces a **new procedure for companies that intend to relocate** activities abroad, which aims to limit the impact on employment and economic development. This procedure involves the mandatory preparation of a plan which, among various options, may foresee the sale of a company or its branches with the aim of ensuring the continuation of activities by cooperatives made up of workers from the same company. This regulatory provision allows new development opportunities for WBOs linked to business shutdowns, thus permitting application in different contexts from the traditional financial crisis due to insolvency in which rescue operations are normally generated.

To conclude, it is important that institutions and social partners strengthen, at every level, support for WBOs along three lines of commitment: widening the 'chain' of support for enterprises regenerated by workers; financing and promoting joint training for workers and managers of cooperative enterprises not only to create but also to maintain WBOs; actions to support the acquisition and regeneration of industrial buildings and machinery, especially in large-scale manufacturing companies.

Democracy at work and platform cooperatives in Italy: the case of Food4Me

While collaboration between trade unions and cooperatives to save an enterprise in crisis through a worker buyout is well established in Italy, the pandemic and the development of platform work open up new possibilities for mutual support.

This is the case as regards several riders' cooperatives that have emerged in various Italian cities in the last two years through collective mobilisation and self-management, with the support both of trade unions and cooperative organisations. Below we report on a pilot experience (the riders' cooperative Food4Me) which adds another important element of interest: the involvement of important sectors of the social economy in the success of the initiative in Verona, a world-famous tourist city.

CISL Verona's involvement in the organisation of riders developed from 2017, when about 250 people were already working in the city for four major food delivery players: Glovo, Deliveroo, Just Eat and My Menù. Today, more than a thousand riders operate in the territory. It is well known that these riders are considered to be self-employed workers who operate with their



own tools and with salaries linked to the number of deliveries and distance travelled, which are determined by an algorithm. Very often they do not enjoy sickness or accident benefits, holidays, etc. CISL's attempt has been to unionise these workers to improve their working conditions through collective bargaining. Before setting up Food4Me the riders were already involved in the trade union social mobilisations around the city and they set up a territorial organisation (RiderUnionCisl). The identity of these workers and their integration into the union has been enhanced into intersectoral mobilisations.

In order to improve the conditions of the riders in the city, the local administration was also involved, and achieved a number of good results, unlike other Italian cities, for example Bologna and Turin. It produced documents like the Charter of fundamental rights of digital work in the urban context, which established:

- trade union rights
- right to fair compensation/decent wages
- right to health and safety
- right to disconnection

By continuing the dialogue with these workers, CISL realised that the traditional method of organising was not effective enough. Alliances were built between the workers, the union, an important cooperative organisation (Confcooperative Verona) and Banca Etica, a bank that promotes sustainable finance and the social economy. The riders' cooperative Food4Me was established on 28 October 2019, and delivers food and newspapers. Food4Me has become the largest riders' cooperative in Italy, built in full synergy with a trade union and initially founded by eight riders. The chair of the cooperative's management board rotates among its worker-members. Food4Me applies the national collective contract of logistics, but the cooperative has also developed company bargaining to promote protections based on the real conditions of platform workers. CISL at the national level supported its start-up with an investment of €10,000.

Future development and perspectives will link in with Urbike (one of the largest riders' cooperatives in Europe) and CoopCycle, which is a governed democratically federation of bike delivery cooperatives, which enables its members to stand united and to reduce their costs, thanks to the policy of pooling their resources. The cooperative has developing a series of synergies and alliances with small producers and city restaurants with a view to promoting the territorial social economy and economic democracy.

More information:

Food4Me (facebook.com)

<https://www.youtube.com/watch?v=JkMxXVvMhNo&list=PL3cVCSPaxbwYPEP7oU1jqZ293p3-jOax0&index=14>



North Macedonia – ICP rights of workers in North Macedonia

Introduction

Information, consultation and participation rights of employees are key policy issues for the European Commission. This is due to the fact that the European Union is based on the principles of democracy, social justice and inclusiveness, but, of course, also because of the identified need and usefulness of involving employees in solving issues and problems that concern them and their work. Through the enlargement process from the first six member states to the present 27, social dialogue, information and consultation rights and the representation of the interests of employees have been promoted and developed in parallel with the development of the Union.

Hence, in line with the values and needs of the EU in industrial relations, greater awareness of the importance of the role of employee representatives in companies not only in EU Member States, but also in countries at any stage of EU accession, becomes a necessity. The process of gaining EU membership requires that North Macedonia align its legislation with the *acquis communautaire*. In the social field, the *acquis* includes in the medium term the achievement of minimum standards in the areas of labour law, equality, health and safety at work and antidiscrimination. It also includes the General Information and Consultation Directive (Directive 2002/14/EC⁹), which establishes a framework for informing and consulting employees at enterprise level. Information and consultation are required on the development of the business, the economic situation and employment, and in particular on anticipatory measures where there is a threat of restructuring, and likely changes in work organisation or in contractual relations.

The Directive on Transfers of Undertakings (Council Directive 2001/23/EC¹⁰) imposes obligations on employers and protects certain employee rights in connection with certain corporate transactions. As North Macedonia prepares for full EU membership, even though it has not yet started negotiations, most EU directives have already been transposed or are being transposed into its laws.

Existing regulatory framework

Today North Macedonia has a constitutional and legal basis to promote the practice of employee information and consultation. Primarily, there are constitutional provisions giving effect to freedom of association and collective bargaining rights. In other words, citizens are guaranteed freedom of association to exercise and protect their political, economic, social, cultural and other rights and convictions. In order to exercise their economic and social rights, citizens have the right to establish trade unions, and these trade unions can constitute confederations and become members of international trade union organisations.

The most important piece of legislation that regulates the labour market is the Law on Working Relations of 2005¹¹, a general act that regulates all forms of employment, relations between employees and employers, retirement, lay-offs, and union operations. The law covers a number of basic principles laid down by the EU labour law *acquis*, in particular as regards working time and the information of workers on individual employment conditions.

⁹Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32002L0014>

¹⁰Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0023:EN:HTML>

¹¹Available at: <https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/71332/109716/F-1464727386/MKD71332%20Eng.pdf>



However, there are no provisions ensuring appropriate protection of workers in the case of the insolvency of their employer.

Other issues that remain to be addressed are:

1. fixed-term work
2. health and safety related to fixed-term work and temporary unemployment
3. posting of workers
4. workers' involvement, and in particular their information and consultation.

One of the objectives of the Labour Law is to guarantee the stability of open-ended employment contracts. Therefore, job security appears as an important segment of employee protection in case of a change of employer. The Macedonian regulatory framework for the first time introduced the mechanism of informing and consulting workers with the revisions of the Law on Labour Relations from 2010. It is worth mentioning that this step has been part of the obligation to harmonise with EU labour law, rather than as a result of a bottom-up initiative promoted by the social partners in the country.

The amendments to the law introduced obligations for employers to inform and consult workers (as regulated by EU Directive 2002/14/EC on establishing a general framework for informing and consulting employees) and the requirement to inform and consult workers on specific issues of interest to them, such as collective redundancies (an issue regulated by the EU Collective Redundancies Directive 98/59/EC) and the transfer of undertakings (regulated by EU Directive 2001/23/EC on safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses).

Additionally, as part of the EU integration processes, the Law on European Workers' Councils was adopted in 2012, although it has not yet been implemented. However, employees in North Macedonia generally know little about regulation and their rights.

Employee representation

As mentioned above, North Macedonia has an established legal framework that regulates workplace employee information, consultation and participation. Therefore, a key future challenge is not only of a legal nature, but also refers to setting up the necessary processes and infrastructure on the company level that will ensure employee participation in decision-making within the existing framework of industrial relations. It is necessary to work with the unions in these issues, to define their role in the envisaged future state, to consensually redefine the role of trade unions if deemed necessary, and to distinguish the roles of trade unions and labour councils.

The country has well-organised trade unions, established at all levels – company, sectoral and national. A challenge that remains to be addressed is the low awareness among companies of the potential benefits of applying the employee participation model in the decision-making processes. Thus, the potential of this practice remains unrecognised among North Macedonian companies, despite the fact that the country has a labour-intensive economy.

The representation of workers in North Macedonia is generally left to trade unions. The Law on



Labour Relations makes a clear distinction between the terms “trade union representatives” and “workers’ representatives”. The law defines a workers’ representative as any person who is freely chosen by workers in accordance with this law, while a trade union representative is defined as a representative of a trade union appointed or elected by the trade union, in accordance with the rules set out by the union. However, North Macedonian labour legislation neither provides for any procedure for the election of workers’ representatives for information and consultation, nor does it distinguish their responsibilities from those of trade union representatives. Furthermore, trade unions or employer’s associations can form their own unions or other forms of association in which their interests are linked to higher levels (trade unions and employers’ associations at a higher level).

In North Macedonia there is no other system of employee representation except through trade union organisations. Trade unions can negotiate collectively (on a company or sectoral level) if the company has union members and an operational trade union on a company level. However, in companies where workers are not organised and a trade union is not functioning, employee representation is problematic. This is because the current Labour Law uses the term “employee representative” but does not regulate how the representative can be elected, nor his or her role and responsibilities. In such a situation, the process of informing and consulting cannot be carried out, even formally, if there is no trade union organisation in the company. Generally, North Macedonia has a relatively good union density. The latest available data show that in 2017 trade union density was 20.2% of employees¹². According to the register of the Ministry of Labour and Social Policies, there are 43 registered trade unions in the country.

They are active in various sectors and industries:

1. energy and mining
2. trade, construction and transport
3. textiles
4. pharmacy and health
5. police
6. agriculture
7. film and culture
8. telecommunication
9. tourism, etc.

There are four national trade union confederations in the country (representative trade unions):

1. Federation of Trade Unions of Macedonia
2. Confederation of Free Trade Unions
3. Independent and Autonomous Trade Unions of Macedonia
4. Confederation of Trade Union Organisations of Macedonia

Each of the confederations operates through local branches. North Macedonia has a pluralism of trade unions, but this is partly caused by personal rivalry and has contributed to the fragmentation of the trade union movement. Employer organisation density is slightly lower than trade union

¹²Source: <https://www.oecd.org/employment/collective-bargaining-database-northmacedonia.pdf>

¹³Source: <https://www.oecd.org/employment/collective-bargaining-database-northmacedonia.pdf>



density and covered 12.5% of employees in 2019¹³. According to the register of the Ministry of Labour and Social Policies, there are nine employer representative organisations in the country. They are active in various fields ranging from general services aimed at employers, to working with companies in very specific industries, such as public telecommunications, agencies for temporary employment or water management, as well as with the majority of employer organisations in the transport industry.

Information and consultation rights in social enterprises

Very limited literature is available on the various aspects of industrial relations and social dialogue from the social economy point of view. However, given the new EU Action Plan on Social Economy, the increasing number of social economy organisations and enterprises and the increasing number of jobs generated by these bodies, the social economy is becoming a significant player in social dialogue.

Social enterprises in North Macedonia operate in a fragmented ecosystem. Currently, there is no legal framework established to regulate the status of these bodies. They operate under a variety of legal frameworks, such as the Law on Civil Society Organisations and Foundations, the Law on Employment of Persons with Disabilities, the Law on Cooperatives and the Law on Agricultural Cooperatives.

As a result, there are no exact numbers for social enterprises, the number of jobs they provide or their economic value. Available research on the capacities of social enterprises provides evidence that they usually operate as microenterprises that employ fewer than five workers. In most cases they have a dual social mission (environmental and employment/activation of marginalised groups). The social enterprises in the country have significantly lower capacities for production and provision of services and face challenges in their financial sustainability. In 2019, the National Network of Social Enterprises was established with 25 members. So far, the network has not established official direct links with trade unions or employers' associations, nor has it been recognised as a relevant actor in social dialogue.

Despite the different legal frameworks under which social enterprises operate, when it comes to the employment relationship, the Law on Labour Relations is applied. However, the existing Law on Labour Relations does not stipulate any measures that explicitly target the actors in the social economy. In practice, existing social enterprises have very limited capacities to promote information and consultation of workers, especially when it comes to workers from marginalised communities.



Policy pointers

- *Measures to increase the capacities of social enterprises to ensure better information, consultation and participation rights of their employees:*

- 1) Programmes for capacity building of social enterprises in practices on information, consultation and participation rights;

- 2) Programmes for capacity building of social enterprises to increase their skills in networking, association and participation in social dialogue.

- *Measures to increase the participation of social economy actors in social dialogue:*

- 3) Recognition of social economy actors in the existing Law on Labour Relations as relevant contributors to social dialogue.

- *Measures to increase the number of social enterprises and their contribution to the economic development in the country:*

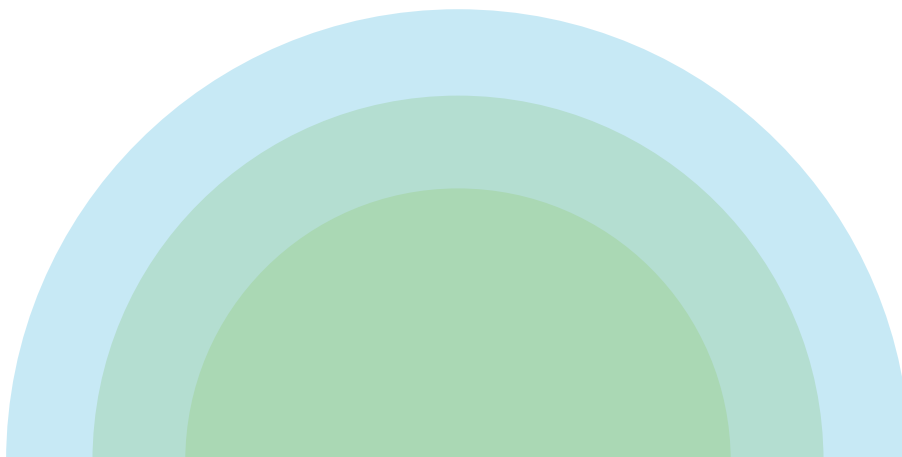
- 4) Creating a positive legal framework that will regulate the process of obtaining a social enterprise status in North Macedonia;

- 5) Developing a social finance instrument and credit lines for social enterprises, which will encourage them to take investment measures aimed at achieving financial sustainability (low interest rate, grace period of two to five years);

- 6) Establishing a government fund for the support of social enterprises;

- 7) Adjusting the active employment measures to the needs of social enterprises.

It is expected that the measures listed above will increase the number of operating social enterprises, the employment opportunities they provide and their contribution to the economic development in the country, thus promoting the social economy as a credible actor in society.





Slovenia – European Employee Ownership Plan

Social economy and social entrepreneurship in Slovenia

In this section, we provide a brief overview of the current state of the Slovenian social economy sector, focusing particularly on its entrepreneurial dimension. We present key information on the social economy sector in Slovenia, look at how the legislative and systemic framework in which social economy actors operate has developed over the last decade, and point to the main challenges the entrepreneurial dimension of the social economy sector is currently facing.

Legislative and systemic framework of the Slovenian social economy

In Slovenia, the overall social economy sector does not have its own legislative framework. Different actors of the social economy sector, such as social enterprises, cooperatives, sheltered workshops and NGOs are all governed by different laws. The term ‘social economy’ was introduced in Slovenia for the first time in 2018, with the latest amendment to the Social Entrepreneurship Act (ZSocP-A). The Ministry for Economic Development and Technology defines the term ‘social economy’ as the set of private organisations whose main goal is not the maximisation of profit, but rather the creation of socially desirable outcomes. In Slovenia, the types of organisations falling into this category are “social enterprises, cooperatives, disability companies, employment centres, non-governmental organisations (associations, institutes, institutions or foundations)”¹⁴.

During the last decade, Slovenian public authorities have sporadically helped the social economy sector develop by offering loans and grants to social economy actors, and publishing several invitations to tender targeting social economy actors – at both local and national levels. In addition some municipalities have made publicly-owned spaces available to social economy actors. Several social economy actors in Slovenia also benefitted from specific banking support, both from traditional banks (Deželna Banka Slovenije and Delavska Hranilnica) and foreign-based ethical banks.

Additional financial support is provided by crowdfunding activities, loans through intermediate organisations, financial resources allocated to social economy actors through the tax system, European projects and awards.

Statistical overview

Currently there are 269 registered social enterprises, which take form of institutes (36%), cooperatives (25.7%), societies (24%), limited liability companies (14%), and foundations (0.7%). In 2019, there were also 415 cooperatives, 145 sheltered workshops (133 in the private sector and 12 in the public sector), as well as 26,692 different NGOs. In 2017, the number of people employed in the social economy sector accounted for 2.7% of the working-age population.

Social entrepreneurship in Slovenia

In Slovenia, social entrepreneurship is regulated by the Social Entrepreneurship Act (ZSocP) from 2011, last amended in 2018. The law established the Social Entrepreneurship Council and the Fund for the Development of Social Entrepreneurship – though the latter never came into being.

¹⁴ <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6175#>



The law also called for the development of a supportive environment for social enterprises and for a substantial involvement of local and regional authorities in stimulating the development of the sector.

The Social Entrepreneurship Act also defines the criteria for a social enterprise. Social enterprises must operate in line with social economy values, namely “non-profitability” (as in, *nepridobitnost*, namely the quality of an organisation which was not founded for the purpose of generating profit, which differs from *neprofitabilnost*, which refers to the quality of distributing profits for the purpose of achieving the organisation’s goals), equality of membership and voluntarism¹⁵. The *nepridobitnost* requirement forces social economy actors to finance themselves exclusively through donations, membership fees, bequests and legacies. Social enterprises must also be democratically governed, meaning they need to abide by the principle of one member one vote.

Information, consultation and participation rights in Slovenia

Slovenia is among the European countries with the most advanced legislations in terms of employees’ rights to information, consultation and participation (ICP). Two key laws upholding these rights are the Worker Participation in Management Act and the Employment Relationship Act. Representation in the workplace is granted to workers via trade unions, workers’ councils, and workers’ trustees.

Other representative figures include the workers’ safety and health officer, the workers’ director, the member of the management board and the member of the supervisory board. Where they exist, these figures are the ones who are consulted and informed by the employers on business decisions which significantly affect the working life of the workers.

The Worker Participation in Management Act provides that certain rights are granted to workers as individuals – such as the right to be informed, the right to express an opinion and the right to petition and receive clarification, while others take the form of collective co-management rights, which are granted through the aforementioned representative bodies and persons.

For decisions that particularly affect working life (such as those regarding the use of annual leave and other absences from work, the criteria for assessing the performance of work or the criteria for rewarding innovation activity) the principle of unanimity applies, as the representative bodies must consent to any proposed changes. Some decisions might be overturned if workers are not consulted and informed in due time.

Democratising the economy at the European level

The European economy is facing several challenges. As the European population ages, a large proportion of business owners are finding themselves on the verge of retirement – a phenomenon known as ‘Silver Tsunami’. Many of them have not addressed the issue of succession planning, which makes the futures of their businesses and of their employees uncertain.

¹⁵<https://www.gov.si/teme/socialno-podjetnistvo/>



Moreover, after more than a decade of prolonged economic stagnation caused by the financial crisis and the Eurozone crisis, European businesses are now confronted with yet another economic downturn of historic proportions, this time caused by the outbreak of the COVID-19 pandemic. Increasingly, the pressures of globalisation are forcing workers and local communities to engage in a race to the bottom which often comes at the expense of workers' rights, social security and environmental protection. Communities are living under the constant threat of relocation of production and are thus deprived of their economic sovereignty. This often leads to a widespread feeling of disenfranchisement as well as to social and political polarisation.

The Institute for Economic Democracy (IED), a Slovenian-based NGO promoting employee ownership in Slovenia and the wider region, has developed two employee ownership schemes aimed at promoting broad-based employee ownership – an often underappreciated yet time-tested antidote to economic insecurity. Employee ownership offers a valid alternative to more conventional ownership structures and has proved to have a positive effect on overall business performance, employee satisfaction and motivation and the environment. It anchors ownership in local communities and tackles inequality at its root, contributing to a greater decentralisation of capital ownership. Therefore, it would be sensible for European policy-makers wishing to strengthen their countries' economies, improve environmental sustainability and social cohesion to think of ways of expanding broad-based employee-ownership.

The two mechanisms developed by IED, which will be described in detail below, are based on two very successful and time-tested models, the ESOP and the Marcora law, which have been in place for decades in the United States and Italy respectively.

Co-op ESOP

The Employee Share Ownership Plan (ESOP) model is an employee ownership scheme introduced in the United States during the 1980s. There are approximately 7,000 ESOPs in the USA, which employ roughly 10% of the country's private sector workforce. Studies show that ESOP companies are more resilient and between 4 to 10% more productive than average companies. In its essence, an ESOP is a pension plan, therefore a long-term employee share ownership plan based on an employee share ownership trust – known as an ESOT – whose beneficiaries are the employees.

When a company decides to implement the scheme and transition to employee ownership, it approaches a bank or other financial institution and takes out a loan for the ESOP trust, which will be used to finance the purchase of the shares of the company from the existing owner(s). The company guarantees the loan. The shares are then kept in a 'suspense account' of the trust until the loan is repaid. If the company is unable to repay the loan, the shares are forfeited. A crucial detail is that the loan repayments paid by the company actually take a form of pension contributions, which first reach the trust and are only later paid to the lender. This brings a significant tax advantage to the company, since pension contributions are deducted from taxable income. Once the loan is repaid, the shares are distributed between individual employee share accounts in proportion to the employees' compensation.

When an employee leaves the company, the shares are repurchased by the company and are then reallocated among the remaining employees via the ESOT. The purchase of shares can be financed with the company's earnings or through a loan. The ESOP acts as an internal market



which safeguards broad-based employee-ownership by ensuring that shares are systematically reallocated among the employees. Nevertheless, the US ESOP model presents some significant shortcomings. Among other things, it does not grant democratic representation to employees, and it distributes risk unequally, with younger employees having much 'lighter' capital accounts. The structure of the US ESOP is also to blame for the presence of skewed incentives (employees might be incentivised to leave the company to get access to the value accumulated in their individual employee share accounts). Moreover, the company might face stochastic expenses caused by the simultaneous exit of multiple employees from the company.

The Co-op ESOP developed by IED functions similarly to the US ESOPs but is largely immune from the problems listed above, thanks to the following adjustments:

1. Democratic representation: in the Co-op ESOP, employees are true members, not mere 'beneficiaries'. In fact, the employee share ownership trust (ESOT) is substituted by another entity, called the Employee Owners Cooperative. This 'special' cooperative – which acts as the ownership vehicle – ensures that the part of the company which becomes employee-owned is managed democratically.

2. Rollover plan: there is no reason for not letting employees convert their shares into cash even before they retire or otherwise leave the company. Thus, the Co-op ESOP model entails a systematic repurchase of employee's shares. It can be organised in several ways. For instance, a rule could be introduced that would allow the company to buy back exclusively those shares which are 'old enough', either on a regular basis (say, every 5 years) or on a 'first in, first out' basis (where the oldest shares are repurchased first). As older shares are repurchased, the capital accounts of older employees become 'lighter', which makes the risk more evenly distributed and workers do not have to wait until their retirement to 'see the money'.

The ESOP model represents the ideal solution for succession problems, as it keeps the ownership among those people that best know the company – the workers – and anchors ownership in local communities. By selling their company to its employees, the former owner has the best chance of seeing their company preserve its legacy.

Marcora for Europe

Another successful framework for promoting employee ownership through worker buyouts (WBOs) is the one provided by the Italian 49/1985 'Marcora' law from 1985. As it has been already explained in the Italian chapter, the Marcora framework allows beneficiaries of unemployment benefits – be it already unemployed people or workers on the verge of unemployment – to capitalise, in a lump sum, the benefits they are entitled to in order to establish a worker cooperative. A similar legislation, known as the Pago Único law, can be found in Spain.

In Italy, besides having the right to claim their benefits in advance, workers wishing to recuperate the company in which they work can turn to Cooperazione Finanza Impresa (CFI), the main institutional investor established by the Marcora law, to obtain soft loans and equity capital. Importantly, the worker cooperative only buys out the assets of the failing company, without inheriting its debt.



The Marcora law has not only helped workers employed in companies in crisis keep their jobs and turn into business owners. Estimates suggest that the investments made by CFI between 2008 and 2017 generated a return for the state amounting to 8.1 times the invested capital. In fact, the investments amounted to €94 million, whereas the return was €774 million. Moreover, the 85 companies which were recuperated between 2012 and 2019 through CFI-financed WBOs have more than doubled their revenue.

The Institute for Economic Democracy proposes a generic Marcora model for Europe which would tie the sources of finance established by the Marcora law to the Co-op ESOP mechanism. More specifically, the owners and workers wishing to buy or lease the assets of the failing company would establish a limited liability company (LLC) to facilitate extra finance, which would be (at least partially) owned by an 'Employee Ownership Cooperative'. This 'special' cooperative would act as the vehicle for the joint ownership of any part of the LLC.

Policy pointers

To build a resilient and sustainable economy that works for all, policy-makers should look beyond traditional state intervention and turn to innovative solutions which tackle the problems associated with globalised capitalism at their root.

Promoting the expansion of social enterprises and broad-based employee ownership, as well as consolidating ICP rights, is key for strengthening domestic capital and addressing environmental degradation, social inequality and political disenfranchisement. At present, the Slovenian legislative framework does not provide social economy actors and employee-owned companies with the support necessary to allow them to gain traction.

Across the world, there are several time-tested mechanisms which have successfully contributed to increasing the number of employee-owned companies in the countries where they were implemented. The Institute for Economic Democracy has taken two of the most successful models for employee buyouts – the US ESOP and the Italian Marcora law – and adapted them to the Slovenian legal and cultural context. To reach their full potential, these models need to be tax-incentivised and thus require adequate legislative support.

In addition to protecting ICP rights from attempts to undermine them, furthering democratic principles in the Slovenian economy will require the adoption of a broader definition of social economy actor and a commitment from the government to put the development of the social economy sector at the forefront of its agenda by providing sufficient financial resources and leveraging its own convening power.



Spain – The case of platform cooperatives

Social economy enterprises: definitions and features

Unlike many other countries, Spain has succeeded in achieving a high level of institutional recognition for the social economy. The cornerstone of this recognition is the approval of Law 5/2011 on Social Economy which provides a legal definition, as well as setting out the scope and types of organisation belonging to this entrepreneurial sector. Furthermore, the social economy is also well organised, with a single organisation representing the voice of the whole social economy: CEPES. Its members are national federations or confederations of a single type of social economy organisation (for example COCETA representing workers' cooperatives), regional federations or single organisations.

Thus, the law defines the social economy as the set of economic and business activities active in the private sphere and carried out by entities that pursue the general collective interest or the general economic or social interest or both in accordance with the following principles:

1. Primacy of people and social purpose over capital;
2. Distribution of surplus mainly on the basis of inputs provided by members (or their affiliates), or, where appropriate, for the social aims of the entity;
3. Promotion of solidarity among members and with society;
4. Independence from public powers.

The types of organisations¹⁶ are:

- cooperatives
- labour companies (sociedades laborales)
- mutual societies
- special employment centres
- insertion companies
- fishermen's guilds
- associations
- foundations

ICP rights in social economy organisations

The rights to information, consultation and participation of workers in companies in the social economy must be real and effective as regards management and representation. This happens in most of these companies, although these rights are not easily conceptually recognised by workers. Currently, in Spain, the social economy is mainly made up of businesses self-managed by the workers who work in them.

This self-management, the workers' participation in the productivity and the functioning of the cooperative and the democratic election of governing bodies, where each worker-member has a vote, make these companies representative models concerning workers' participation in governance. In addition, social economy companies have been enjoying good health concerning their ICP rights

¹⁶For details see SEEDING Background Report. Social Economy Enterprises addressing Digitalisation, Industrial Relations, and the European Pillar of Social Rights (2021). Led by DIESIS Network with the financial support of the European Commission (Grant Agreement VS/2019/0073) and CEPES (2021). https://www.cepes.es/social/econ_social_whats_it



since decision-making in these companies is based on people and the contributions of work and services provided to the entity or based on the corporate purpose. However it is true that in recent years there has been a lack of knowledge of workers' rights in new cooperatives and companies of the social economy, mainly due to the promotion of bad practices of companies registered under this model that do not meet the minimum standards that are promoted by the representative organisations of the social economy.

In this sense, in addition to the constant struggle that business organisations of the social economy have maintained against those business practices where the quality of the workers' rights has deviated from the principles of these companies, there have also been movements of collaboration with the main Spanish trade unions to advocate the creation of cooperative companies that do meet these criteria. All of this is in a context of economic and social crisis where many traditional companies are closing in Spain. Many platform workers are being exploited based on illegal rules. The cooperative business model can be the tool to favour workers' rights, always with the support and promotion of trade unions.

The issue: false/fake cooperatives in Spain

The issue of false or fake worker cooperatives in Spain has been a topical issue in recent years, although it is known that false cooperatives have always existed and have always been pursued by the public administration in many countries.

According to Fajardo (2018)¹⁷, false cooperatives are defined as companies formally constituted as cooperatives that do not carry out a cooperativised activity in accordance with their own purposes and principles (autonomy, democratic management, economic responsibility, voluntary membership, etc.), but are used for other purposes. They seek to avoid taking risks, to secure customers, to save costs, to avoid the application of the law or to gain access to subsidies and aid. These cooperative failures can occur in all cooperative models and in all sectors.

The main sign of the existence of a false cooperative is its dependence on another entity or person, which contradicts the principle of independence. The sectors where false cooperatives have been identified recently are in billing cooperatives, meat cooperatives and transport cooperatives. The media have mentioned that fake cooperatives seem to have spread in recent years due to the economic and financial crisis and high unemployment. The complaints have mainly come from cooperative organisations and trade unions.

The action taken by the trade unions to deal with fake cooperatives has been to report the most important cases to the Labour Inspectorate. The Labour Inspectorate has succeeded in getting the Ministry of Labour or the competent authority in the corresponding Autonomous Community to disqualify some fake cooperatives and to integrate their worker-members as salaried employees of the companies for which they indirectly work.

The Spanish government has also taken measures to fight against fake cooperatives. Specifically, we can highlight the Agreement of the Council of Ministers approving the Master Plan for Decent

¹⁷Fajardo, G. (2018). Fake worker cooperatives and measures adopted by public authorities in Spain to combat them. 1–19. <https://www.ciriec.uliege.be/wp-content/uploads/2020/01/WP2019-30.pdf>

¹⁸Fuster, M., Espelt, R. & Renau, M. (2021). Platform cooperativism: Analysis of the democratic qualities of cooperativism as an economic alternative in digital environments, CIRIEC-Spain, Journal of Public, Social and Cooperative Economics, 102, 5-31. DOI: 10.7203/CJ-RIEC-E.102.18429.



Work (2018-2019-2020), adopted on 27 July 2018 (BOE 182, of 28.07.2018).

Platform cooperatives

Recent studies¹⁸ point out that platform cooperatives have emerged as an alternative to the capitalist platform economy to favour the construction of a social movement centred on authentic practices of exchange and cooperation in the production of goods and services, based on the democratisation of platform governance. At the economic level, platforms are not extractive, regardless of whether they have a federated growth model. Most of them do not depend on private financing rounds. Public financing and the use of ethical banking play an important role.

In terms of working conditions, platform cooperative organisations promote better working conditions, as they provide materials and resources for the development of their tasks and promote the development of professional skills, etc.

Governance is the key to creating platforms based on the platform cooperative model to decentralise decision-making. Platform cooperatives involve the community in defining the rules and policies of the platform and the distribution of economic benefits. Platform cooperatives promote democratic governance and an economic model based on technological policies that incorporate free and open-source software (FLOSS). From the environmental point of view, the biggest challenge of platform cooperatives is to be able to realise the holistic vision of the impact of digital technology. The main challenge they currently face is to promote an open use of data that enriches public knowledge in the field of platform cooperatives. On the other hand, they must also address the scale of impact, the replicability of projects, economic sustainability, gender inclusion and equality, and cooperation between agents.

Good and bad examples

False cooperatives – bad cases in Spain

- Billing cooperatives:

The cooperative society Fidelis Factu, S. Coop, owner of the Factoo brand, was disqualified by the Ministry of Employment and Social Security for invoicing work for third parties and having as its members false self-employed workers.

- Meat sector cooperatives

E.g., the case of Agrupación de Desarrollo Agropecuario SCCL. Intermediary companies that oblige their workers to pay a membership fee and to pay the self-employment tax, although they do not have the decision-making capacity of a cooperative member.

- Transport cooperatives

In this sector, aspects have been detected such as the inclusion of vehicles in the cooperatives only for administrative purposes, with the cooperative members assuming all the obligations derived from the vehicle.

Platform cooperatives – good cases in Spain

Some collaborative and pro-democratic models of platform cooperatives in Spain are:

- Taxi service:

Taxi Ecològic <http://taxiecologic.com/es>

- Last mile delivery:

Mensakas: <https://www.mensakas.com/es/>



La Colmena que Dice Sí: <https://lacolmenaquedicesi.es/es>

• Care services:

Qida: <https://qida.es/>

What needs to be done: policy pointers

False cooperatives

García Jiménez¹⁹ makes some proposals:

- To take a new approach to worker cooperatives, under the guideline of decent work;
- Associated work relationship: When the legislation says that the relationship of the worker-members is a corporate one and it has been interpreted as a mercantile relationship, it should say that it is a cooperative relationship, and this should be built based on cooperative principles and respect for labour rights;
- State responsibility: the state must address the regulation of worker ownership by considering cooperative principles and taking into account the organisational reality of structures with many worker-members;
- Labour rights: The extension of labour rights to associated work can be based on the same arguments for self-employment, in the Preamble of Law 20/2007, of 11 July 2007, on the Statute of Self-Employment, but not as subordinate employment.

Platform cooperatives²⁰

It is necessary to:

- provide a regulatory framework that takes all the differentiated characteristics in each sector of activity into account;
- regulate the employment situation, not only of food delivery riders, but also of other types of platform-based jobs, such as platform-based worker cooperatives;
- regulate the different ways for workers and their representatives to find out how the platform's algorithm works.
- regulate the different ways for workers and their representatives to know how the platform's algorithm works.
- provide mechanisms to foster a technological policy base incorporating open-source software in platforms with democratic governance.
- take measures to protect data on cooperative members;
- have the corresponding licenses and administrative authorisations to carry out this work, both at state and regional/autonomous level.

¹⁹García Jiménez, M. (2018). Pseudo-Cooperatives, abusive uses and rights of workers. Jurisprudential analysis and proposals for action. *Journal of Legal and Social Cooperative Economy CIRIEC-Spain*, 33, 185–222. <https://dialnet.unirioja.es/servlet/articulo?codigo=6870108&info=resumen&idioma=SPA>

²⁰Alberto Emparanza Sobejano (19 November 2021). The models of cooperative platforms. Worker cooperative platforms or worker cooperatives in platform? Presentation at Local Workshop of WINS project.



SPECIAL FOCUS OF THE WINS PROJECT: WORKER BUYOUTS

Within the wide range of possible topics in the domain of employee involvement and economic democracy, the partners of the WINS project decided to put a special emphasis on worker buyouts. Organisations from Italy and Spain have long history of WBOs. IED in Slovenia is dedicated to developing and introducing a European ESOP model using the Marcora law and US ESOP model as a base. Representatives of North Macedonia are also ready to become familiar with WBOs and possibly adopt the best models.

Why WBOs? Worker-owned companies do not fit into the classical industrial relations systems and usual players in bipartite social dialogue, where employers and employees have clear roles and ICP rights are practiced a bit differently. If the workers of a company that its managers intend to close become successors to the ownership of the company, through a workers' cooperative, the company will continue to exist but with a different, participatory, equitable management model, which allows for consensual decisions and whose purpose is business viability and job maintenance. The cooperative offers a great capacity for self-regulation. The partners will decide aspects such as working conditions, organisation, and operation of the company.

In addition to the discussions during the project events, an online co-creation workshop was held on 11 March 2022 with the aim of drafting a statement on worker buyouts by the project partners and other stakeholders.

The co-creation workshop's purpose was to explore the following questions through a kind of brainstorm: what are the current prospects for worker buyouts? Problems and obstacles? What solutions can we find? Any policy pointers?

The event targeted project partners and invited guests interested in worker buyouts, enabling it to collect diverse viewpoints and experiences and to find answers to these questions. All participants at the workshop were encouraged to contribute. The questions above were discussed from three different perspectives in three separate workgroups:

1. WBO models and processes
2. legal and financial framework for WBOs
3. stakeholder engagement

The written outcome, named *Conclusions and Policy Pointers*, targets policy-makers on national and European levels and tackles issues such as the need for a common legal and regulatory framework supporting WBOs at all levels, access to funds, free and confidential counselling services, capacity building and strengthened stakeholder engagement on all sides via networking, proactive public bodies and proper communication.

Conclusions and Policy Pointers is available on the WINS project knowledge platform.



CONCLUSION

In certain ways, social economy enterprises do not differ much from “conventional” companies, and employee involvement in social economy enterprises is a very broad and rich topic, just as it is in conventional companies.

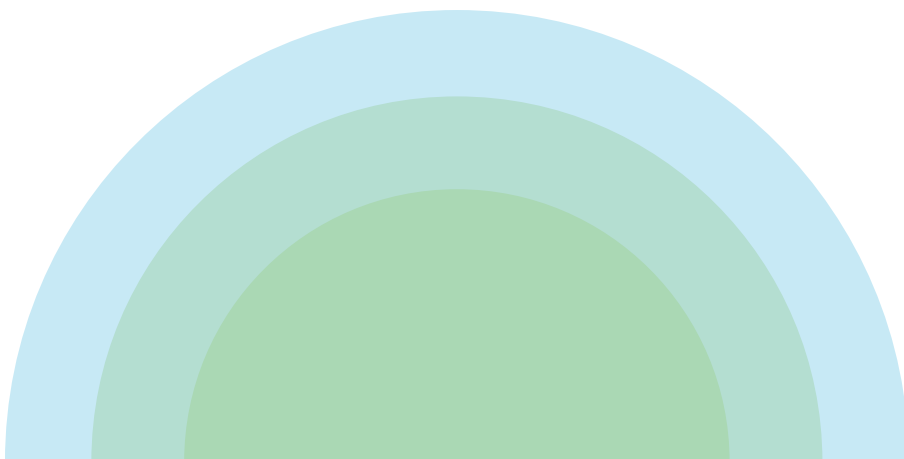
From the industrial relations point of view, employee involvement means information, consultation and participation rights of employees – no matter what sort of enterprise we are talking about. The three categories have strict definitions, with participation somehow being the “weakest” leg of the three (of course there are national differences – just mention for example the German co-determination model).

From the social economy perspective, the emphasis seems rather on how much democracy at work should be practiced and how to strengthen economic democracy in general via the good examples set by social economy players. It is also reflected in the expressions that the different stakeholders use: for instance ‘participation’ has a much more general meaning when it comes to employee involvement in SEEs.

The topics picked by the project partners – fake cooperatives, platform cooperatives, ESOPs, WBOs as well as ICP rights and vulnerable partners – only represent a tiny part of the full spectrum of employee involvement issues, and may not reflect the most burning issues in the target countries. Nevertheless they do represent areas that need more attention these days.

The project activities, especially the European workshops, brought new perspectives for the project partners. The relatively high participation rate and active contribution of the participants at each event was another proof that the selected topics had a high relevance for the stakeholder groups, irrespective of whether we are speaking of a social economy organisation, a trade union, a policy-maker or another stakeholder.

In sum, the long-awaited, recently launched EU Action Plan on the Social Economy has recognised the importance of the social economy at the European level. The already significant and increasing number of social economy organisations and enterprises, as well as the increasing number of jobs generated by these entities, mean that the social economy is becoming a significant player in social dialogue in Europe. The good practices of employee involvement in social economy enterprises are worth spreading and considering for adoption by “conventional” companies.





LIST OF ABBREVIATIONS

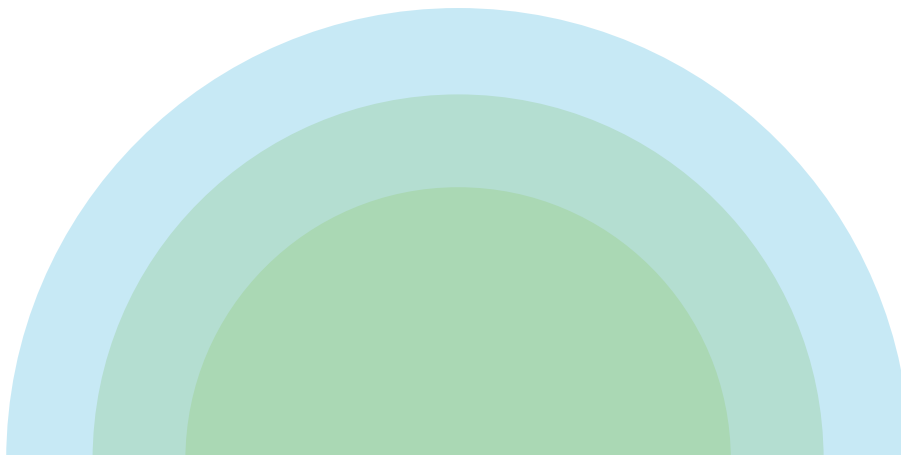
- ASES = Association of Social Economy Enterprises in Slovenia
- BOE = Boletín Oficial del Estado (Official Gazette of the Government of Spain)
- CEPES = Confederación Empresarial Española de la Economía Social (Spanish Business Federation for the Social Economy)
- CFI = Cooperazione Finanza Impresa
- CISL = Confederazione Italiana Sindacati Lavoratori
- COCETA = Confederación Española de Cooperativas de Trabajo Asociado (Spanish Confederation of Workers' Cooperatives)
- ESOP = employee share ownership plan
- ESOT = employee share ownership trust
- EU = European Union
- ICP (rights) = information, consultation and participation (rights)
- IED = Institute for Economic Democracy (Slovenia)
- SEEs = social economy enterprise(s)
- Public = Association for Research, Communication and Development "Public" (North Macedonia)
- WBO = worker buyout



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WINS

WORKERS' INVOLVEMENT IN
SOCIAL ECONOMY ENTERPRISES