

**SAVING JOBS,
PROMOTING
DEMOCRACY
WORKER COOPERATIVE
CONVERSIONS**

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LABOUR AFTER CONFLICT
Trade unions in post conflict societies



1. INTRODUCTION

In declaring 2012 the International Year of Cooperatives, the United Nations has drawn attention to a form of social organisation which plays a major role in economies across the globe.¹ Cooperatives employ over 100 million people and have over a billion members worldwide, they are not traded on the stock market and so never make the business news, they are socially responsible, sustainable and are democratically controlled by their members.

There are diverse forms of cooperative structure, some bring together workers, others exist for the benefit of members and workers, some are businesses, others not-for-profit. The subject of this brief paper, the worker cooperative model, consists of a business owned and democratically managed by its workers. The worker cooperative distinguishes itself from the traditional business model as it privileges the sovereignty of labour and represents the purest and most democratic form of cooperation. In this form of enterprise, workers own all or the majority of the shares and the organisation adheres to the principle of “one worker, one vote”. Although compelled by the same need for profitability as any other business, worker cooperatives distribute their profits in a democratic way that promotes an equality of outcome and in doing so, preserves the long-term sustainability of employment.²

In the context of a worldwide economic and financial crisis, cooperatives can offer alternative economic and social structures that are sustainable and democratic. The International Labour Organisation (ILO) declared:

It has come at an opportune time. The idea, the myth some would say, that the free market, company driven model could solve economic problems has been seen to be untrue. A different model of enterprise, business driven and democratically controlled, can offer a different way.³

Cooperatives have several advantages that enable them to overcome the difficulties faced by their privately owned counterparts. They remunerate labour fairly and emphasise training, research and innovation instead of distributing profits disproportionately to shareholders.⁴ Moreover, they allow for more flexibility when confronted by

economic crises by “**adjusting wages, avoiding redundancy, redistributing work and using innovative systems**”.⁵

Cooperative forms of ownership can also offer an alternative to business collapse and closure. Set against the failure of the global financial system and the great recession, some have opted for an alternative and sustainable solution; that of transforming companies into worker cooperatives through worker buyouts (WBO). There are a number of reasons that can lead to worker buyouts and the establishment of worker cooperatives including:

- **Succession option for a retiring owner**
- **Divestment of a business division from large corporation**
- **Union led buy-outs**
- **Revival and transferral of an enterprise which has been placed in receivership**
- **The addition of “partners” to operate a functioning business**

Effective successions, rescuing businesses and union led buyouts are important for the economy, for the owners, the employees, customers, trade unions, suppliers, lenders and the local communities that need the goods, services and employment that they provide.

Studies in places as diverse as Australia, Canada and France, have demonstrated that well over 50% of SME's will face the challenge of succession in the next ten years. At the same time, the overall percentage of employees working for SME's is growing.⁶ In Canada “Successions involving leveraged employee buyouts, supported by key managers, succeed in about 80% of the cases.”⁷

Non-existent in Ireland and rare in Britain, the practice of WBO's is particularly prevalent in France where worker cooperatives first challenged the dominance of private ownership.

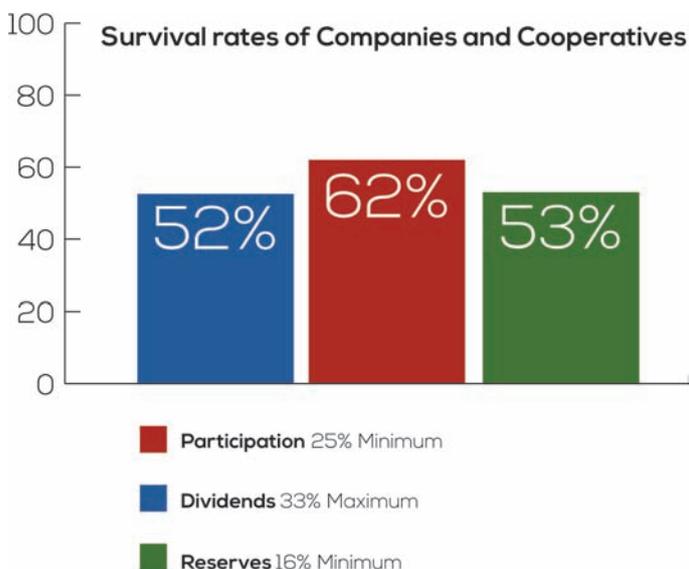
2. WORKER BUYOUTS IN FRANCE:

A) FRENCH WORKER COOPERATIVES

In France, there are 2,046 worker cooperatives, representing 42,244 employees, 22,228 members and a turnover of €3.7 billion.⁸ In the French worker cooperatives, known as SCOPs⁹, the workers must own at least 51% of the company; over the last ten years, the development of cooperatives has been significant, between 1989 and 2012, 3,451 workers cooperatives were created. Of these 77% were created ex-nihilo and 23% arose from transformations of already existing businesses, representing over 700 takeovers during the period. Half of these conversions – i.e. transformations of existing businesses into cooperatives concerned transfers of sound enterprises, while failing company takeovers comprised 40%.¹⁰

Taking a closer look at the transformation of a business on the verge of closing down or already in liquidation, 131 firms have been converted into a SCOP between 2002 and 2012¹¹ and in the process saved 2,621 jobs. At the peak of the economic crisis, between 2007 and 2011, the conversion of failing companies' into worker cooperatives saw an increase of over a third.

As shown in the diagram below, the survival rate of converted cooperatives (independently of the business' health prior conversion) is higher than the general business survival rate.¹²



Although cooperatives exist in all economic sectors in France, the majority are found in science, technology, construction and manufacturing. Rescuing and transforming businesses into cooperatives meanwhile is largely concentrated in the industrial sector. While this sector is under severe pressure, the health of industrial workers cooperatives has been extraordinary for the period 1997-2007 and has witnessed an increase of 6% in business start-ups and conversions; an 11% increase in employment, and a 68% increase in turnover. Following the economic crisis, cooperative failures have remained constant while private enterprise failures increased by 24% in 2008 and 2009. In the current context, these figures provide strong evidence that cooperatives offer a sustainable option to save or reinvigorate any enterprise.

B) WHY CONVERT A COMPANY?

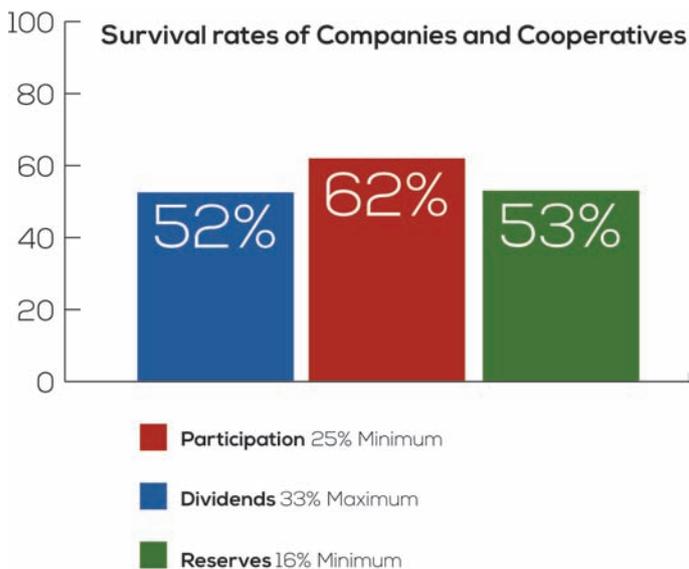
As highlighted previously there are a number of contexts in which businesses might find themselves at risk of being wound down. Falling profitability is the most obvious example but owners may also wish to sell the business to maximise assets or as is frequently the case in a family owned business, the absence of an obvious successor. The seller might also be reluctant to sell to a competitor and prefer to keep ownership 'in-house'.¹³ In these cases, a cooperative conversion in maintaining the skills and business knowledge can ensure the maintenance of value.

A cooperative conversion can lead to the reinvigoration of a company for multiple reasons. Initial salary sacrifices and increased flexibility by the new worker-owners might offset falls in profitability. The worker-owners are more likely to accept these sacrifices as they may foresee future profitability returning to them, given that the annual average salary in a worker cooperative is higher than that of an employee in an equivalent traditional business.¹⁴ However the main advantage offered by a cooperative resides in its capital structure, which prevents over-remuneration and encourages re-investment of profits in the business.

The French law governing worker cooperatives states that dividends can only represent a maximum of 33% of the profit. A minimum of 16% must go to the reserves and a minimum of 25% to 'participation shares'; a form of profit sharing compulsory in any

enterprise including cooperatives, with more than 50 people and benefits over 5 million workers across France.

In practice, the workers tend to distribute 45% to the reserves of the enterprise, where they are used in re-investment and development. As a result, worker cooperatives enjoy an equity capital (or shareholders' equity) four to five times higher than that of a similar sized SME.



In France, worker buyouts are promoted as viable alternatives to closure or re-sale to another private owner and crucially a range of incentives and support structures exist to allow conversion to happen including existing incentives such as exemption from paying social charges for one year.¹⁵ This kind of enabling legislation is also seen in Italy with the Marcora Law and the related Campagnai Finanziari Industriale (CFI) which offers financial and business support to worker cooperative buy outs. In Spain, the Law of Sociadades Laborales (1997) provides legal recognition and definition preserving the democratic nature of worker cooperatives and instituting the establishment of non-transferable cooperative shares and common reserve funds.

In 2003, the ILO pointed out that:

The core tools cooperatives need in order to flourish are advice on capacity building, entrepreneurship development, leadership training, market research, accessing loan finance and grant aid, inter-cooperative networking and federation building. For such grass-roots support to work effectively, cooperatives need a secure legal framework governing their status.¹⁶

In France they refer to the intersection of the legislative and infrastructural support as 'The Network Effect'.

The most essential reason for a successful takeover as a cooperative is probably what is called the network effect. This network effect consists of the existence of an advisory environment and substantial financial arrangements¹⁷

The main actors in this cooperative network are the General Confederation of Worker Cooperatives, the French government and the trade union movement. The French cooperative movement provides capacity building, development and financial tools, which are essential at the cooperative's infancy. Alongside International and European agencies¹⁸ as well as representative bodies within parliament and the government, SCOPs can rely on the General Confederation of Workers Cooperatives (CGSCOP)¹⁹. Created in 1884, the confederation first serves as a national and international representative body, which sits on the French Social and Economic Council, the French Council of Cooperation and the European Commission and Parliament.

At the regional level, the cooperative movement is composed of 12 cooperative unions. The cooperatives also have access to three professional federations for the following sectors:

- **Building and public works**
- **Communication**
- **Telecommunication/IT/industry/metallurgy.**

These organisations are critical during worker buy-outs. The unions and federations are usually the first actors as they are directly in contact with the workers. They provide cooperatives with feasibility studies, cooperative legal structures and governance, legal assistance for the preparation of the buyout offer at business court and support for accessing grants and capital loans. In relation to ailing businesses and their conversion, this support is critical in order to ensure a successful conversion considering the potential risks being taken by workers. Rescuing businesses happens in emergency situations when workers have limited time and knowledge to make important decisions. These can be difficult and emotional times where workers are motivated not by thoughts of excessive profits and quick wins but primarily act in order to save their jobs and livelihoods. This can make it

harder to recognise a failing business which cannot be reinvigorated by a conversion to a cooperative.²⁰

However, the most crucial tool the cooperative movement has to enable buyouts is in relation to finance. One third of the contributions made by cooperatives to CGSCOP goes to financial guarantees and allowances.²¹ Among the financial partners of the cooperative movement, the venture capital company SPOT intervenes in takeover processes. It accompanies the transformation process from between 5 to 7 years and provides capital, equity share certificates, convertible bonds and participation certificates.²²

Another portion of the contributions from cooperatives to CGSCOP goes to the creation of a mutual guarantee fund. The Guarantee Society SOFISCOP vouches for converted cooperatives in their financial commitments with banks.²³ Finally, personal loans can also be allocated to workers for the constitution of their capital and issued by the bank Crédit Coopératif.

Once the conversion has happened, the cooperative is not left on its own and benefits from ongoing support of the regional cooperative unions for a year, including auditing and monitoring assistance and continuing training possibilities.

B) THE LEGAL FRAMEWORK:

France provides an enabling and progressive legal environment in relation to cooperatives. Before 1983, shares and convertible bonds were the only financial tools available to cooperatives to provide capital. On January 3, 1983 a new law created the participation certificate, a financial tool guaranteeing access to capital (and opening cooperatives to outside investors). Participation certificates are available to financial investors, individuals or corporate entities. Significantly they do not give voting rights but holders do benefit from a minimum fixed return on and a variable additional amount indexed to the enterprise's profits. Participation certificates are used to extend the equity capital of a cooperative without it taking on a debt burden. The return is only possible at the issuer's initiative and after a minimum of 7 years. An additional law of July 13th 1992 went further, opening cooperatives to outside investors who could be members with voting rights proportional to the shareholding up to a limit of 35%

of the total voting rights and up to 49% if the investor is another cooperative.

However participation certificates have not had much impact on cooperatives. In general, cooperatives group outside investors into one structure, which owns only one vote. The statutes of a cooperative might also prevent them from giving any proportional rights to investors. As a result of the suspicion within cooperatives and the lack of attractiveness for investors, outside investments are rare and complicated.²⁴ Participation certificates aimed at worker cooperatives²⁵ represent only 2% of the total of the equity capital of these cooperatives. By December 2011, only 46 worker cooperatives had benefited from this financial tool via the cooperative movement with a total value of only €3.5 million.

The role of external investor is largely filled by the Institute for the Development of the Social Economy (IDES), created in March 1983. This organisation brings together cooperative banks, mutual insurance companies, cooperative federations, mutual health insurance organisations and the state. Over the intervening years, IDES has invested millions of Euros in 280 separate worker cooperatives with 40% of IDES's investment going to support cooperative conversions.

C) THE TRADE UNIONS:

The major French trade unions, the General Confederation of Labour (CGT) and the French Democratic Confederation of Labour (CFDT) have an active and supportive approach to worker cooperatives. Unlike Britain and Ireland, it is not uncommon to find workers participating in a buyout that are active members of their union. It is often the case indeed that the union plays a significant leadership role in the conversion process. Significantly Trade Unions have access to their own consultancy agencies at a sectoral level that aid in providing a forensic analysis of the feasibility of a conversion to a cooperative. They are also given an important role in lobbying with public authorities in the conversion process, recognizing that maintaining employment through WBO's is good for society and that all social partners have a role to play.

However, trade unions do not always pursue cooperative transformation as a unique solution. Some have criticised trade unions for not doing more and for only supporting transformations into

cooperatives as a last resort when all other possibilities have failed.²⁶ If conversions are considered a last-ditch attempt it can have a negative impact on the conversion process, as the engagement is too late to resuscitate the ailing firm. In a vicious circle this leads to a worse survival rate of conversions, which in turn encourages trade unions to be more careful with rescue attempts and instead opt for alternative solutions such as state subsidies that are more likely to preserve employment in the short term.

In the case of Sea France, a French ferry company put into compulsory liquidation in January 2012, the workers decided to set up a cooperative. However, the trade unions initially argued against it, favouring either state subsidy or a private business takeover.²⁷ This can be explained by the trade unions tendency to rely on the state as the rightful protector of workers livelihoods and a reluctance to encourage workers to risk their own capital (often from redundancy payments).²⁸ Nonetheless in 2012, following Sea France going into receivership a tribunal awarded the assets to Eurotunnel on the condition the company operated under the French flag and leased the ships to a newly established workers' co-operative, restoring 560 jobs as a result.

B) TWO EXAMPLES OF SUCCESSFUL TAKEOVERS:

PLOËRMEL STEELWORK INDUSTRIES:

When the owner of the Ploërmel steelworks company decided to relocate its production overseas, its 80 workers were at serious risk of losing their jobs. With the help of the owner and 39 workers investing 3 months wages, a cooperative was established. The owner offered to use €1.5 million invested in the worker insurance plan which rather than being used for redundancy was invested into the capital of the new cooperative. Today the cooperative employs 110 workers, including 56 worker-owners. The profits are divided between the firm (60%) and the workers (25%). The members receive the 15% left. Ploërmel steelwork Industries have managed preserving their leadership worldwide thanks to the investments the workers have made in the perfecting and finishing of their products. In a sector where work is physically demanding, labour accidents have been halved since

the existence of the cooperative. Jean-Louis Dupont explains:

Because they were in control of their investments, [the workers] were able to make decisions for the improvement of working conditions. But at the same time, they improved the quality of their products.²⁹

CERALEP:

In 2004 the strategy of an American pension fund led CERALEP, an insulator producer into liquidation. Despite the profitability of the small business, the pension fund had decided to transfer production to other European centres. Robert Nicaise, a trade unionist, and 53 other employees –out of a total of 93 – decided to create a cooperative. They invested €52,000 from their own pockets. The rest (€48,000) came from the solidarity of the regional council, several communes and 800 individuals. Today, CERALEP is a leader in the market for ceramic insulators with strong mechanical resistance. Due to investments and modernisation, its turnover is now at €6.5 million and the cooperative has 62 employees – 56 of them being worker-owners. For more information: <http://www.ceralep.fr/fr/>

The workers cooperatives general confederation's campaign:

“We produce ceramic insulators. We want a status as sustainable as our products”.

The successes at Ploërmel steelworks and CERALEP were not by chance. The French cooperative movement manages an investment fund of 30 million Euros, used to intervene directly in cooperative takeovers. It also provides consultancy expertise and advice. In addition, this process is supported by the trade union movement and public authorities who assist directly in working with banks to release funds and in raising awareness about cooperatives. This is the “network effect” CECOP mentioned as being key to the success of cooperative conversions.

CONCLUSION:

It makes sense that worker buy-outs are part of the business development landscape. Relatively small infrastructure and capacity building investments can protect and create sustainable jobs that are rooted in the local area and help ensure longer term economic security and social stability.

The alternative vision is of a 'competitive region' with a 'frictionless environment' characterised by low wages, insecurity, low skill levels, zero hour contracts and a hire and fire culture. This approach will not create jobs or re-distribute wealth, it will not make the region more equal nor will it foster a better place to live and raise children. It is a dangerous race to the bottom based upon flawed and failed economic arguments. An economy is not just about creating employment, it is about creating good employment, it is about democracy, sustainability and social stability. Worker cooperatives are part of that vision.

Whilst there is no barrier to the establishment of worker cooperatives under the existing legislation in both jurisdictions (I&PSA 1892-2009), and (IPS NI 1969) recommendations from the Workers Cooperative Network "believe that legislation specific to the sector will put worker cooperatives on the political and economic map".³⁰ Significantly this would create an awareness in the business community including accountants, solicitors, financial institutions, trade unions and educators:

Hughes suggests that part of the problem for the lack of prevalence of worker cooperatives is that the key individuals who advise business start ups are ignorant of the worker cooperative as an enterprise vehicle or even hostile to it...[if] the worker cooperative is not understood by accountants and solicitors...it will be continued to be viewed among entrepreneurs a weak business structure³¹

Workers Cooperatives can play a vital role in economic recovery. However in order for cooperatives to display their whole potential in terms of long term strategy, long term employment, inter-enterprise cooperation, resilience to crises and regional development, there is a need for a strong national and regional policy in favour of sustainable employment, directly linked with policies in favour of

enterprises that remain embedded in local communities. In order to be really efficient, these policies need to be clear, focused and well coordinated.

Worker buyouts clearly offer a workable alternative but in order for them to succeed, a comprehensive infrastructure is essential. Workers, trade unions, liquidators, banks and public authorities must be made aware of the possibility of converting a business into a cooperative before insolvency, especially when employees' redundancies can contribute to provision of equity capital. Across the globe government programmes supporting social economy enterprises have positively affected the growth of workers cooperatives.³² The example of France shows that with government and the trade union support as well as the creation of a strong network, worker cooperatives have a role to play in the development of sustainable and democratic employment.

There are approximately 400 worker cooperatives in the UK (2000 members and 2000 employees) and only a handful in the Republic of Ireland. Even though there is access to capital from specialist lenders such as the Baxi Partnership and Co-operative and Community Finance, there are very few examples of workers buyouts (such as the factory 'Alphabeds' in Wales). In the Republic of Ireland, the practice of workers buyouts is non-existent.

The rarity of workers buyouts in the UK and the ROI can be explained by the lack of a network effect as well as a lack of interest in, and understanding of, worker cooperatives. In the UK, "there has been a reduction in government funding of Co-op support organisations which play a major role in worker co-op development. Therefore, the number of worker cooperatives has decreased since the end of the 1980s". In Ireland the closure of the Cooperative Development Agency at the height of the speculative property bubble in 2002 clearly indicated the government's interest in the potential for worker cooperatives.

By creating a network effect, with the commitment of the State and the trade union movement, the UK and the Republic of Ireland could see more workers buy-outs and the growth of worker cooperatives in the private sector. According to a report by Co-operatives UK and the Employee Ownership Association (EOA):

Almost a third of company closures are succession

failures - viable businesses which shut up shop because no suitable successor can be found³³
Worker buyouts and cooperative conversion is a solution that deserves some investigation. Workers cooperatives offer at least one innovative alternative in this crisis:

“Redundancy, no! We bought the company”.³⁴

RECOMMENDATIONS

1. Raise awareness and encourage an understanding that a worker co-operative can be the right option.
 2. Provide examples of successful worker co-op buy-outs.
 3. Explore the worker co-op options with traditional business development agencies and local government.
 4. Ensure the availability of experienced worker co-op development professionals.
 5. Explain the issues of risk, commitment and responsibilities of owner/membership as an option.
 6. To provide advice and guidance in development of financing package to purchase and operate the business.
 7. Encourage and build the capacity of trade unions to be supportive of worker co-op buyouts of unionized businesses.
 8. Develop relations with and use the experience of those unions that have been involved in worker buy-outs.
 9. Development of a more appropriate cooperative legislation including:
- **Protection of cooperative identity in law**
 - **Definition and recognition of worker cooperatives in law including:**
 - **At least a majority of the members of a worker cooperative will be employees of the worker cooperative.**
 - **At least a majority of the employees of the worker cooperative shall be members of the worker cooperative.**
 - **The members have equal control and right to participate in the cooperative's activities (One member, one vote).**
 - **Between 30% and 50% of profits (or losses), the % is decided by the board, must be allocated to an indivisible reserve that cannot be transferred outside the cooperative movement, thus preventing its privatisation.**
 - **Between 5% and 10% of profits must be allocated to a worker cooperative development fund.**
 - **All of the voting stock of a worker cooperative shall be owned by members, however nonvoting stock may be issued to investors.**

LEXICON:

MUTUALIZATION: the process of sharing resources and risks – to make or become mutual.

VENTURE CAPITAL COMPANY (SOCIÉTÉ CAPITAL-RISQUE):

This is an institution providing finance to start-up or developing businesses, where a fairly high degree of risk is involved. The investment would be likely to be in the form of equity, but may it be supported by loans.

EQUITY (FONDS PROPRES): On a company's balance sheet, the amount of the funds contributed by the owners (the stockholders) plus the retained earnings (or losses). Also referred to as "shareholders' equity".

WORKING CAPITAL: Positive working capital means that the company is able to pay off its short-term liabilities. Negative working capital means that a company currently is unable to meet its short-term liabilities with its current assets (cash, accounts receivable and inventory).

TANGIBLE INVESTMENT: an investment in assets that can be seen and has a physical existence, such as machinery or inventory.

INTANGIBLE INVESTMENT: Intangible assets don't have a physical presence, such as a trademark, copyright, license, or lease. There are non-monetary assets that cannot be seen, touched or physically measured, which are created through time and/or effort and that are identifiable as a separate asset. There are two primary forms of intangibles - legal intangibles (such as trade secrets (e.g., customer lists), copyrights, patents, and trademarks) and competitive intangibles (such as knowledge activities (know-how, knowledge), collaboration activities, leverage activities, and structural activities).

EQUITY SHARES: They are ordinary shares with no guarantee of dividend and no voting right. An equity share is a perpetual liability because it signifies an owners legal demand upon the assets of the entity in which the equity share is held.

CONVERTIBLE BONDS: A bond that can be converted into a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the bondholder.

PARTICIPATION CERTIFICATES (TITRES PARTICIPATIFS): participation certificates were introduced in France in 1983 to increase the own capital of societies and cooperatives. They are considered as own capital of the enterprise and they are lowest ranking subordinated

notes: the lowest ranking means that this debt has to be paid back in last place, after all other creditors have been paid back first. The payment encompasses a fixed part (60%) and a variable part linked to the profit. The payment is decided only by the issuer after a minimum period of seven years. Participation certificates are essentially issued by the Institut de développement de l'économie sociale (Ides). Scops benefit from their own financial tool: SPOT. In 1992, François Mitterrand and its government, frightened that the opening of the European market (Maastricht Treaty) would negatively affect cooperatives, introduced participation certificates with a proportional right to vote for the external investor. However, participation certificates are rarely used in practice and they do not automatically entail a right to vote.

RESERVE: Part of the profit which belongs to the cooperative (and not the workers or shareholders) and which is usually invested in development.

PARTICIPATION SHARES: Part of the profit which is distributed to the workers (and not just the worker-owners). It was introduced in France under Charles De Gaulle and concerns any enterprise. This is a non-taxable earning.

DIVIDENDS: A sum of money paid regularly by a company to its shareholders and external creditors out of its profits.

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- ² http://fr.wikipedia.org/wiki/Soci%C3%A9t%C3%A9_coop%C3%A9rative_et_participative
- ³ Stirling Smith, *Promoting Cooperatives: A guide to the ILO Recommendation 193, the Co-operative College*, p.31.
- ⁴ Denis Ettighoffer, «Le modèle des «Coops» plus robuste que le modèle capitaliste traditionnel!», *Place Publique*, 11 Septembre 2009, <http://www.place-publique.fr/spip.php?article5368>.
- ⁵ Jean-Louis Rastoin, *La gouvernance coopérative, Vers un renouvellement des dynamiques coopératives dans le monde, en Europe et en France?*, Académie d'Agriculture de France, 2010, Séance du 17 novembre, p15.
- ⁶ <http://canadianworker.coop/content/succession-planning-using-worker-co-op-option-employee-buy-outs-option-consider-retiring-sma>
- ⁷ Reynolds, R *Financial Post*, Canada
- ⁸ CGSCOP website, <http://www.les-scop.coop/sites/fr/les-chiffres-cles/>.
- ⁹ Sociétés coopératives ouvrières de production. They are also called Sociétés coopératives et participatives since 2010.
- ¹⁰ The last 10% represented transformations from associations. Alberto Zevi, Antonio Zanotti, François Soulage and Adrian Zelaia, *Beyond the Crisis: Cooperatives, Work Finance*, CECOP Publications, 2011, p.157.
- ¹¹ CGSCOP
- ¹² Op. cit. Alberto Zevi and co., CECOP, p.158. The figures of business survival rates are provided by the National Institute of Statistics and Economics (INSEE).
- ¹³ Op. cit. Alberto Zevi and co., CECOP, p.176.
- ¹⁴ «Les sociétés coopératives ouvrières de production (Scop)», *Alternatives Economiques*, Dossier Web n° 029 - septembre 2008
- ¹⁵ Ibid. p.188.
- ¹⁶ *Working out of Poverty*, Report of the Director General, International Labour Conference, 91st Session, 2003, p.52.
- ¹⁷ Ibid. p.189.
- ¹⁸ The International Cooperative Alliance and CECOP (The European Confederation of Workers' Co-operatives, Social Co-operatives and Social and Participative Enterprises).
- ¹⁹ Confédération Générale des Sociétés Coopératives et Participatives.
- ²⁰ CGSCOP, *La reprise d'entreprise par les salariés en Scop – Guide pratique*, Centre de ressources et d'innovations européennes sur la Reprise d'Entreprise par les Salariés en Coopérative, réalisé dans le cadre du dispositif "Actions Innovantes Transnationales".
- ²¹ These represent 0,1% of the cooperatives' turnover. The rest finances the work of the CG Scop, the regional unions and the federations.
- ²² In particular it offers specialist loans for a period of between 3 and 5 years without guarantee that are designed to cover working capital requirements as well as to increase the funds invested by creating leverage for other investment.
- ²³ SOFISCOP works in cooperation with the Crédit Coopératif. It guarantees 50% of tangible investments and 15% of intangible investment. If the loan is contracted with another bank than the Crédit Coopératif, the guarantee is limited to 20%.
- ²⁴ Emmanuel Bayo, "Les fonds propres des Scop: enjeux et conditions de leur développement", *La Revue des Sciences de Gestion*, n°249-250, 2011/3, pp. 97-104.
- ²⁵ Which belong to the Scop movement.
- ²⁶ Ibid. p.185.
- ²⁷ Several articles in *Le Figaro*: Marc Landré, "Les syndicats rejettent l'aide du président", 4 January 2012, <http://www.lefigaro.fr/societes/2012/01/03/04015-20120103ARTFIG00582-les-syndicats-rejettent-l-aide-du-president.php>; Valérie Collet, "Eurotunnel reprend les trois navires de SeaFrance", 11 June 2012, <http://www.lefigaro.fr/societes/2012/06/11/20005-20120611ARTFIG00660-eurotunnel-reprend-trois-navires-de-seafrance.php>; Elsa Bembaron, "Conseil d'administration décisif pour SeaFrance", 11 June 2012, <http://www.lefigaro.fr/societes/2012/06/10/20005-20120610ARTFIG00177-sncf-conseil-d-administration-decisif-pour-seafrance.php>.
- ²⁸ The role of trade unions can also explain the disparities between the extent of cooperative enterprises across Europe. In Italy and Spain, the trade union movement was particularly involved in social economy enterprises. The prevalence of worker cooperatives in Mediterranean Europe might also be a result of territorial solidarity which is stronger in decentralised countries such as Spain and Italy⁵. In France and Germany, trade unions focused on the defence of individual rights in a management logic which needs a distinct employee and employer.
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- ³⁰ Gavin, M (2012) www.workerscooperativenetwork.com
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- ³² Trent Craddock and Sarah Kennedy, *Worker Cooperative Trends in North America and Europe*, Discussion Paper.
- ³³ <http://www.guardian.co.uk/money/2008/jan/12/workandcareers>
- ³⁴ Anne Gulland, "Redundancy? No! We bought the company", *The Guardian*, Saturday 12 January 2008.