



Information, consultation and participation rights as a factor of success of the business transfer to employees in SMEs

VS/2019/0044

KICKOFF MEETING

Bruxelles – 15-16 May 2019

A brief overview of the situation in Italy

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Cisl

INFORMATION AND CONSULTATION RIGHTS

How are regulated in Italy

- ❖ **European Directives
2002/14/EC, 98/59/EC,
2001/23/EC...:**

Information, consultation
and participation rights

- ❖ **Intersectoral/Sectoral:
National and second-
level collective
agreements (since
1976 with the NCA of
Metalworkers)**

Procedures/bodies/ect.

INFORMATION AND CONSULTATION RIGHTS

SOME EXAMPLES.....

Metalworking sector:

Medium/large enterprises:
a *bilateral committee* (Comitato Consultivo di Partecipazione).

Issues:

- ❖ Market structure and trends;
- ❖ Industrial strategies and possible organisational changes;
- ❖ employment situation and possible recruitment.

National/Territorial/Company-level Committee.

Issues:

- ❖ Health and safety;
- ❖ Active policies;
- ❖ Vocational training;
- ❖ Equal opportunities;
- ❖ Integration of Migrants

Textile and Fashion sector:

Bilateral national bodies: periodical meetings.

Issue:

vocational training programmes to be implemented at company level.

Chemical sector:

Company-level Observatory.

Issues:

- ❖ employment implications of technology innovation and connected vocational training or re-training;
- ❖ professional needs



Law 27 February 1985 n. 49 "LEGGE MARCORA" (and subsequent amendments and additions)

Legislative Decree 112/1998, Law 57/2001 (art. 12), Law 232/2016, etc.
Decree of Ministry of Economic Development 4 December 2014 "*Nuova Marcora*"



Laws and Decrees promote and support the consolidation and start-up of cooperatives and, in particular, **the conversion of firms in difficulty into worker cooperatives** which can "buyout" the plant and machinery. Special funds for financing worker buyouts have been established by the law and by the representative organisations of cooperatives

MAIN SUPPORTS TO WBO

FONCOOPER

Revolving Fund

managed by the Regions.

Covers 70% of the investment (no more than 2 million Euros).

Loan duration: 8 years (for the purchase of machinery or tools). 12 years in all the other cases.

FUNDS OF COOPERATIVE ASSOCIATIONS LAW 31 JANUARY 1992, N. 59

3 Funds (Coopfond, Fondosviluppo, General Fond)

managed by cooperative Associations

Built up from **3%** of annual profits of all the affiliated cooperatives and by the assets of liquidated cooperatives.



FONDO SPECIALE PER GLI INTERVENTI A SALVAGUARDIA DEI LIVELLI DI OCCUPAZIONE

Used by the Ministry of Economic Development in order to participate in the capital of **financial companies** set up for the purpose of safeguarding and increasing employment through the development of Cooperative SMEs,

CFI - Cooperazione Finanza Impresa: 98.3% participation of the Ministry of Economic Development (SOFICOOP was absorbed by CFI) Provides cooperatives with **financing and financial incentives** in accordance with European Union legislation, for the realisation of business projects

NUOVA MARCORA: FONDO PER LA CRESCITA SOSTENIBILE

Facilitated financing **to be added to the funding foreseen by the Marcora Law.** Granted by CFI.

BENEFICIARIES

COOPERATIVE SOCIETIES

promoted and established by workers that come from enterprises:

- in crisis,
- without successors,
- seized from organised crime

which safeguard occupation of the workers through:
the purchase/rent and management of the enterprises (or single branches of those) or groups of their assets or through replacement business initiatives

NUOVA MARCORA:

Extension to social cooperatives

Development and restructuring of existing cooperatives located in the Southern regions

PRE-EMPTIVE RIGHT

For ex-workers organised in cooperatives to buyout or to rent the company in cases of bankruptcy

MAIN SUBJECTS FOR FINANCING

CFI

Institutional investor in form of cooperative

Promoted in 1986 by Cooperative Confederations to manage the Marcora Law

Stakeholders:

- ❖ Ministry of Economic Development
- ❖ Invitalia
- ❖ Italian cooperative confederations
- ❖ 137 cooperatives

Affiliated to European Confederation of Cooperatives and Worker-Owned Enterprises CECOP-CICOPA

FUNDS OF COOPERATIVE ASSOCIATIONS (LAW 31 JANUARY 1992, N. 59)

Coopfond
(Legacoop)

Fondo Sviluppo
(Confcooperative)

General Fond
(Agci)

WHY?

Enterprise: Crisis/without successors/seized from organised crime

ACTORS

Workers/Cooperative Association/s
(Trade union/s, Local Authority/ies, etc.)

EVALUATION

- Opportunities and supports
- Difficulties and problems regarding the future of the plant and its activities
- Real possibility to re-launch the activities
- Motivations of workers
- Skills of workers and skill-needs
- Plant machinery and tools
- Possibly rent and/or buying (plant, machinery, etc.)

FINANCING

- Member's capital contribution: unemployment benefit (NASpI), employee severance pay (TFR)
- Funds of Cooperative Associations (Law 59/92)
- FONCOOPER (Regions)
- CFI

BUSINESS PLAN

SOME DATA

SINCE 1986 UP TO DECEMBER 2018:

CFI has invested **EUR 223 million** to support more than **380 cooperatives** and created or saved around **18.750 jobs and skills**, otherwise lost.

CFI ACTIVITIES AND INTERVENTION:

- ❖ 8.8% for the consolidation of existing cooperatives
- ❖ 11.2% start-up
- ❖ 40.8% Development of cooperatives
- ❖ **39.2% WBO**

SINCE 2011 UP TO DECEMBER 2018:

CFI has invested EUR 21.9 million to support 96 board resolutions in **65 WBO deals**

Production revenues made by WBO cooperatives: more than EUR 280 million;

Workers directly involved: 1,700

SURVIVAL RATE: between 2013 and 2018 was 80.41%

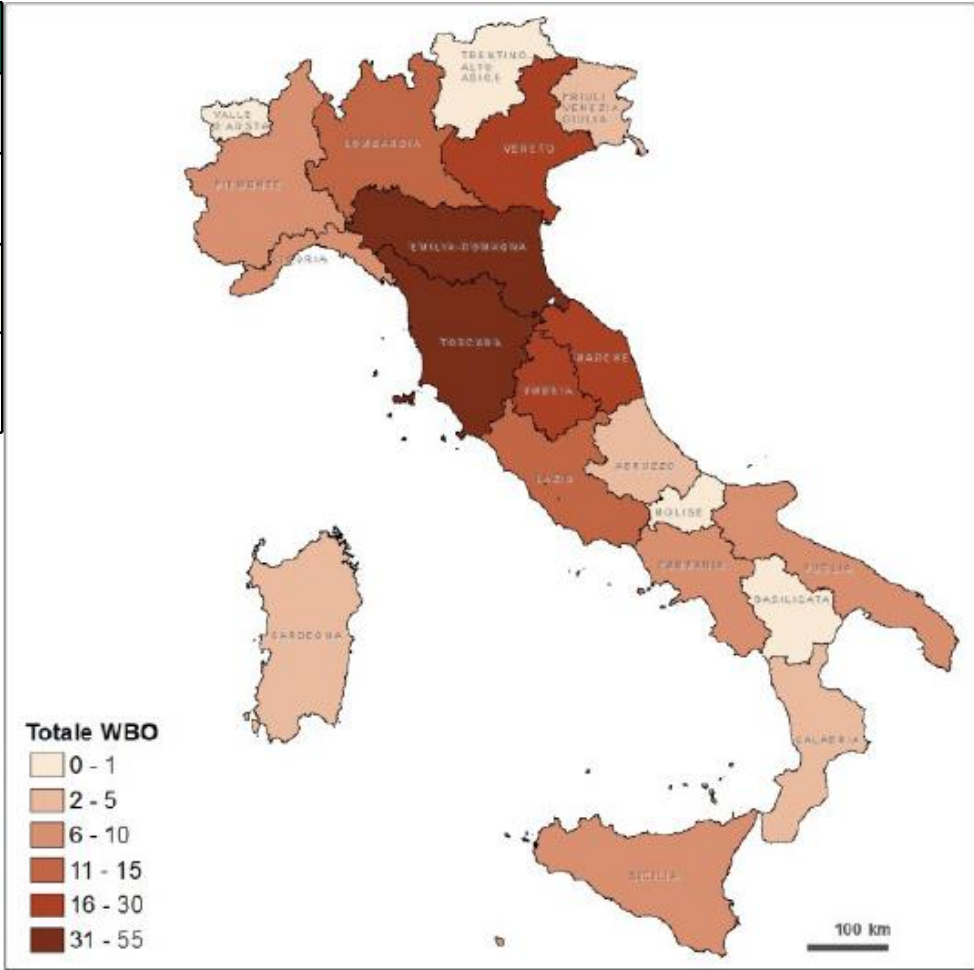
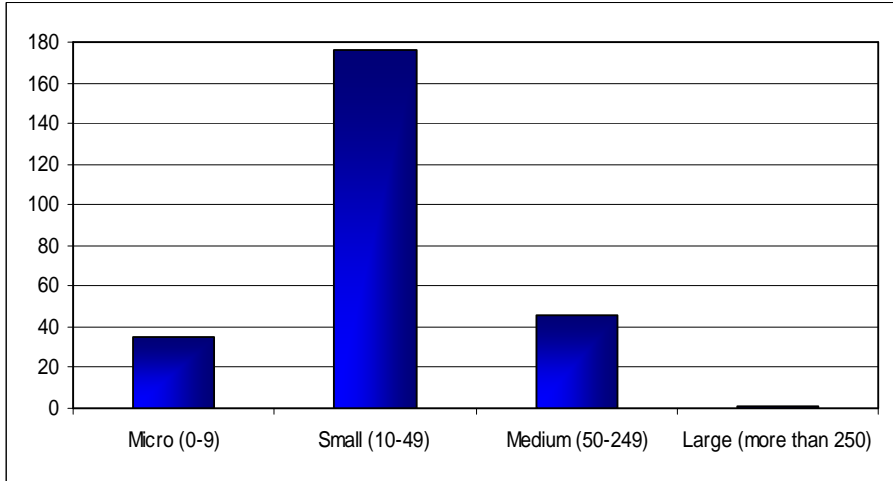
Source: CFI

INVESTMENT PER WORKER: EUR 12,000

Return on investment: 7.3 times on invested capital

SOME DATA

WBO in Italy		
2016 (total)	258	100%
1986 (funding of CFI) – 1993	108	41.80%
1994 (funding of FUNDS OF COOPERATIVE ASSOCIATIONS - LAW 59/1992) – 2007	67	26.17%
2008 – 2016 (economic downturn)	83	32.03%



Source: elaboration on CFI-Coopfond-Fondosvilupo-General Fond data by S.Monni, G.Novelli, L.Pera, A.Realini (2016)



COOP FONDERIA DANTE

WHY	July 2016: the new business plan of Ferroli spa foresaw the closure of the foundry and the assembly department (80 workers)
IDEA	6 workers of the foundry supported by trade unions
ACTORS	workers, trade unions, Legacoop Veneto.
THE GROUP	After some meetings, a choesive group of 62 workers was created.
FINANCING	Naspi of workers: EUR 900 thousands CFI: Eur 500 thousands Coopfond (Legacoop): EUR 270 thousands
PLANT/ MACHINERY/ TOOLS	negotiations with Ferroli started in order to reach an agreement on the company lease contract with the right of pre-emption to purchase. The Ferroli company granted the new cooperative rental facilities for six years at a symbolic price.
STRATEGIC PLAN	a feasibility study and the elaboration of a strategic plan for the reconversion into a cooperative was realized with the support of Legacoop, plus trade unions and local institutions.
THE COOPERATIVE	25 July 2017 : 62 workers signed the memorandum of the new cooperative (inspired by the founder of the company, Dante Ferroli), and in September, production was restarted.



Year: 2016-2018

Sector of activity: Metalworker, boilers and household appliances


Number of workers involved: 80

Local area: San Bonifacio (Verona)

KEY POINTS (in Italian experiences)




MARKET
Has the
enterprise
activity
a future?




WORKER SKILLS
(Vocational
Training)



Strong/
Structured
**COOPERATIVE
SYSTEM**



**COHESIVE
AND RESOLUTE
GROUP
OF WORKERS**



Strong/
structured
SOCIAL DIALOGUE



THANKS FOR YOUR ATTENTION!

Three Rules of Work:
Out of clutter find
simplicity. From
discord find harmony.
In the middle of
difficulty lies
opportunity.

Albert Einstein

