



Country Report
April 2025

ESF+ Study on Workers' Buyout SPAIN



ESF+ Study on Workers' Buyout

SPAIN

Country Report





DISCLAIMER

This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union or the European Investment Bank. Sole responsibility for the views, interpretations or conclusions contained in this document lies with the authors. No representation or warranty express or implied is given and no liability or responsibility is or will be accepted by the European Commission or the European Investment Bank or by the managing authorities of ESI Funds Programmes in relation to the accuracy or completeness of the information contained in this document and any such liability or responsibility is expressly excluded. For the avoidance of doubt, this document is provided for information only. Financial data given in this document has not been audited, the business plans examined for the selected case studies have not been checked and the financial model used for simulations has not been audited. The case studies and financial simulations are purely for theoretical and explanatory illustration purposes. The case projects can in no way be taken to reflect projects that will actually be financed using financial instruments. Neither the European Commission nor the European Investment Bank gives any undertaking to provide any additional information on this document or correct any inaccuracies contained therein. This document has been prepared with the support of a Consortium comprised of Ernst & Young, s.r.o., Technopolis Group, t33, Institute for Economic Democracy represented by Tej Gonza and Kosta Marco Juri, Centro Studi Legacoop represented by Andrea Cori.

This document is to be referred to as: fi-compass, 2025, ESF+ Study on Workers' Buyout - SPAIN - Country Report, 64 pages.

Available at: <https://www.fi-compass.eu/library/market-analysis/esf-study-workers-buyout-spain>.



Abbreviations

Abbreviation	Full name
ACEL	Business Organisation of Labour Societies and Cooperatives of Cantabria (Organización Empresarial de Sociedades Laborales y Cooperativas de Cantabria)
AEMTA	Business Organisation of Labour Societies of Castile and León (Organización Empresarial de Sociedades Laborales de Castilla y León)
AEXLAB	Business Organisation of Labour Societies of Extremadura (Organización Empresarial de Sociedades Laborales de Extremadura)
AMUSAL	Business Association of Labour and Investee Companies of Murcia (Asociación Empresarial de Sociedades Laborales y Participadas de Murcia)
ANEL	Association of Social Economy Companies of Navarre (Asociación de Empresas de Economía Social de Navarra)
ASALMA	Grouping of Labour Companies of Madrid (Agrupación de Sociedades Laborales De Madrid)
ASATA	Representative Organisation of the Asturian Social Economy (Organización Representativa de la Economía Social Asturiana)
ASLE	Association of Labour Societies of the Basque Country (Asociación de Sociedades Laborales de Euskadi)
CCOO	Workers' Commissions (Comisiones Obreras)
CFI	Cooperation Finance Enterprise (Cooperazione Finanza Impresa)
CLAMCOOP	Union of Worker Cooperatives of Castile-La Mancha (Unión de Cooperativas de Trabajo Asociado de Castilla-La Mancha)
COCETA	Spanish Confederation of Worker Cooperatives (Confederación Española de Cooperativas de Trabajo Asociado)
COOPERAMA	Union of Worker Cooperatives of Madrid (Unión de Cooperativas de Trabajo de Madrid)
EaSI	Employment and Social Innovation programme
EGSS	General Social Security Regime (Régimen General de la Seguridad Social)
EIB	European Investment Bank
EIF	European Investment Fund
EOB	Employee-owned business
ESF	European Social Fund
ESPAZOCOOP	Union of Galician Cooperatives (Unión de Cooperativas de Galegas)



EUR	Euro
FAECTA	Andalusian Federation of Worker Cooperative Companies
FEVECTA	Valencian Federation of Worker Cooperatives (Federación Valenciana de Cooperativas de Trabajo Asociado)
FNPT	National Fund for the Protection of Labour (Fondo nacional de protección al trabajo)
ICO	Official Credit Institute (Instituto de Crédito Oficial)
KONFECCOOP	Confederation of Cooperative Companies of the Basque Country (Confederación de Cooperativas de Euskadi)
LABORPAR	Spanish Association of Employee-Owned Businesses (Federación Empresarial de Sociedades Laborales y Participadas de España)
NASUVINSA	Navarre Land and Housing S.A. Public Society of Navarre for Industrial Land (Navarra de Suelo y Vivienda S.A. Sociedad Pública de Navarra de Suelo Industrial)
OP	Operational programme
OWEN	Union of Worker Cooperatives of Castile and León (Unión de Cooperativas de Trabajo de Castilla y León)
PAFED	Annual Plan for the Promotion of Decent Employment (Plan Annual de Fomento del Empleo Digno)
POISES	Social Inclusion and Social Economy programme
RETA	Special Scheme for Self-Employed Workers (Régimen Especial de Trabajadores Autónomos)
SEPE	Public employment service Estatal (Servicio Público de Empleo Estatal)
SGEIC	Basque Country Venture Capital Management (Gestion de Capital Riesgo del País Vasco)
SME(s)	Small and medium-sized enterprise(s)
SODENA	Navarre Development Society (Sociedad de Desarrollo de Navarra)
UCETA	Union of Associated Work Cooperatives of Extremadura (Unión de Cooperativas de Extremadura de Trabajo Asociado)
UCEV	Valencian Union of Educational Cooperatives (Unió de Cooperatives d'Ensenyament Valencianes)
UCOMUR	Union of Worker Cooperatives of Murcia (Unión de Cooperativas de Trabajo de Murcia)
UGT	General Union of Workers (La Unión General de Trabajadores)
WBO(s)	Workers' buyout(s)

Table of contents

1	Introduction	7
2	Current WBO situation	8
2.1	Applicable legal framework	12
3	Demand side analysis	22
3.1	Specific sectors	23
3.2	Reasons for WBOs	24
3.3	Constraints for WBOs	24
4	Supply side analysis	26
4.1	Analysis of supply of public finance	27
4.2	Analysis of supply of private finance	31
4.3	Technical assistance	35
5	Market gap and suboptimal investment situation	39
6	Case studies of WBO examples	41
6.1	Company #1: Maier Ferroplast Scoop description	42
6.2	Company #2: Mestres de la Creu Coop V description	45
6.3	Case Study #3: Mantenimiento y Servicios Vicaclean Coop V description	48
7	Synthesis of information from company case studies	51
8	Potential to use ESF+ and other EU resources in support for WBOs	53
8.1	Potential use of ESF+ financial instruments	53
8.2	Exploring possibilities of combining financial instruments with grants	53
8.3	Potential involvement of EIB Group via EU level financial instruments	54
8.4	Practical hints for managing authorities	54
9	Suggestions and next steps	55
10	Conclusion	58
	List of Tables	60
	List of Figures	60



01 Introduction

This country report is part of the fi-compass ESF+ Study on Worker's Buyout¹ undertaken at EU level with a focus on mapping the WBO frameworks in France, Spain, Italy and Slovenia and aimed at enhancing ESF+ managing authorities' capacities to assess use of their programme resources in support of workers buyouts (WBOs).

Spain has a long tradition of workers' buyouts (WBOs) dating back to the 1950s. The WBO movement experienced significant growth in the 1980s and early 1990s. During this period, there was a deep crisis in Spanish industry and the political change towards democracy and the approval of the Spanish Constitution of 1978 provided an impetus for WBOs, as the Constitution called for public authorities to promote worker participation in companies and to ensure their access to business ownership.

Among other measures, to finance WBOs the National Fund for the Protection of Labour (Fondo nacional de protección al trabajo, FNPT) was created in the 1960s. The main purpose of the fund was to provide technical assistance and loans to workers who wanted to acquire companies in crisis in which they worked. The 1960 Law of Funds² assigned to the FNPT a part of the proceeds of corporate income tax. This enabled rapid growth in the amount collected for the fund's needs. Economic crisis (rising unemployment, crisis proceedings) meant there was demand for WBOs and the FNPT's endowment therefore increased from 950 million pesetas in 1962 to 23 billion pesetas in 1979. Throughout the 1980s, its responsibilities began to diminish, and the competencies related to the promotion of cooperativism shifted to the regions, and the FNPT was disbanded in the early 1990s.

Most of these early WBOs took place in medium-sized industrial companies with more than 50 employees and they were financed by FNPT loans offered to workers willing to acquire the companies. In some Spanish territories, most of the existing industrial worker cooperatives and employee-owned businesses today are the result of these transformations in the 1980s and early 1990s.

Despite the survival of many of these companies to this day, the Spanish public has an unfavourable view of these old WBOs. Cases that resulted in bankruptcy generated significant social alarm, especially when they took place in small towns and received extensive coverage in the local media. However, successful cases did not receive the same attention from the media or general public.

Spanish WBOs are less numerous than before and smaller in size, although there was a brief resurgence during the economic crisis from 2008 to 2012. Spain is a strongly decentralised country with 17 autonomous regions, each having very different socio-economic characteristics and even different legal frameworks. This also applies to WBOs. This diversity impacts all aspects covered by this country report, including support ecosystems, legal aspects, and ultimately the number of WBOs taking place in each territory.

The report is divided into 9 chapters, starting with a presentation of the existing conditions for WBOs. There is detailed analysis of opportunities and challenges on both demand and supply sides of WBO financing, identifying market gaps. This is followed by three WBO case studies. The final sections explore the potential application of the European Social Fund Plus (ESF+) and other European Union (EU) and national funding resources, concluding with recommendations and suggestions for next steps.

1 fi-compass, 2025, ESF+ Study on Worker's Buyout, available at: <https://www.fi-compass.eu/library/market-analysis/esf-study-workers-buyout>.
2 Law 45/1965, of July 21, 1960, which creates certain national funds for the social application of the tax and savings. Accessed on 18 December 2023, available at: <https://www.boe.es/buscar/doc.php?id=BOE-A-1960-10902>.

02 Current WBO situation

In Spain, there is currently no systematic and nationwide data registry for WBOs, and recent studies do not give robust estimates of the number of WBOs taking place in the country. Consequently, making a reliable estimate of the actual number of initiatives and identifying them is a challenge, unless it is done through those actively promoting them. This includes organisations offering technical assistance on the operation and constitution of WBOs, as well as financial institutions that provide funding. However, since these promoters primarily operate regionally, the data is scattered and reflects the situation in each region rather than providing an overview of the entire country.

Spanish WBOs typically incorporate as worker cooperatives or employee-owned businesses (EOBs), known locally as 'sociedades laborales'. Associations representing these businesses generally provide technical assistance to facilitate these processes.

As a starting point, according to the Spanish Confederation of Worker Cooperatives (Confederación Española de Cooperativas de Trabajo Asociado, COCETA), there are currently 17 792 worker cooperatives in Spain employing 315 748 people³. The Spanish Association of Employee-Owned Businesses (Federación Empresarial de Sociedades Laborales y Participadas de España, LABORPAR) estimates that there are around 8 500 EOBs employing approximately 60 000 people⁴.

COCETA serves as the overarching body that unites all the Spanish regional federations and unions of worker cooperatives. LABORPAR is its counterpart in the EOB sector. Both organisations' main activity is to lobby the central government of behalf of worker cooperatives and employee-owned businesses, respectively.

Data from the Ministry of Labour and Social Economy indicates that, in 2022, 1 185 worker cooperatives were established, involving 3 148 initial worker members, and 211 EOBs with 593 members. Under Spanish laws, the members of worker cooperatives are only those who contribute capital and labour. While cooperatives can have external investors, they never receive member status. For EOBs, a member is someone who contributes capital, whether they work in the company or not. Therefore, it is important to understand that for cooperatives, the number of members aligns quite closely with the number of workers, whereas in the case of EOBs, the number of members does not necessarily match the number of workers.

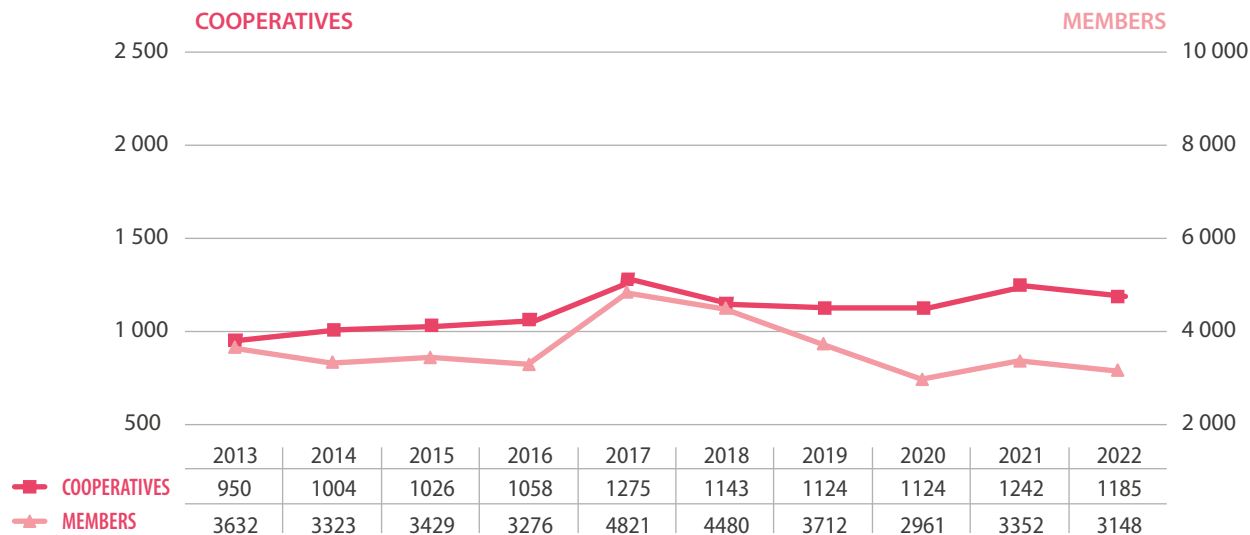
As observed in Tables 1 and 2 (following), the 2022 numbers of cooperatives and EOB are consistent with previous years.

³ COCETA, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.coceta.coop/#>.

⁴ Laborpar, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://laborpar.es/>.

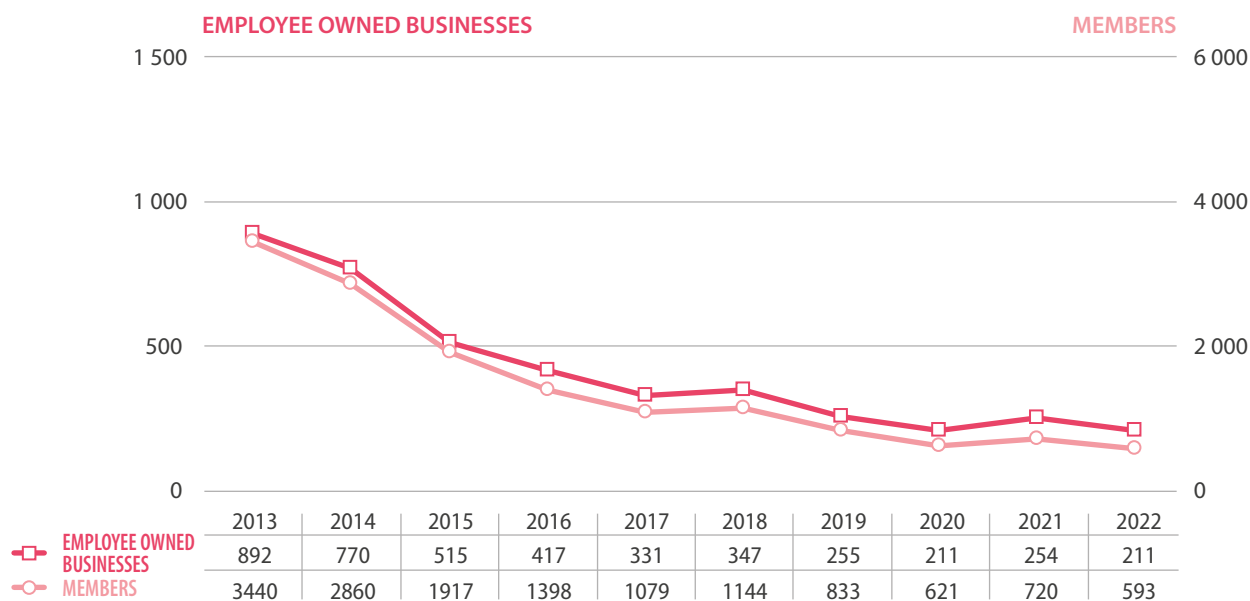


Figure 1: New worker cooperatives in Spain by year.



Source: Spanish Ministry of Labour and Social Economy⁵.

Figure 2: New employee-owned businesses in Spain by year.



Source: Spanish Ministry of Labour and Social Economy⁶.

5 Ministry of Employment and Social Economic, *Statistical data*. [Online]. Accessed 18 December 2023, available at: https://www.mites.gob.es/es/sec_trabajo/autonomos/economia-social/estadisticas/index.html.

6 Ibid.



While there is no verified data on how many cooperatives and EOBs each year originate from a WBO, COCETA estimates the number at around 100 annually⁷.

Regions such as the Basque Country, Andalusia, Murcia, Catalonia, Navarre and Valencia, which have the highest estimated number of WBOs, boast thriving ecosystems of cooperatives and EOBs, including representative organisations that encompass both. These entities employ stable and specialised technical teams offering legal, economic, and financial guidance for WBOs.

Moreover, all of these regions have governments that actively support WBOs. They predominantly offer subsidies that offset part of the costs related to technical assistance, investments, and WBO financing in general. Additionally, they engage in the processes by using public services, such as employment agencies to inform workers and business owners about the advantages of pursuing a WBO. Furthermore, these regions occasionally initiate communication campaigns to raise awareness about WBOs, such as Valencia's 'Save Your Business'⁸ programme. Finally, regional governments in some areas have directly intervened in specific WBOs, offering innovative solutions to solve specific challenges, as exemplified by Navarre's involvement with the COPRECI ALTSASUKO cooperative. (See Chapter 4.2 Analysis of supply of private finance).

Typically, the regions that consistently report at least 1 to 10 WBOs per year have specialised financial institutions with some experience in financing WBOs:

- The Basque Country (10 cases in 2023 as reported by the Association of Labour Societies of the Basque Country - Asociación de Sociedades Laborales de Euskadi, ASLE and Elkar-Lan S. Coop).
- Navarre (four cases in 2023 as reported by the Association of Social Economy Companies of Navarre - Asociación de Empresas de Economía Social de Navarra, ANEL).
- Catalonia (five cases in 2023 as reported by SEIRA Foundation, Coop57 and Cooperatives de Treball).
- Valencian Community (five cases as reported by the Valencian Federation of Worker Cooperatives - Federación Valenciana de Cooperativas de Trabajo Asociado, FEVECTA).
- Region of Murcia (seven cases in 2023 as reported by the Union of Worker Cooperatives of Murcia (Unión de Cooperativas de Trabajo de Murcia, UCOMUR).
- Andalusia (three cases in 2023 as reported by the Andalusian Federation of Worker Cooperatives - La Federación Andaluza de Empresas Cooperativas de Trabajo, FAECTA).

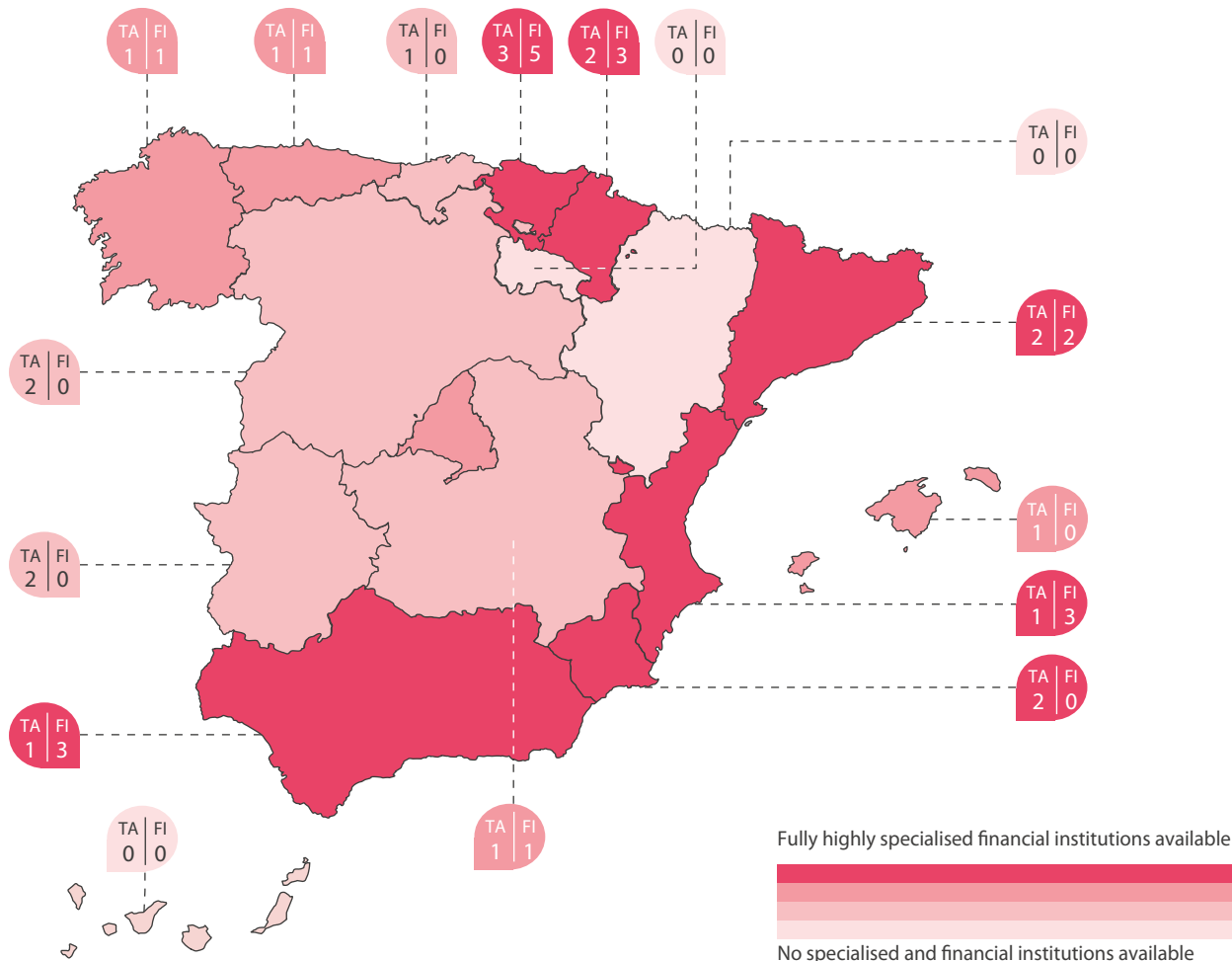
Conversely, in the remaining 11 Spanish regions, the cooperative and employee-owned business movement is weaker, resulting in fewer WBOs, generally ranging from zero to five transformations each year.

⁷ COCETA (2017), 'Transfer of enterprises to worker cooperatives: a public policy focus'.

⁸ FEVECTA, *Save Your Business*. [Online]. Accessed on 18 December 2023, available at: <https://www.fevecta.coop/SalvaTuEmpresa/>.



Figure 3: Distribution of technical assistance and financial institutions specialised in WBOs in Spain.



Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).

Note: In the figure, TA stands for technical assistance organisation and FI stands for financial institution.

The figure above shows the number of organisations offering technical assistance and the number of financial institutions specialised in WBOs identified in each of the 17 regions of Spain. The intensity of support available correlates with the number of WBOs reported in each territory. Most of the organisations providing direct technical support to WBOs are associated at national level with either COCETA or LABORPAR. A detailed analysis of these organisations and financial institutions is provided in Chapter 4.2.

At the national level, central government agencies do not directly engage in WBOs, as these fall under the jurisdiction of regional authorities.

The primary labour unions in Spain are Workers' Commissions (Comisiones Obreras, CCOO) and General Union of Workers (La Unión General de Trabajadores, UGT). These organisations have a nationwide presence and frequently participate as worker representatives in WBOs involving more than 10 employees. However, their stance on WBOs has evolved since their active promotion of these processes in the 1980s and early 1990s. Currently, though they generally do not oppose WBOs, they refrain from actively promoting them or offering information and guidance to workers pursuing them.



This shift can be attributed to several factors, as identified by interviewees and a literature review⁹:

- A degree of scepticism towards participatory business models due to concerns about worker self-exploitation.
- Suspicions that some WBOs may have been organised to evade employer responsibilities during insolvency proceedings.
- Spanish laws grant a special legal status to the person who works and contributes capital in a worker cooperative, referred to as a 'worker member'. As such, they are not considered either an employee or an employer but a third category that incorporates aspects of both, as well as unique features. Therefore, worker members are not subject to labour legislation, nor are they required to make social contributions to workers' social security schemes. This generates deep mistrust among trade unions, concerned about the potential erosion of workers' rights.
- In the case of transformations involving SMEs, unions are wary of the shift in mentality among workers turned partners, often leading them to lose their working-class identity and adopt social and economic attitudes more akin to those of small business owners.

2.1 Applicable legal framework

In Spain, WBOs benefit from a comprehensive regulatory framework that spans from the Spanish Constitution to the Bankruptcy Law. This includes 18 distinct cooperative laws and the Social Economy Law, which offers a variety of incentives for social economy enterprises, such as cooperatives and EOBs. Spanish regulations that govern WBOs are:

The Spanish Constitution of 1978¹⁰

Article 129.2 of the Spanish Constitution establishes that: 'Public authorities shall effectively promote various forms of employee participation in the company and shall encourage, through appropriate legislation, cooperative societies. They shall also establish the means to facilitate workers' access to ownership of the means of production'.

In accordance with this constitutional mandate, Spain has developed a series of rules and regulations. These include 18 cooperative laws that govern the cooperative movement in the different Spanish regions, the Law on EOBs and participatory businesses, and the Law on social economy, which includes incentives for the establishment of cooperatives and EOBs.

Regional cooperative laws

There are 18 cooperative laws in Spain, one for each of the 17 autonomous regions, plus a state (general) law that cooperatives may choose to be incorporated under, rather than under the relevant regional law. Most Spanish cooperatives in Spain use their regional regulations to carry out their operations. It has been noted that the lack of a common regulation may be an obstacle to having more cooperative WBOs, as promoters may get confused by the maze of rules and laws. The table below presents a list of all the active regional cooperative laws.

⁹ COCETA, (2017), 'Transfer of enterprises to worker cooperatives: a public policy focus'.

¹⁰ Spanish Constitution of 29 December 1978. Accessed on 4 September 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-1978-31229>.



Table 1: Regional cooperative laws in Spain.

Spanish Region	Cooperative Law
General Law (Spain)	Ley 27/1999 de Cooperativas ¹¹
Basque Country (Euskadi)	Ley 11/2019 de Cooperativas de Euskadi ¹²
Navarre (Navarra)	Ley foral 14/2006 de Cooperativas de Navarra ¹³
La Rioja	Ley 4/2001 de Cooperativas de La Rioja ¹⁴
Community of Madrid (Comunidad de Madrid)	Ley 4/1999 de Cooperativas de la Comunidad de Madrid ¹⁵
Aragon (Aragón)	Ley 9/1998 de Cooperativas de Aragón ¹⁶
Principality of Asturias (Asturias)	Ley 4/2010 del Principado de Asturias de Cooperativas ¹⁷
Castilla La Mancha (Castile–La Mancha)	Ley 11/2010 de Cooperativas de Castilla la Mancha ¹⁸
Andalusia (Andalucía)	Ley 14/2011 de Sociedades Cooperativas de Andalucía ¹⁹
Valencian Community (Comunidad Valenciana)	DL 2/2015 Texto Refundido de la Ley de Cooperativas de la CV ²⁰
Catalonia (Cataluña)	Ley 12/2015 de Cooperativas ²¹
Balearic Islands (Islas Baleares)	Ley 5/2023 de Sociedades Cooperativas de las Islas Baleares ²²

11 Law 27/1999 of 16 July 1999 on Cooperatives, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-1999-15681>.

12 Law 11/2019 of 20 December 2019 on Cooperatives in the Basque Country. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2020-615.

13 Law 14/2006 of 11 December 2006 on Cooperatives in Navarre, available at: <http://www.lexnavarra.navarra.es/detalle.asp?r=5420>.

14 Law 4/2001 of 2 July 2001 on Cooperatives of La Rioja. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/pdf/2001/BOE-A-2001-13944-consolidado.pdf>.

15 Law 4/1999 of 30 March 1999 on Cooperatives of the Community of Madrid. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/doc.php?id=BOE-A-1999-12334>.

16 Law 9/1998 of 22 December 1998 on Cooperatives of Aragon. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/doc.php?id=BOE-A-1999-1921>.

17 Law 4/2010 of 29 June 2010 on Cooperatives. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/pdf/2010/BOE-A-2010-14628-consolidado.pdf>.

18 Law 11/2010 of 4 November 2010 on Cooperatives of Castilla-La Mancha available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2011-2707.

19 Law 14/2011 of 23 December 2011 on Andalusian Cooperative Societies. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2012-877>.

20 Legislative Decree 2/2015 of 15 May 2015 approving the revised text of the Law on Cooperatives of the Valencian Community. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/act.php?id=DOGV-r-2015-90416>.

21 Law 12/2015 of 9 July 2015 on Cooperatives. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2015-9140.

22 Law 5/2023 of 8 March 2023 on cooperative societies in the Balearic Islands. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2023-13762.



Galicia (Galicia)	Ley 5/1998 de Cooperativas de Galicia ²³
Region of Murcia (Región de Murcia)	Ley 4/2011 de Cooperativas de la Región de Murcia ²⁴
Castile and León (Castilla y León)	Ley 4/2002 de Cooperativas de la Comunidad de Castilla y León ²⁵
Extremadura (Extremadura)	Ley 2/1998 de Sociedades Cooperativas de Extremadura ²⁶
Cantabria (Cantabria)	Ley 6/2013 de Cooperativas de Cantabria ²⁷
Canary Islands (Canarias)	Ley 4/2022 de Sociedades Cooperativas de Canarias ²⁸

Source: Compiled by author from entries in LEXNAVARRA and the official state Gazette (BOE).

The regional cooperative laws regulate workers' cooperatives. This is a legal form that is inspired by the seven cooperative principles²⁹, and it differs substantially from the typical model of a capital-based company. Thus, for WBOs resulting in a worker cooperative, there is also a radical transformation of the governance model and the organisational culture. As described later in this chapter, this is not the case in WBOs resulting in an EOB.

There are some aspects in the cooperative regulation that are particularly relevant to WBOs. Specifically, all Spanish cooperative laws cover the following aspects to a certain extent:

Table 2: WBO rules applicable across regional cooperative regulation frameworks.

Member/ non-member worker ratio	Worker cooperatives have a limitation on the number of employees that can be employed by the cooperative, and not be working members of the cooperative. Typically, a limit of around 30% in most Spanish territories; meaning that at least 70% of the cooperative's employees must be worker members. In recent years, mixed cooperative models have been used, combining characteristics of worker cooperatives with other cooperative types to facilitate WBOs in sectors that require substantial capital investment, such as industry. These mixed cooperatives have lower worker members to employee ratios, but they require other investment partners joining the cooperative to be worker cooperatives themselves and providers and/or customers of the WBO. Maier Ferroplast is one such example (see the company case studies in Chapter 6).
------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

23 Law 5/1998 of 18 December 1998 on Cooperatives in Galicia. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-1999-6940>.

24 Law 4/2011 of 21 October amending Law 8/2006 of 16 November 2006 on Cooperative Societies of the Region of Murcia. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2012-2267.

25 Law 4/2002 of 11 April 2002 on Cooperatives of the Community of Castile and Leon. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/doc.php?id=BOE-A-2002-9331>.

26 Law 2/1998 of 26 March 1998 on Cooperative Societies of Extremadura. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-1998-12457.

27 Law 6/2013 of 6 November 2013 on Cooperatives of Cantabria. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/doc.php?id=BOE-A-2013-12424>.

28 Law 4/2022 of 31 October 2022 on Cooperative Societies of the Canary Islands. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-19625.

29 The seven cooperative principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for the community. They are the core of the statement on cooperative identity which can be viewed here: International Cooperative Alliance, *Cooperative identity, values & principles*. [Online]. Accessed on 18 December 2023, available at: <https://www.ica.coop/en/cooperatives/cooperative-identity>.



Social security contributions

As part of the existing legal framework for cooperatives in Spain, worker members of cooperatives have the choice to either remain in the prevailing general social security regime (EGSS)³⁰ or join the special scheme for self-employed workers (RETA)³¹. There are advantages and disadvantages to both. Commonly, many cooperatives start out with the RETA scheme, as it means lower costs, which are met by the cooperative's members, and not the cooperative itself. The scheme also promises greater flexibility, speedy registration and contributions can be capped at EUR 80 per month for the first 12 months for members making use of the 'Tarifa Plana' tariff. For a newly founded cooperative, this can mean a significantly lower financial burden at a time when most cooperatives suffer from limited cash flow. On the other hand, choosing the RETA scheme for members can cause the peculiar situation of working members enjoying less benefits than contracted employees of the cooperative, though this can be regulated by increasing RETA contributions by working members to the same levels as the EGSS. Subsequently, under the EGSS scheme, the cooperative takes over the usual responsibilities of the employer such as registration, administrative tasks relating to social security, and approximately half of the the member's overall social security contribution. The significantly higher contributions required by the EGSS are a clear dividing line between it and RETA, though the EGSS does offer more benefits than RETA, even if the gap between the two is diminishing over time. It is therefore common for members of cooperatives to choose the RETA scheme, and then transition to the public EGSS.

Capital

In cooperatives, neither profit distribution nor governance are tied to capital contributions. Therefore, when a WBO results in a cooperative, there are major changes in the company's governance and profit distribution policies:

- Most Spanish cooperative laws do not contemplate the division of capital in shares, instead, they regulate the 'contributions to capital'. These contributions can usually be made by both worker members and investor partners and are paid back when members or partners leave the cooperative. This is relevant for WBOs because, unlike shares, 'contributions' cannot be sold or bought. While Spanish regional cooperative laws do not limit the amount of capital an investment partner can contribute, they all restrict the return that such investors can get from their investment. Regional cooperative laws also limit their participation in cooperative management, sometimes excluding them completely from cooperative governance. This peculiarity has a significant impact on WBOs since it rules out most outside investment and often limits the search for capital to the worker members and the specialised financial institutions of the cooperative movement.
- Lastly, cooperatives in Spain are companies with variable capital, meaning their capital is constantly evolving and subject to the entry and exit of members who make new contributions or withdraw existing ones. Companies with variable capital are often misunderstood by credit institutions as their floating capital is frequently treated as long-term debt, which negatively affects their debt ratios. Thus, the cooperative movement has developed its own financial institutions over the years to rise to these challenges.

30 In Spain, the EGSS is a key component of the social security system, providing coverage for various benefits such as healthcare, pensions, and other social protections. Worker members of a cooperative might be subject to a different social security regime than employees with a standard employment contract. However, the precise details can vary based on the cooperative's legal form and the specific arrangements in place.

31 The special regime for self-employed workers (RETA) provides workers with a legal and social protection framework adapted to their needs, with the aim of guaranteeing adequate coverage in terms of health, retirement and other contingencies, while providing them with the autonomy to manage their own economic activities independently and flexibly.



Democratic governance	In cooperatives, the principle of democratic management prevails. In worker cooperatives, this is usually translated into a governance system based on the principle of 'one member, one vote,' regardless of the capital contributions.
Limited distribution of profits	<p>The distribution of profits in Spanish cooperatives is limited by the requirement to allocate to reserves annually:</p> <ul style="list-style-type: none"> • Reserve Fund: funded from 10% to 30% of the cooperative's profits³². • The cooperative Training and Promotion Fund: receives between 5% and 10% of the cooperative's profits. This fund is linked to the 5th, 6th, and 7th cooperative principles³³ and its purpose is to ensure that cooperatives invest in the training of their members, promote relationships with other cooperatives, and the cooperative movement. Neither of these two funds can be distributed among the members or investors, not even in the case of cooperative dissolution. If the cooperative were to be dissolved, most Spanish regional cooperative laws stipulate that the funds placed in these reserves must be used to support the cooperative movement. • As will be explored later, the cooperative Training and Promotion fund has been used by the Spanish cooperative movement on several occasions to finance WBOs.
Labour law	Worker members of Spanish cooperatives are not subject to labour law and must develop the rules governing their working conditions in their general assemblies. In cooperative WBOs, the exemption from labour law protection often generates concern among worker members who may think their labour rights are under threat. This issue must be addressed with care during the process, especially in WBOs involving a large number of workers.
Legal procedure	All Spanish regional cooperative laws regulate the legal procedures to transform a capital-based company into a worker cooperative.
Company extinction	A cooperative WBO requires the extinction of the previous company and the creation of a new cooperative society, as the core values of the two companies are deemed incompatible. This means that the company's tax registration number will change, as well as its labour registration number. So, the resulting company will be a new one and it will be necessary to communicate the change to suppliers and customers.

Source: Author.

32 The specific percentage varies. It is determined by the cooperative's' General Assembly.

33 As stated in the International Cooperative Alliance's Statement on the Cooperative Identity: 5th Cooperative principle: Education, training, and information-cooperatives provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperative. They inform the general public about the nature and benefits of cooperation. 6th Cooperative principle: cooperation among cooperatives - cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures. 7th Cooperative Principle: concern for community-while focusing on member needs, cooperatives work for the sustainable development of their communities through policies approved by their members. International Cooperative Alliance, *Cooperative identity, values & principles*. [Online]. Accessed on 18 December 2023, available at: <https://www.ica.coop/en/cooperatives/cooperative-identity>.



Law on employee-owned business, and participatory companies (Ley 44/2015, de 14 de octubre, de Sociedades Laborales y Participadas)³⁴

The EOB, along with the cooperative, is the most frequent legal form for WBOs in Spain. The model emerged in the mid-1990s driven by trade unions, who at that time wanted to have a tailor-made legal instrument to promote worker participation in businesses. Unlike cooperatives, the regulation of EOBs, is the same throughout Spain. The EOB is a legal entity that is fundamentally a limited company issuing shares, in which at least 51% of the capital must be from employees of the EOB. Additionally, none of these workers can individually own more than 30% of the shares³⁵. Finally, employees with an employment contract who do not hold shares in the company cannot exceed 49%³⁶ of those who do have a stake in the company's ownership. Profits and voting rights at shareholders' meetings are allocated in proportion to each shareholder's capital contribution.

Although EOBs are required to allocate certain reserves from their profits, these reserves are distributable among the members and are not intended for social purposes or to promote worker participation. A WBO resulting in an EOB does not require the dissolution of the previous company, as essentially both are the same, and the transformation simply consists of the purchase of shares and the company's agreement to comply with certain limitations, as mentioned above. In these cases, the tax registration numbers, and labour registration numbers do not change.

Despite the greater simplicity of employee-owned business WBOs compared to cooperative ones, the trend in all the Spanish territories is that there are more cooperative cases.

There are three main reasons for this, as confirmed by our interviews:

- Firstly, EOBs lack the support and mutual solidarity systems that cooperatives have. Those systems often provide resources for cooperative WBOs, but not always for employee-owned business WBOs.
- Secondly, in some territories, public authorities feel more comfortable allocating public resources to promote cooperative WBOs, as the cooperative model limits returns on capital and promotes internal democracy much more intensely than EOBs, so there is far less scope for individual gain.
- Thirdly, those providing technical assistance and financial support to these transformations observe that many EOB worker buyouts eventually revert to regular companies within a few years through the accumulation of capital by groups of three or four worker members, usually the company managers. In contrast, this outcome is almost non-existent in the case of cooperatives as their governance models follow the rule of 'one member, one vote' and it is not tied to capital. Therefore, the cooperative model is considered as preferable.

34 Law 44/2015 of 14 October 2015 on Labour and Investee Companies. Accessed on 4 October 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2015-11071>.

35 Article 1.2 a) and b) of Law 44/2015 of 14 October 2015 on Labour and Investee Companies. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2015-11071.

36 Article 1.2 c) of Law 44/2015 of 14 October 2015 on Labour and Investee Companies. Accessed on 4 October 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2015-11071.



Table 3: Summary of legal forms.

	WORKER COOPERATIVE	EOB
Worker member/non-member ratio	70% of employees must be worker members	51% of capital must come from employees in the EOB
Social security contributions	EGSS or RETA	EGSS
Capital	Variable, not divided in shares, cannot be bought, and sold	Fixed, divided in shares, can be bought, and sold
Non-distributable reserves	30% to 40% of annual profits	None
Governance	One member, one vote	Voting rights according to share ownership
Profit distribution	According to personal contribution to the cooperative, and General Assembly's agreements, not share ownership	According to share ownership
Labour law	Does not apply to worker members	Applies to worker members
External investors	No limits on capital contribution from external investors	Limited to 49% of capital
Maximum capital share permitted to a worker member	45% of capital	30% of capital
Company dissolved in the case of WBO	Yes	No

Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).



Law 16/2022 on the reform of the consolidated text of the Insolvency Law (Insolvency Law)³⁷

In 2022, the transposition of Directive (EU) 2019/1023³⁸ on preventive restructuring frameworks, discharge of debts, and disqualifications, led to a complete overhaul of Spanish insolvency legislation, resulting in a new Insolvency Law. For the first time, Spanish insolvency regulation includes preferential treatment for workers who wish to acquire their company within the framework of bankruptcy proceedings. Article 219 of the new Insolvency Law states that, in the case of an auction of a company in bankruptcy, the judge may preferentially award ownership to interested workers who want to buyout the company to set up a cooperative or an EOB, provided that their offer does not differ by more than 15% from that of the highest bidder. The offer can even be made prior to the incorporation of the cooperative or EOB via a simple declaration made by the workers.

Additionally, the Insolvency Law's eighth final provision introduces a new article in Law 2011/5 on Social Economy, which allows the capitalisation of unemployment benefits for workers of a bankrupt company, if those workers invest their benefits to acquire and transform it into a cooperative or an EOB. Access to the capitalisation of unemployment benefits will enable these workers to obtain financial resources to contribute to capital.

The reform of the Insolvency Law deepens the principle of continuity of activity by legally reinforcing mechanisms to avoid the destruction of the company structure and, specifically, in the implementation and regulation of pre-instrumental institutions such as the 'Restructuring Plans' and the 'Sales of Production Units - Prepack'. Thus, the reform introduced restructuring plans with the aim of avoiding or overcoming insolvency, including a new online special procedure for micro-enterprises and small and medium-sized enterprises (SMEs), which was launched on 1 January 2023 and a new pre-bankruptcy phase (pre-pack). The bankruptcy 'pre-pack' consists of the judicial appointment of an independent expert, a kind of 'pre-bankruptcy administration'. This expert's main responsibility is to monitor the process of the competitive sale of production units in the pre-insolvency phase. One of the main shortcomings is the absence of trained experts in WBO for the pre-pack phase.

Law 5/2011 on Social Economy (Ley 5/2011, de 29 de marzo, de Economía Social)³⁹

The Law on Social Economy defines the different business models⁴⁰ recognised in Spain as social enterprises, with the purpose of granting some economic, fiscal, or promotional advantages to them. Regarding WBO, the Law on Social Economy regulates one of the most frequently used instruments for the promotion of both worker cooperatives and EOBs, that is the capitalisation of unemployment benefits. This regulation allows individuals who are receiving unemployment benefits to request the full amount they are entitled to as a lump sum payment. They can then use this amount to make their contribution to the capital of the cooperative or EOB in which they will become new worker members.

37 Law 16/2021 of 5 September 2022, amending the revised text of the Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May 2020, for the transposition of Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 Law (Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal). Accessed on 2 September 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-14580.

38 Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 on restructuring and insolvency, Accessed on 17 September 2023, available at: <https://eur-lex.europa.eu/eli/dir/2019/1023/oj>.

39 Law 2011/5 of 29 March 2011 on the Social Economy. Accessed on 19 October 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2011-5708>.

40 Cooperatives, Mutual Societies, Foundations, and Associations engaged in economic activity, Employee-Owned Businesses, Social Businesses, Special Employment Centers, Fishermen's guilds and Agricultural Transformation Societies.



Unemployment benefits in Spain are limited in time and can extend up to a maximum of two years. Therefore, it is possible to calculate the total amount of benefits that each person could potentially receive if they remained unemployed until their benefits were exhausted. Typically, under this scheme, workers can anticipate accumulating between EUR 8 000 and EUR 24 000 each, contingent upon their length of employment before becoming unemployed.

In the case of WBOs, typically the workers involved in the process are not unemployed at all, as they transition directly from the original company to the cooperative or EOB. Hence, until 2022, they could not use this scheme to finance their contributions to the capital of their new businesses. The Insolvency Law indirectly modified the Law on Social Economy, creating a legal fiction so that workers of a company on the verge of bankruptcy can be considered unemployed for the purpose of applying for the capitalisation of their benefits if they wish to proceed with a WBO. In the context of this study, advisors providing technical assistance to WBOs were asked if they had already made use of this possibility, but none had so far. The reason is that there are very few WBOs that occur after the distressed company has already entered a judicial bankruptcy proceeding, as those are very slow and by the time they are over, all the company's clients are lost.

Recently, there has been a further modification of the Law on Social Economy⁴¹ that expands the scheme to employees with a contract in the EGSS who are already working in a cooperative or employee-owned business. The professionals providing technical assistance to WBOs interviewed for this study believe that this new law can be used to finance the capital contributions of workers who want to acquire their company, carrying out the transformation in two phases. In the first phase, those workers who do not have the right to unemployment benefits and those whose benefits are small would become worker members and proceed with the buyout. These workers would then hire their colleagues as employees with a contract in the EGSS and subsequently, these colleagues could apply for the capitalisation of their unemployment benefits to make their capital contributions and become members of the cooperative or the EOB themselves.

Accessing the capitalisation of unemployment benefits has an additional impact on the financing of WBOs since, in most Spanish regions, having capitalised unemployment benefits automatically grants the cooperative the right to apply for a subsidy from the respective regional programmes for the new member. In these cases, the new cooperative or employee-owned business can access financial assistance that ranges between EUR 5 000 and EUR 10 000 per new member, depending on the region.

41 Article 9 of Law 5/2011 of 29 March 2011 on the Social Economy modified by final provision 3.1 of Royal Decree 1/2023 of 10 January 2023. Accessed on 18 May 2023, available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2023-625#df-3>.

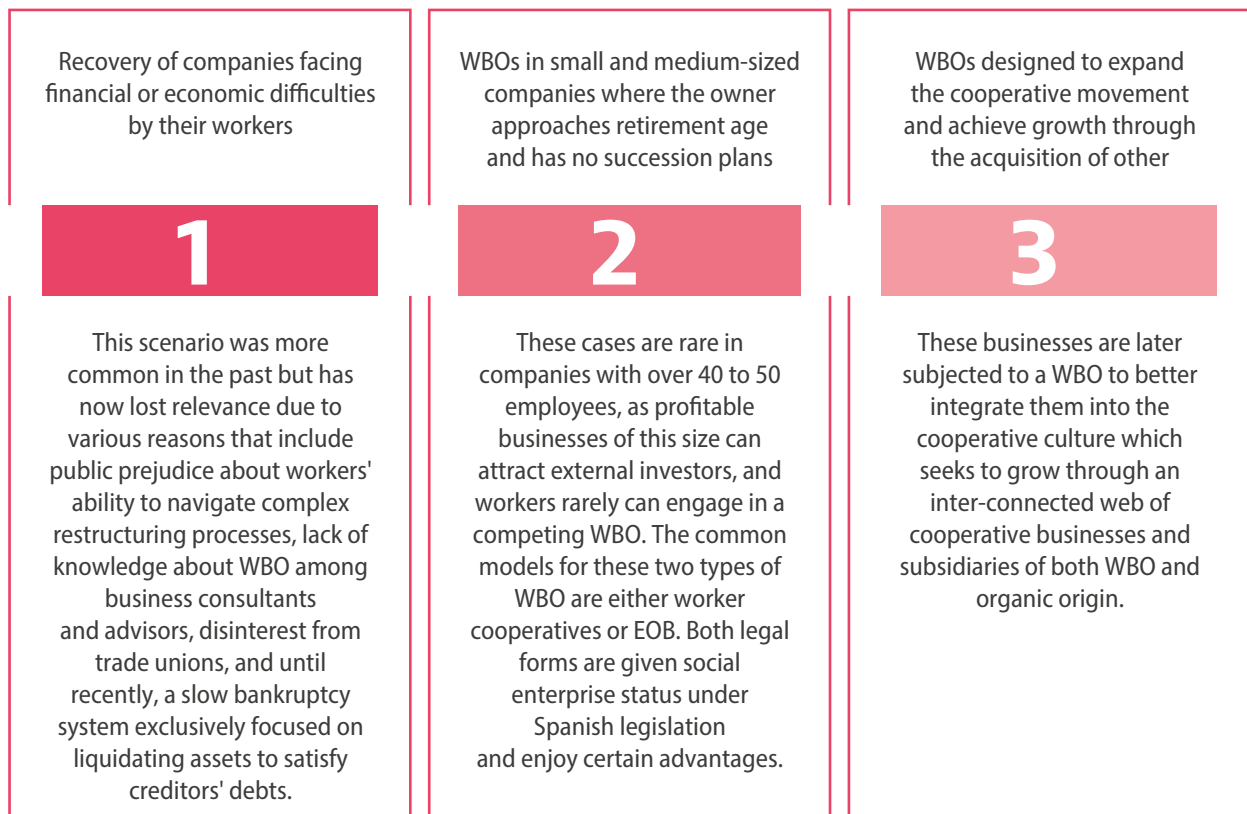


03

Demand-side analysis

Currently, WBOs in Spain mainly appear in three contexts:

Figure 4: Reasons for WBO.



Source: Author.

The advantages of WBOs most frequently mentioned by both interviewees and literature reviews include:

- Consolidating jobs.
- Preventing the relocation of productive activities and maintaining decision-making hubs and ownership of transformed companies rooted in the region.
- Promoting the creation of social enterprises.
- Facilitating generational succession in family-owned businesses.
- Encouraging the recovery of productive activities, mainly in the industrial sector.
- Promoting worker participation in companies and company ownership.
- Maintaining an adequate supply of certain critical services and goods produced locally and readily available.



It is challenging to conduct a proper analysis of the demand side since there is no centralised list of WBOs in Spain. COCETA⁴² estimates that about 500 WBOs have taken place in the past five years in Spain. This is an estimate that results from regular inquiries conducted among regional federations of worker cooperatives as well as among representative organisations of EOBs in Spain.

It must be pointed out that there is also a disparity of opinions regarding what constitutes a WBO in Spain. Some practitioners and authors include transformations of associations and other types of non-governmental organisations into cooperatives or EOBs within the concept, whereas others would only consider WBO limited companies or sole traders that either transform into a worker cooperative or legally qualify as an EOB and have been declared as such by a public registry.

3.1 Specific sectors

The information gathered for this study through interviews and a literature review seems to indicate that the majority of WBOs occur in the sectors of industry, commerce, and professional services.

The literature review was limited to the only two relatively recent studies addressing this issue – one focusing on the Valencian Community and one on Andalusia. Although a decade old, findings from both largely corroborated the findings of the interviews.

The first of these studies⁴³ analysed WBOs originating in the Valencian Community between 2008 and 2014, which coincided with the last financial crisis, and identified the sectors of industry, construction, commerce, and professional services as the most prone to generating WBOs.

The second study⁴⁴ examined WBOs that occurred in Andalusia in 2015 and also identified the construction, commerce, and industry sectors as those where most WBOs take place.

It should be noted that both studies took place right after the end of the financial crisis of 2012 to 2014. During those years the construction sector suffered greatly in Spain, thus it would not be rare to find numerous WBOs taking place in that sector then. However, the construction sector was not mentioned during the interviews conducted for this study.

Education sector

Examples of WBOs in the education sector have been identified in several Spanish regions. The existence of regulation in Spain that promotes the provision of public education through private institutions has led to several such WBOs in the last 20 years. In general, these are WBOs of schools owned either by religious orders or private companies, and they offer primary and secondary education funded with public funds.

The lack of religious vocations and the retirement of the owners of schools has led to a plethora of WBOs in the education sector in several Spanish regions.

This type of WBO usually involves schools with 30 to 50 workers/teachers and generally results in a worker cooperative. Such WBOs occur regularly in Valencia, Murcia, Madrid, and Andalusia, and occasionally in other regions as well. The case of *Mestres de la Creu* analysed in this study is a classic example of this type of WBO.

42 COCETA, *COCETA*. [Online]. Accessed on 18 December 2023, available at: <https://www.coceta.coop/#>.

43 CIRIEC (2015), 'Business transfers as a process of converting companies into worker cooperatives. Study applied to the Valencian Community' (Business transfers como proceso de conversión de empresas en cooperativas de trabajo asociado. Estudio aplicado a la comunidad valenciana).

44 FAECTA (2016), 'Qualitative study on technical assistance for workers and entrepreneurs of businesses without generational succession in the field of business recovery by workers through the cooperative formula' (Estudio cualitativo sobre asesoramiento técnico a trabajadores y empresarios de las empresas sin relevo generacional en el ámbito de la recuperación de empresas por parte de los trabajadores a través de la fórmula cooperativa).



3.2 Reasons for WBOs

According to stakeholders facilitating WBOs, the demand for technical and financial assistance for WBOs is primarily found among workers concerned about the potential loss of their jobs. Additionally, business owners nearing retirement and lacking a succession plan also show interest. Managers or owners of companies in financial difficulty rarely express an interest in WBOs. There are also some public administrations that show particular interest in workers' buyouts. An example is the Directorate General of Work, Cooperativism and Labour Security (Direcció General de Treball, Cooperativisme i Seguretat Laboral)⁴⁵ in the Valencian Community, which over the last four years has developed a programme aimed at promoting WBOs. This public administration was interested in exploring the potential of industrial WBOs to contribute to a territorial reindustrialisation policy. Finally, the cooperative movement is increasingly interested in cooperative WBOs as a way of disseminating its own values and principles.

3.3 Constraints for WBOs

The primary obstacle faced by WBOs, as revealed in the interviews, lies in the challenge of attracting the interest of distressed companies, or those without a succession plan, which could potentially benefit from engaging with a WBO. In this regard, according to COCETA, despite significant efforts to promote WBOs in Spain under the framework of the ESF 2014-2020 Social Inclusion and Social Economy operational programme⁴⁶, results have been modest as companies that may have benefited from a WBO have not been reached.

The stakeholders interviewed suggest the following explanations for the difficulties in reaching potential WBOs:

- Lack of awareness among bankruptcy administrators and judges about the advantages of WBOs for companies undergoing bankruptcy proceedings.
- Lack of interest from trade unions to promote WBO, either for succession planning or economic crisis situations.
- Ignorance among business advisors and consultants about the processes and implications of WBO.

This has been a recurring concern for all those involved in promoting WBO in Spain. To overcome this limitation, significant dissemination and communication programmes have been carried out, such as the 'Save Your Company'⁴⁷ campaign in the Valencian Community, which informed the general business population about the possibilities of WBO. Despite generating some buyout proposals, the campaign's outcomes haven't met expectations due to limited interest combined with a lack of knowledge and experience in the WBO community. A primary reason for this disinterest is the difficulty in reaching out to workers and motivating them to consider a WBO, which explains the low number of WBO business transformations.

Another obstacle mentioned separately by one of the financial institutions interviewed and two of the organisations providing technical assistance to WBOs is the presence of abundant liquidity in the market willing to acquire viable companies facing various types of difficulties or leadership failures. Workers interested in a WBO must compete with these funds to acquire their companies, sometimes within bankruptcy proceedings. The speed at which workers can access financing in comparison to these funds greatly limits the workers' ability to compete with them. When companies are acquired by these funds, it is common for restructuring to occur, leading to a significant number of layoffs. Furthermore, the interviews highlighted at least two cases where a WBO had not come to fruition and a management buyout (MBO) took place instead. Those MBOs took place with the support of investment funds, excluding the rest of the workers.

45 Directorate General of Work Cooperativism and Labour Security, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://cooperaciovalenciana.gva.es/va/>.

46 Spanish Confederation of Social Economy Enterprises, *CEPES*. [Online]. Accessed on 18 December 2023, available at: <https://fse.cepes.es/>.

47 FEVECTA, *Save your business*. [Online]. Accessed on 18 December 2023, available at: <https://www.fevecta.coop/SalvaTuEmpresa/>.



The slowness of bankruptcy legal procedures is the most frequent difficulty mentioned when explaining why there are hardly any examples of WBOs occurring after a company has entered insolvency proceedings.

Moreover, in the case of cooperative WBOs, a significant cultural shift is required from workers when they become members of the new cooperative. This new mindset involves coming to terms with the fact that they have become social entrepreneurs and are now part of a business venture doing things in a different way than before. It also means taking responsibility for the business's performance and the need to commit to it financially.

The lack of the necessary knowledge to properly assess the risk of a business venture among workers was also mentioned in some interviews. This situation often leads to indecision and a lack of confidence in the project. This can prolong the WBO, which sometimes results in failure.



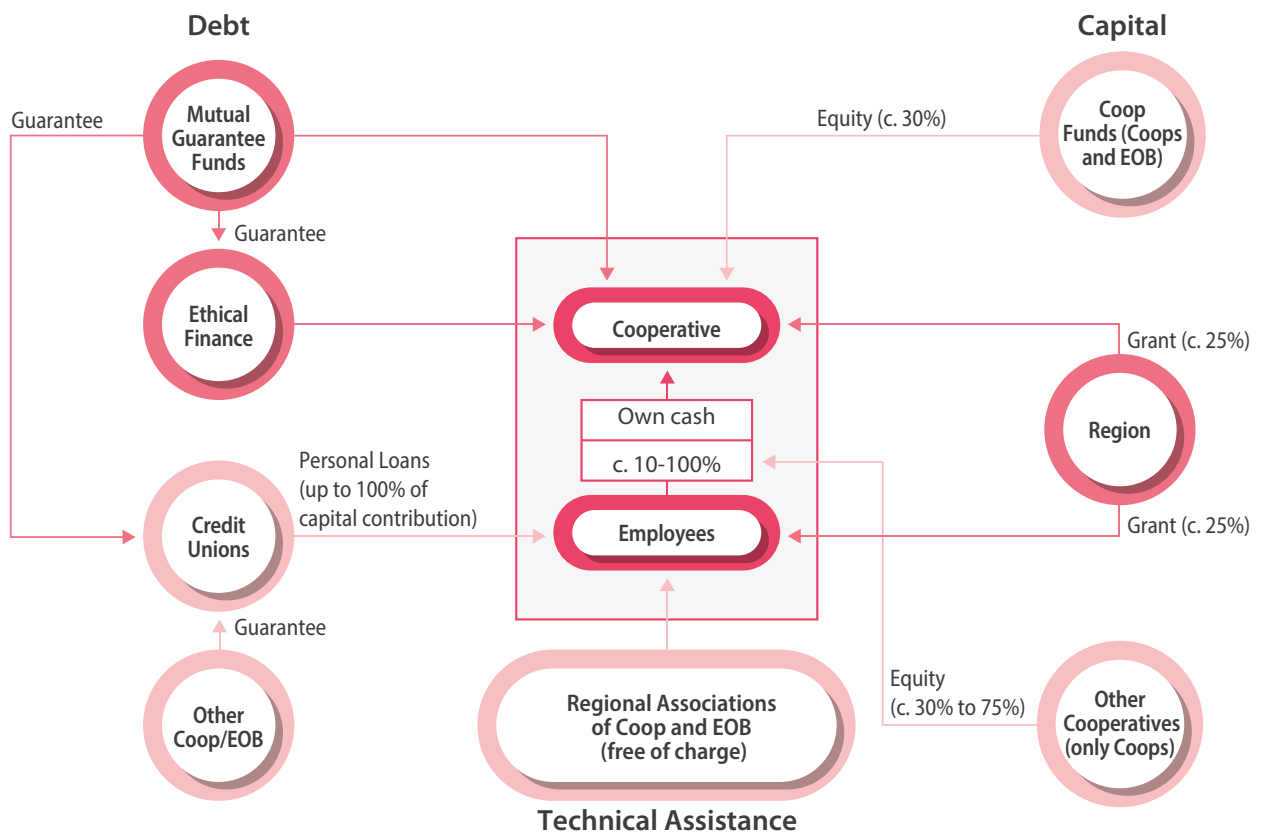
04 Supply-side analysis

Financing options for WBOs in Spain primarily revolve around grants and public programmes, such as capitalising unemployment benefits where possible and financial resources associated with the cooperative sector. While the availability of public grants is relatively consistent across all Spanish regions, the presence of specialised financial products for cooperatives and EOBs varies significantly. Once again, in regions with a robust cooperative movement, there are financial institutions willing to provide capital and credit to WBOs. Conversely, in areas lacking supportive ecosystems, dedicated financial support is usually absent. As previously mentioned, WBOs are rare in such regions due to the absence of essential support infrastructure.

To summarise, the main instruments used for the financing of WBOs in Spain are the following:

- Capital contributions from worker members to the new company. These contributions are financed either through loans granted by cooperative financial institutions or through the capitalisation of unemployment benefits, in cases where this is possible.
- Capital contributions from investment partners. These partners often come from the cooperative movement.
- Regional grants for social enterprises. These aids have very long concession and payment periods, which means that enterprises must seek additional finance for the period before the grant is actually provided.

Figure 5: Existing financial products available to cover financing needs of WBO.



Source: Author.



4.1 Analysis of supply of public finance

The main source of funding for WBOs in Spain comes from grants offered by the various regional governments. Across the different regions, there is an array of public subsidies designed to bolster the growth of cooperatives and EOBs. The most accessed types of financial support for WBOs fall into two categories: subsidies for cooperatives and EOBs, and subsidies for individual members of cooperatives and EOBs who contribute to capital.

Subsidies aimed at cooperatives and EOBs are further classified into:

- Grants for cooperatives and EOBs that integrate new working members. These grants are available to individuals who are in prolonged unemployment of over 12 months, or who have converted their unemployment benefits into capital. These criteria do not apply to individuals under 25 or over 45, who can request such grant support without restrictions.
- Investment incentives. These are subsidies for productive investment in cooperatives and EOBs that can subsidise up to 50% of the expenditure on assets such as facilities, machinery, tools, furniture, vehicles, computers, licenses, and other investments in information and communication technology, among others.

Both the aids for the incorporation of new members and the investment incentives are subject to the 'de minimis' rule as they are subsidies that could affect the free competition of the single market.

The subsidies provided to cooperative and EOB members required to make capital contributions are often calculated as a percentage of the new member's investment in the cooperative's capital. Unlike the former, these subsidies, which target individuals rather than companies, do not fall under the 'de minimis' regulations.



It is important to note that these forms of assistance are not uniformly available across all Spanish regions. The following table details the subsidies active in 2023 across Spain:

Table 4: Currently active subsidies 2023 in Spain.

Regions	Investment grants for Coop/EOB	Grant for Coop/EOB per new members who were previously unemployed	Grants for Coop/EOB's members based on capital contributions
Principality of Asturias (Asturias)	Up to 50% of the acquisition cost with a limit of EUR 18 000 per Coop/EOB	Grant between EUR 5 500 and EUR 10 000 per new member	Members receive a 50% grant on contributions that exceed EUR 3 000, up to a maximum grant of EUR 5 000 per individual
Navarre (Navarra)	Up to 45% of the acquisition cost with a limit of EUR 80 000 per Coop/EOB	Grant between EUR 2 000 and EUR 7 000 per new member	A 30% grant is available for contributions surpassing EUR 3 000, with the grant not exceeding EUR 6 000 per person
Valencian Community (Comunidad Valenciana)	Up to 50% of the acquisition cost with a limit of EUR 200 000 per Coop/EOB	Grant between EUR 6 500 and EUR 12 000 per new member	None
Galicia (Galicia)	None	Grant between EUR 6 000 and EUR 11 000 per new member	Members who were previously unemployed are eligible for a full 100% grant on their contributions. This grant can amount to more than EUR 6 000 per individual if the person is unemployed
Euskadi Basque Country (Euskadi)	None	None	Capital contributions can attract grants ranging from 75% to 100%, but the grant amount is capped at EUR 2 700 per member
Region of Murcia (Región de Murcia)	Up to 30% with a limit of EUR 40 000 per Coop/EOB	Grant between EUR 7 000 and EUR 11 500 per new member	A 25% grant is available for contributions with a maximum payout of EUR 4 000 per individual

Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).

Although the grants outlined in Table 4 are targeted at cooperatives and EOBs in general, they are regularly used to finance WBOs.

Most regional governments fund these subsidies with both their own resources and funds from the public employment service Estatal (Servicio Público de Empleo Estatal, SEPE)⁴⁸.

48 SEPE is the Spanish national Employment Service. More information available here: Ministry of Employment and Social Economy, *Service for companies*. [Online]. Accessed 18 December 2023, available at: <https://www.sepe.es/HomeSepe>.



The funds from SEPE are allocated within the Spanish national employment strategy, the annual plan for the promotion of decent employment (Plan Annual de Fomento del Empleo Digno 2023, PAFED)⁴⁹. The budget for PAFED in 2023 was EUR 6.4 billion, of which EUR 200 million (3.1%) came from the European Social Fund (ESF). The rest was financed through contributions from Spanish workers and employers to the national training and promotion funds.

Regional governments use these funds flexibly and finance the subsidies each fiscal year with their own funds or money from SEPE, depending on the availability of their own resources.

For example, in the 2023 financial year, the Valencian Community allocated EUR 4 million for financing subsidies to cooperatives and EOBs that incorporated new members. Of this amount, EUR 1 million came from SEPE and EUR 3 million from its own funds. The Valencian Community also allocated EUR 3 million for investment incentives in 2023, all of which came from its own funds.

Most regions boasting robust cooperative and EOB ecosystems have established support frameworks, which they have consistently funded, with slight annual adjustments, for the past three decades. The main challenge posed by these sources of public funding is that, in the case of grants, the payment can be delayed in some territories for up to a year. This often means that once the WBO is granted the subsidy, it may need to turn to a financial institution to advance the grant's payment.

The same does not apply to the capitalisation of unemployment benefit, as it is usually available for the applicant within a month. The capitalisation of unemployment benefits is not subject to the 'de minimis rule' either.

An example of a WBO financed primarily by public grants and schemes took place in 2009 in the Valencian Community. This was a tile industry company⁵⁰ with 80 workers that went bankrupt during the financial crisis. Eventually, 23 of its workers decided to rescue one of the production units of the company. As the WBO involved just one production unit and not the whole company, all the workers were made redundant during the bankruptcy process. Twenty of the workers were eligible for unemployment benefits capitalisation, and since most of them were long-time employees, they received an average of EUR 20 000 each. The three future worker members who could not access unemployment benefit capitalisation each contributed EUR 10 000 in capital funded from their redundancy packages. These amounts constituted the capital contributions of the partners, and once the WBO had taken place and the cooperative was established, it could apply for the grant offered to cooperatives welcoming new members. The total amount of this grant for the 20 partners amounted to EUR 180 000. As this almost exhausted the 'de minimis' allowance, the cooperative did not apply for any investment grant. The cooperative finally raised EUR 600 000 through grants and the capitalisation of unemployment benefits. These resources allowed it to leverage finance with a mainstream financial institution to access the necessary credit to acquire the machinery and restart production.

The cooperative remained in business until 2022 when it filed for bankruptcy due to a loss of competitiveness resulting from the increase in energy prices.

In the past there were public programmes directly financing future worker members' contributions to capital. No such scheme has been identified as being available at the time of this study. In the case of the WBO of Maier Ferroplast (see case studies in Chapter 6), the Galician government offered a grant of EUR 2 500 to each of the worker members participating in the WBO.

49 Resolution of 29 May 2023, of the Secretary of State for Employment and Social Economy, which publishes the Agreement of the Council of Ministers of 23 May 2023, approving the Annual Plan for the Promotion of Decent Employment 2023. Accessed on 17 July 2023, available at: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2023-13520.

50 The cooperative is Tercer Foc Coop V. The information about this WBO has been provided by FEVECTA who provided technical assistance and financial advice to the WBO.



Lanpar (Lan Partekatuar) fund involvement in WBO of Maier Ferroplast

Equity

In 2014, the Basque Country government launched the Lanpar (Lan Partekatuar) fund through a public-private partnership with ASLE⁵¹. The fund began with EUR 2.5 million capital, of which EUR 800 000 came from ASLE and the rest from the Basque Country government. The fund is currently managed by Basque Country Venture Capital Management (Gestion de Capital Riesgo del País Vasco, SGEIC, SA)⁵², a venture capital management company owned by the the regional government. According to its latest accounts, it has capital of EUR 1.8 million and investments of EUR 498 000⁵³.

- **Strategic focus areas:** Lanpar funds projects aimed at promoting employee ownership, establishing new enterprises, revitalising or restructuring existing companies, reshaping shareholder structures with employee involvement, promoting development and growth, and facilitating succession planning, particularly in family-run businesses.

The emphasis is on manufacturing and related service industries, with a special focus on sectors demonstrating technological innovation.

Investment approaches of the Lanpar fund:

- Direct equity participation: Investments ranging from EUR 100 000 to 500 000, corresponding to the collective financial involvement of the employees, with the fund's equity interest not exceeding 30%.
- Subordinated Loans: Amounts between EUR 100 000 to 500 000, relative to employee monetary contributions.

Project timelines: The projected timeframes, dependent on the operation type, are outlined as:

- Direct equity participation: five to seven years.
- Subordinated Loans: seven years, including a two-year grace period before commencing a 5-year repayment schedule.
- The Lanpar fund ensures backing via advisory services, funding, and educational initiatives, provided by ASLE and delivered through two principal avenues.
- A training programme, encompassing legal framework, financial analysis, and the philosophy and practice of participatory management.
- A mentorship scheme to support the shift to the new business paradigm, available throughout the investment period.
- The Lanpar fund is the only active public-private equity fund in Spain that specifically targets employee ownership and WBOs. It only operates in the Basque Country and primarily with EOBs.

51 ASLE is the representative association of the Basque EOB. More information available here: ASLE, *Asle*. [Online]. Accessed on 18 December 2023, available at: <https://asle.es/>.

52 Venture Capital Management of the Basque Country, *Accelerating the growth of Basque companies*. [Online]. Accessed on 10 December 2023, available at: <https://www.spri.eus/es/capital-riesgo/#finversion>.

53 The accounts can be consulted at: Independent Venture Capital Fund (2013); Independent auditor's report. Annual accounts for the fiscal year ended 31 December 2021, Accessed on 29 December 2023, available at: https://www.euskadi.eus/es/contenidos/informacion/sector_publico_partic_cae_2021/es_def/adjuntos/NS-8836.pdf.



4.2 Analysis of supply of private finance

The table below shows the major private financial institutions involved in providing support for WBOs in Spain by region. Most of them are linked to the cooperative sector or ethical finance and they usually work in partnership in the territories where there are several entities present. Commercial banks do not have specific programmes to finance WBOs. Though they do finance WBOs on occasion, it is more frequent for the entities listed below to be involved with WBOs. Some of those institutions such as Fiare Banca Etica or Elkargi theoretically operate in the whole of Spain, they are only listed in those regions where they have clear links with the local cooperative or EOB ecosystem and potentially could finance a WBO.

Table 5: Financial institutions supporting WBOs in Spain.

Spanish region	Financial Institutions
Basque Country (Euskadi)	<ul style="list-style-type: none"> • Laboral Kutxa⁵⁴. • Mondragon Foundation⁵⁵. • Elkargi⁵⁶. • Coop57⁵⁷. • Fiare Banca Etica⁵⁸.
Navarre (Navarra)	<ul style="list-style-type: none"> • Laboral Kutxa. • Elkargi. • Sonagar⁵⁹ (Navarre's Mutual Guarantee Fund).
La Rioja	No specialised financial institution available
Community of Madrid (Comunidad de Madrid)	<ul style="list-style-type: none"> • Laboral Kutxa. • Coop57. • Elkargi. • Fiare Banca Etica.
Aragon (Aragón)	Coop57
Principality of Asturias (Asturias)	Coop57
Castilla La Mancha (Castile–La Mancha)	No specialised financial institution available
Andalusia (Andalucía)	<ul style="list-style-type: none"> • Coop57. • Fiare Banca Etica. • Cajamar⁶⁰.
Valencian Community (Comunidad Valenciana)	<ul style="list-style-type: none"> • Caixa Popular⁶¹. • Cajamar. • Fiare Banca Etica.

54 Laboral Kutxa, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://www.laboralkutxa.com/es/pro-negocios-y-profesionales>.

55 Mondragon Foundation, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://www.fundacionmondragon.com/>.

56 Elkargi, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://elkargi.es/>.

57 Coop57, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://coop57.coop/>.

58 Fiare Bancaetica, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://www.fiarebancaetica.coop/>.

59 Sonagar, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://www.sonagar.es/>.

60 Cajamar, *Home page*. [Online]. Accessed 23 November 2023, available at: <https://www.cajamar.es/es/comun/>.

61 Caixa Popular, *Home page*. [Online]. Accessed on 23 November 2023, available at: <https://www.caixapopular.es/es/landing/cooperativas>.



Catalonia (Cataluña)	<ul style="list-style-type: none"> • Coop57. • Fundació Seira⁶². • Elkargi.
Balearic Islands (Islas Baleares)	No specialised financial institution available
Galicia (Galicia)	Coop57
Region of Murcia (Región de Murcia)	No specialised financial institution available
Castile and León (Castilla y León)	No specialised financial institution available
Extremadura (Extremadura)	No specialised financial institution available
Cantabria (Cantabria)	No specialised financial institution available
Canary Islands (Canarias)	No specialised financial institution available

Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).

In general, private funding available for WBOs comes either from mutual guarantee societies or from the cooperative movement.

Mutual guarantee societies

Mutual guarantee societies are not-for-profit financial institutions set up with the aim of facilitating their access to credit and improving their general financing conditions by offering guarantees and collateral. They are private entities but are usually financially supported by the regional governments. Most of them operate at a regional level. Sonagar, Navarre's Mutual Guarantee Society has a specific programme that offers guarantees for refinancing companies resulting from WBOs motivated by economic or financial crises. The intensity of the collateral offered is negotiated on an individual basis. Additionally, in these cases, the Navarre Mutual Guarantee Society provides a comprehensive audit of the company in crisis and free support to workers to develop a viability plan. A grant from the Navarre region covers the costs of these services.

Elkargi is a mutual guarantee society linked to the Basque cooperative movement. It is one of the rare cases of mutual guarantee funds that is present in several Spanish regions. Beyond the Basque Country it is also very active in Madrid and Catalonia, where it collaborates intensively with other financial institutions of the cooperative movement, such as Coop57 and Fundació Seira. Although it is not specifically focused on financing WBOs, it has extensive experience in providing financial guarantees to both cooperatives and EOBs and has occasionally participated in WBOs.

Cooperative movement resources

Regarding the funding offered by the cooperative movement, the situation varies widely in different Spanish territories, as the presence and cohesion of the movement is very varied as well. In regions where worker cooperatives have a strong presence, such as the Basque Country, Navarre, Catalonia, Andalusia, Murcia or the Valencian Community, the movement has developed various types of financial instruments to support cooperative WBOs.

62 Fundació Seira, *Home page*. [Online]. Accessed on 23 November 2023, available at: <https://fundacioseira.coop/>.



Typically, those instruments are credit cooperatives that focus specifically on the worker cooperatives' needs, such as Labor Kutxa, Cajamar, Caixa Popular and Coop57. These credit cooperatives primarily provide cooperatives and EOBs with loans under favourable conditions and often also fund capital contributions made by members of cooperatives and EOBs. An example of the latter is Coop57, which currently extends loans to members of cooperatives and EOBs for financing their capital contributions at a 3.6% interest rate⁶³:

Table 6: Main characteristics of the Coop57 Loan product.

Coop57 Loan	
Amount and terms for the operation:	<ul style="list-style-type: none"> • Minimum amount: EUR 2 000. • Maximum amount: EUR 10 000. • Repayment term: up to five years. • Option for early repayment. • No grace period available.
Financial cost and fees:	<ul style="list-style-type: none"> • 3.60% annual interest. • No opening or assessment fees. • No penalties for early repayment or other types of expenses.
Guarantee:	The cooperative or EOB guarantees the loan

Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).

Among all the Spanish financial entities that agreed to integrate the Employment and Social Innovation (EaSI) programme guarantee into their range of services, only Labor Kutxa and Coop57 intended to use it to support cooperatives and EOBs. However, neither institution tailored the tool specifically for the funding of WBOs. Coop57 uses EaSI guarantees for loans of up to EUR 500 000, which could potentially be employed in WBO initiatives. However, it is worth noting that Coop57 predominantly directs its activities towards sectors such as healthcare, renewable energy, land conservation, cultural, and educational projects. This specialisation may somewhat restrict the applicability of this financial instrument for financing WBOs in other sectors.

Alongside loans, the cooperative movement also offers equity for WBOs. The two examples identified in Spain are the Mondragon Foundation⁶⁴ in the Basque Country and the Seira Foundation in Catalonia.

The Mondragón Foundation is an entity within the Mondragón Group⁶⁵ that focuses on promoting the values of cooperativism, education, and sustainable development. It plays a significant role in managing the group's educational centres and in encouraging research and social entrepreneurship. The Mondragón Group itself is a corporate consortium based in the Basque Country of Spain that encompasses 95 worker cooperatives spanning the financial, industrial, retail, and knowledge sectors. With a combined workforce of approximately 80 000, it has a presence in 150 countries. Cooperatives within the group contribute a part of their cooperative training and promotion funds to the foundation's budget. Over the past 25 years, the foundation has managed over EUR 510 million. In 2022, the Foundation's expenditure amounted to EUR 15.8 million distributed in its four main areas: promoting education (EUR 6 million), supporting ailing cooperatives that are part of the group (EUR 6.3 million), promoting innovation within the group (EUR 1.2 million), and promoting new cooperative businesses (EUR 1.2 million).

63 More information available here: Coop57, *Loans for the capitalisation of cooperatives and worker's societies*. [Online]. Accessed on 18 December 2023, available at: <https://coop57.coop/es/informacion/préstamos-para-la-capitalización-de-cooperativas-y-sociedades-laborales#:~:text=Coop57%20Préstamos%20para%20la%20capitalización%20de%20cooperativas%20y,con%20el%20objetivo%20de%20aumentar%20sus%20fondos%20propios>.

64 Mondragon Foundation, *Beginning*. [Online]. Accessed 18 December 2023, available at: www.fundacionmondragon.com/index.html.

65 Mondragon Corporation, *We Are*. [Online]. Accessed on 18 December 2023, available at: www.mondragon-corporation.com/somos/.



The foundation has on occasion used the funds allocated to the promotion of new cooperative businesses to support WBOs by providing equity, as in the case of Maier Ferroplast analysed later in the report.

The Seira Foundation⁶⁶ in Catalonia provides both equity and participatory loans. The foundation's endowment originates from the sale of the cooperative Ecotècnia⁶⁷ in 2008 to Alstom, a French multinational corporation⁶⁸. This transaction produced EUR 10 million from the cooperative's mutual funds and non-distributable reserves, which was then directed to the Seira Foundation. Among other activities, the foundation administers an investment fund that has provided equity to WBOs in Catalonia, with investments ranging from EUR 20 000 to EUR 400 000.

The Seira Foundation is at the forefront of a financial network in Catalonia, comprising Coop57, Elkargi, Fiare Banca Etica, and Laboral Kutxa. Together, these financial institutions deliver comprehensive financial solutions to cooperatives, EOBs, and other social enterprises in the region. In this way, they reduce the individual risk for each entity within the network and can offer financing for larger operations. They have also occasionally joined forces to provide financial backing for WBOs.

The involvement of a business partner capable of injecting equity is sometimes critical to the success of a WBO. One notable example is the WBO of Copreci-Altsasuko⁶⁹. This mixed cooperative was formed in 2010 following the WBO of the German company, Isphording Hispania SA. Situated in Alsasua (Navarre), Isphording was focused on the production of gas taps and faced bankruptcy in October 2009, which put its 95 employees at risk of unemployment by February 2010. In the face of looming closure, 10 Isphording workers sought assistance from the Government of Navarre, which connected them with ANEL⁷⁰ to assess the feasibility of a WBO. Given the nature of an industrial cooperative, there were significant financial requirements. The key to the solution was securing a strategic investor. Ultimately, Copreci⁷¹, a cooperative affiliated with the Mondragon Corporation, stepped in to back and steer the initiative together with the employees. Integral to this transition was Copreci's potential role as a major client for the nascent cooperative, given its expertise in producing components for gas regulation and control for a range of domestic and industrial appliances. Initially, the cooperative WBO commenced with 18 workers, later expanding to include 22 additional members. The newly established cooperative was christened Altsasuko and called for an investment of EUR 670 000. The 18 founding worker members contributed EUR 400 000, financing their share through the capitalisation of their unemployment benefits, as they were jobless just prior to the WBO. Copreci injected a further EUR 270 000 into the capital.

In this scenario, the Government of Navarre, via the public enterprise Public Society of Navarre for Industrial Land⁷² (Sociedad Pública de Navarra de Suelo Industrial, NASUVINSA), acquired the company's premises for EUR 1 million and leased them back to Altsasuko. This ensured the cooperative had a physical base for its operations. In 2020 Altsasuko and Copreci merged in one single cooperative Copreci-Altsasuko⁷³.

66 Seira, *What Do We Do*. [Online]. Accessed on 20 December 2023, available at: <https://fundacioseira.coop/seira-inversio-social/>.

67 Renewable Energy, *Alstom acquires Ecotècnia*. [Online]. Accessed on 18 December 2023, available at: <https://www.energias-renovables.com/eolica/alstom-compra-ecotecnia>.

68 Alstom, *Alstom in Spain*. [Online]. Accessed on 6 December 2023, available at: <https://www.alstom.com/es/alstom-en-espana>.

69 Anel, *Altsasuko, S.Coop., an example of cooperation for the maintenance of employment*. [Online]. Accessed on 18 December 2023, available at: <https://www.anel.es/altsasuko-s-coop-ejemplo-de-cooperacion-para-el-mantenimiento-del-empleo/>.

70 ANEL is Navarre's Association of Social Enterprises. It represents both worker cooperatives and EOB. ANEL, *Anel*. [Online]. Accessed on 12 December 2023, available at: <https://www.anel.es/>.

71 Copreci, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.copreci.com/es/>.

72 NASUVINSA is a public enterprise tasked with the planning and urban development of industrial land in Navarre, NASUVINSA, *Industrial Land*. [Online]. Accessed on 18 November 2023, available at: <https://www.nasuvinsa.es/es/servicios/suelo-industrial>.

73 Fagor, *The Altsasuko cooperative merges with Copreci*. [Online]. Accessed on 18 December 2023, available at: <https://www.fagor.eus/es/altsasuko-kooperatiba-copreci-2/>.



Ethical finance sector

The ethical finance sector has expressed a keen interest in supporting WBOs. Among the notable players, Coop57⁷⁴ and Fiare Banca Etica⁷⁵ stand out as the two organisations with significant involvement in financing WBOs across various regions in Spain. Both entities have established collaborative agreements with several representative organisations, encompassing both cooperatives and EOBs.

4.3 Technical assistance

Typically, representative organisations of the cooperative movement and EOBs provide all the necessary technical assistance in WBOs. Table 7 gives an overview of the organisations offering technical assistance for WBOs and specialised financial institutions by region in Spain:

Table 7: Technical assistance for WBOs in Spain.

Spanish region	Technical assistance	Comments
Basque Country (Euskadi)	<ul style="list-style-type: none"> KONFEKOOP⁷⁶. Elkar-Lan S. Coop⁷⁷. ASLE⁷⁸. 	Full highly specialised technical support available
Navarre (Navarra)	<ul style="list-style-type: none"> ANEL⁷⁹. SODENA⁸⁰ (Public company promoting economic development in Navarre). 	Full highly specialised technical support available
La Rioja (La Rioja)	None	No technical support available
Community of Madrid (Comunidad de Madrid)	<ul style="list-style-type: none"> COOPERAMA⁸¹. TANGENTE⁸². ASALMA⁸³. 	Technical support available
Aragon (Aragón)	None	No technical support available
Principality of Asturias (Asturias)	ASATA ⁸⁴	Technical support available
Castilla La Mancha (Castile-La Mancha)	CLAMCOOP ⁸⁵	Technical support available

74 Coop57, *Home page*. [Online]. Accessed on 3 December 2023, available at: <https://coop57.coop/>.

75 Fiare Banca Etica, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.fiarebancaetica.coop/>.

76 Confederation of Cooperatives of the Basque Country, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://konfekoop.coop/>.

77 Elkar-Lan, *Home page*. [Online]. Accessed on 12 December 2023, available at: <https://www.elkarlan.coop/>.

78 ASLE, *Home page*. [Online]. Accessed on 5 December 2023, available at: <https://asle.es/>.

79 Anel, *Home page*. [Online]. Accessed on 18 November 2023, available at: <https://www.anel.es/>.

80 Sodena, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://sodena.com/>.

81 Union of Worker Cooperatives of Madrid, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.cooperama.coop/>.

82 Tangente, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://tangente.coop/>.

83 Grouping of Labour Companies of Madrid, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://asalma.org/quienes-somos/>.

84 Asata, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://asata.es/>.

85 Union of Worker Cooperatives of Castile-La Mancha, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.clam.coop/>.



Andalusia (Andalucía)	FAECTA ⁸⁶	Full highly specialised technical support available
Valencian Community (Comunidad Valenciana)	FEVECTA ⁸⁷	Full highly specialised technical support available
Catalonia (Cataluña)	<ul style="list-style-type: none"> • Cooperatives De Treball⁸⁸. • Ateneus Cooperatius Network⁸⁹. 	Full highly specialised technical support available
Balearic Islands (Islas Baleares)	UCTAIB ⁹⁰	Limited technical support available
Galicia (Galicia)	ESPAZO COOP ⁹¹	Technical support available
Region of Murcia (Región de Murcia)	<ul style="list-style-type: none"> • UCOMUR⁹². • AMUSAL⁹³. 	Full highly specialised technical support available
Castile and León (Castilla y León)	<ul style="list-style-type: none"> • OWEN⁹⁴. • AEMTA⁹⁵. 	Limited technical support available
Extremadura (Extremadura)	<ul style="list-style-type: none"> • AEXLAB⁹⁶. • UCETA⁹⁷. 	Limited technical support available
Cantabria (Cantabria)	ACEL ⁹⁸	Limited technical support available
Canary Islands (Canarias)	None	No technical support available

Source: The Valencian Federation of Associated Work Cooperatives (La Federació Valenciana d'Empreses Cooperatives de Treball Associat).

86 Andalusian Federation of Worker Cooperative Companies (FAECTA), *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://faecta.coop/?id=inicio>.

87 Valencian Federation of Cooperative Companies of Associated Work, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.fevecta.coop/va>.

88 Worker Cooperatives, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.cooperativestrell.coop/>.

89 Social Economy, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://economiasocial.coop/ateneus-cooperatius#:~:text=La%20Xarxa%20d%20E2%80%99Ateneus%20Cooperatius%20%28XAC%29%20est%20formada%20per,la%20creaci%C3%B3%20de%20locs%20de%20treball%20de%20qualitat>.

90 Union of Worker Cooperative Societies of the Balearic Islands, *Home page*. [Online]. Accessed on 18 December, available at: <https://uctaib.coop/>.

91 Union of Galician Cooperatives, *Home page*. [Online]. Accessed on 18 December, available at: <https://espazo.coop.es/>.

92 Ucomur, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://ucomur.org/>.

93 Business Association of Worker-Owned and Participatory Companies of Murcia, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.amusal.es/#:~:text=Asociaci%C3%B3n%20de%20empresas%20de%20sociedades%20laborales%20y%20empresas,consolidar%20a%20las%20sociedades%20laborales%20presentes%20y%20futuras>.

94 Union of Worker Cooperatives of Castile and Leon, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.cooperativasowen.coop/>.

95 Labour Society of Castile and Leon, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.aemta.es/>.

96 Labour Society of Extremadura, *Home page*. [Online]. Accessed on 18 December 2023, available at: <http://www.aexlab.org/>.

97 Union of Associated Work Cooperatives of Extremadura, *Home page*. [Online]. Accessed on 5 August, available at: Accessed on 8 February 2024, available at: <https://uceta.org/>.

98 Association of Cooperatives and Labour Societies of Cantabria, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://www.acecantabria.com/>.



The support offered varies from region to region. A comprehensive technical assistance package includes due diligence on the company undergoing transformation, analysis of its future viability, development of a business plan, legal advice, training, support in negotiations with business owners, assistance in seeking funding and mentorship programmes for the consolidation of the WBO. As shown in the Table 7, only a limited number of regions have a structured ecosystem that can offer all of this in one package. These include: the Basque Country, Navarre, Catalonia, Valencia, Murcia, and Andalusia. In other territories the availability of assistance may be partial or not guaranteed.

Representative organisations of the cooperatives and EOBs

The representative organisations of the worker cooperative movement in each region are as follows: the Confederation of Cooperative Companies of the Basque Country (Confederación de Cooperativas de Euskadi, KONFECOOP), the Union of Worker Cooperatives of Madrid (Unión de Cooperativas de Trabajo de Madrid, COOPERAMA), the Union of Worker Cooperatives of Castilla-La Mancha (Unión de Cooperativas de Trabajo Asociado de Castilla-La Mancha, CLAMCOOP), FAECTA, FEVECTA, Cooperatives de Treball, the Union of Galician Cooperatives (Unión de Cooperativas de Galegas, ESPAZOCOOP), UCOMUR, the Union of Worker Cooperatives of Castilla y León (Unión de Cooperativas de Trabajo de Castilla y León, OWEN), and the Union of Associated Work Cooperatives of Extremadura (Unión de Cooperativas de Extremadura de Trabajo Asociado, UCETA).

The **representative organisations of the EOBs** consist of: the Grouping of Labour Companies of Madrid (Agrupación de Sociedades Laborales De Madrid, ASALMA), the Business Association of Worker-owned and Participatory Companies of Murcia (Asociación Empresarial de Sociedades Laborales y Participadas de Murcia, AMUSAL), the Business Organisation of Labour Societies of Castilla y León (Organización Empresarial de Sociedades Laborales de Castilla y León, AEMTA), the Business Organisation of Labour Societies of Extremadura (Organización Empresarial de Sociedades Laborales de Extremadura, AEXLAB) and the Association of Labour Societies of the Basque Country (Asociación de Sociedades Laborales de Euskadi, ASLE).

There are also three organisations **representing both worker cooperatives and EOBs**: the Association of Social Economy Companies of Navarre (Asociación de Empresas de Economía Social de Navarra, ANEL), the Representative Organisation of the Asturian Social Economy (Organización Representativa de la Economía Social Asturiana, ASATA), and the Business Organisation of Labour Societies and Cooperatives of Cantabria (Organización Empresarial de Sociedades Laborales y Cooperativas de Cantabria, ACEL).

All of the above organisations provide technical assistance to WBOs, primarily free of charge, using their own resources. Many of those, including FAECTA, FEVECTA, Cooperatives de Treball, UCOMUR, ASLE, ANEL, and ASATA have stable teams of experienced professionals who offer comprehensive services covering all aspects of a WBO. Most of these organisations are funded through membership fees in addition to grants from regional public administrations aimed at promoting the social economy and supporting organisations as representative entities of civil society and the social economy. The relative weight of each of these sources of income in budgets varies considerably from one organisation to another. In some organisations, such as KONFECOOP, membership fees cover nearly 100% of the budget, while in other organisations fees cover less than 10%.



The rest of the representative organisations depend on specific programmes to fund these services. As their funding is not stable, the teams they employ to provide technical assistance for WBOs are not stable and sometimes not experienced enough to offer comprehensive support. In recent years, most of these organisations have secured resources from the operational programme ESF 2014-2020 Social Inclusion and Social Economy programme (POISES)⁹⁹ in the form of grant measures.

POISES ran from 2016-2023 in Spain with ESF co-financing. ESF funds totalling EUR 34.2 million were allocated to bolster the number of social enterprises, enhance their competitive edge, and improve employment access and the job-readiness of vulnerable populations. The project was rolled out across three funding periods: 2016-2017, 2018-2020, and 2020-2023. The goal of increasing the number of WBOs was a specific target in the first period. The programme provided financial support for the technical assistance needed to support WBOs. During the initial two-year span, Spain witnessed the establishment of 70 WBOs, of which 88% cooperative WBOs and 10% employee-owned business WBOs¹⁰⁰. In later funding periods, the growth of WBOs was not prioritised as a distinct separate indicator, and consequently, specific WBO data was no longer compiled. However, the programme continued to offer generic financial support for technical assistance to cooperative and EOB-model ventures, which enabled many participant entities to channel these funds into WBO technical support services. It should be noted, however, that not all entities providing technical support to WBOs in Spain engaged with the programme across all its phases.

Other organisations offering technical assistance

Alongside the representative organisations there are other entities generally linked either to the public administration or the cooperative movement offering technical assistance. The most important ones are:

Elkar-Lan SCOOP (a cooperative jointly owned by KONFEKOOP¹⁰¹ and the Basque regional government). It is primarily funded through contributions from the Basque regional government and its main objective is to provide support for cooperative entrepreneurs including those involved in WBOs.

The **Navarre Development Society** (Sociedad de Desarrollo de Navarra, SODENA) is the public company in Navarre responsible for regional economic promotion. It is entirely funded by the Navarre government. It conducts due diligence free of charge for companies to be acquired by their workers. It works with both cooperatives and EOBs, but only in where companies are facing economic or financial difficulties.

Tangente¹⁰² is a cooperative group made up of 13 cooperatives, based in Madrid. It applies for grants and public contracts both in the city of Madrid and the Madrid region, allowing it to obtain the necessary resources to provide free technical assistance to WBOs. It works with both cooperatives and EOBs.

Finally, **Ateneus Cooperatius** is a programme of the Catalan government that funds alliances of worker cooperatives that unite to advance cooperative projects in their local areas. Presently, there are 14 such groups that, among other services, offer guidance to cooperative WBOs. Each group receives funding from the Catalan government to support their activities. Mainstream business advisors and consultants, very rarely get involved in WBOs.

99 More information about the programme available here: Spanish Confederation of Social Economy Enterprises, *CEPES*. [Online]. Accessed on 18 December 2023, available at: <https://fse.cepes.es/>.

100 Detailed programme results for the first call available here: Spanish Confederation of Social Economy Enterprises, *Results 2016-2017*. [Online]. Accessed on 18 December 2023, available at: https://fse.cepes.es/files/public/1_calls/Resultados_2016-2017_en_cifras.pdf.

101 More information available here: Basque Cooperatives confederation, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://konfekoop.coop/>.

102 More information available here: Tangente, *Home page*. [Online]. Accessed on 18 December 2023, available at: <https://tangente.coop/>.

05

Market gap and suboptimal investment situation

Most of the interviewees for this report agree that existing financial frameworks in territories with dedicated advisory teams and financial institutions for WBOs adequately serve the needs of buyouts requiring up to EUR 400 000 for capital or debt restructuring.

However, the technical assistance officers interviewed say it is not possible to do a WBO of large companies with significant investment or debt restructuring needs. The main reason cited is that if the company demonstrates sufficient viability, there will always be investment funds willing to take it over. The chances of workers getting ahead of them and organising a successful WBO with the resources now available are almost non-existent. Whereas if the company shows no clear future viability there is no point in the workers embarking on a WBO.

Based on our interviews and desk research, there appears to be a funding gap for WBOs requiring between EUR 500 000 and EUR 3 million of equity and/or debt. In these cases, creative solutions are often required, such as the purchase of the business, without its assets that will then be let to the WBO, as was the case with Copreci-Altsasuko discussed previously.

On the other hand, almost all the interviewees agreed that it is difficult to find collateral to secure personal loans for workers to finance their capital contributions to cooperatives or EOBs. Most interviewees believe it is inappropriate for workers to offer their personal assets (homes) as collateral.



06

Case studies of WBO examples

The three case studies have been selected as being representative of the Spanish context. These diverse companies - Maier Ferroplast Scoop, Mestres de la Creu Coop V, and Mantenimiento y Servicios Vicaclean Coop V - showcase the particularities and potentials of the WBO phenomenon in Spain.

Figure 6: Case studies of WBO examples.

Maier Ferroplast Scoop	Mestres de la Creu Coop V	Mantenimientos y Servicios Vicaclean Coop V
1	2	3
<p>Sizeable industrial company with over 200 worker members and employees and a turnover of over EUR 30 million. Its WBO took place between 2009 and 2012 and was prompted by the Basque cooperative sector which had an interest in promoting its values and principles. The WBO resulted in a mixed cooperative, involving Ferroplast's workers, Maier Scoop, and the Mondragon Foundation as members.</p>	<p>This WBO occurred at a cooperative school, and is an example of a medium-sized WBO. It involved 40 full-time teachers and eventually, an investment of just over EUR 500 000. The motivation for the WBO was the previous owner's retirement which provided the impetus to form a worker cooperative. The WBO took place in 2010, right at the start of the 2010/11 academic school year.</p>	<p>Example of a small WBO. Though it initially involved 30 workers, only 5 of them were employees with a contract in the EGSS, and thus they joined the WBO initially employing some of their part time temporary co-workers. The investment requirements were just over EUR 40 000. The motivation was the bankruptcy of the previous company, and it resulted in a worker cooperative. The WBO took place in 2021, but the process is not completely finalised as new members are still joining the cooperative.</p>

Source: Author.



6.1 Company #1: Maier Ferroplast Scoop



Maier Scoop was established in 1973. It is a cooperative within the Mondragon Cooperative Corporation in the Spanish Basque Country. Over 90% of its revenue is concentrated in the automotive sector. Maier Scoop has several subsidiaries¹⁰³ outside the Basque Country, and its plant in Galicia (Maier Ferroplast Scoop) has been operating as a mixed cooperative since 2012.

Maier Scoop has an estimated annual turnover of some EUR 385 million. The cooperative employs around 3 000 people worldwide, of whom 775 are employees with an ownership stake in the parent company. In 1991, Maier Scoop and a French company, MGI Coutier, acquired Ferroplast, introducing thermoplastic injection presses to supply the automotive industry. Ferroplast started its activity in 1965 as a public company limited by shares in the steel stamping sector for lock manufacturing. In 2012, Ferroplast became a fully 'cooperatised' subsidiary after a four-year long transformation process and now operates under the trade name Maier Ferroplast Scoop. As of 2020, the cooperative has around 160 employees with an ownership stake at the Porriño plant in Galicia and features impressive annual turnover growth, at least EUR 10 million higher than the time of its transformation eight years earlier.

6.1.1 Reasons for WBO – needs and preconditions

At the Mondragon Cooperative Corporation Congress of 2008, cooperatives were encouraged to initiate WBOs in some of their subsidiaries as a measure towards expanding the cooperative movement. In response to this call, Maier Scoop considered either 'cooperativising' the subsidiary in Navarre, or Ferroplast, the plant in Porriño, Galicia. The 16 years of prior collaboration with Ferroplast encouraged it to undertake the WBO in that company. Furthermore, Maier Scoop saw the WBO as a potential solution to addressing entrenched conflicts at Ferroplast through greater involvement of workers in the company's performance and management.

Both Maier Scoop and Ferroplast expected the transformation to enhance motivation, commitment, and a sense of ownership among the workers. They hoped to foster a positive attitude and cooperation among all partners committed to the WBO to achieve the objectives of both companies. Subsequently, a four-year cultural change process began among the workers, leading to the WBO of Ferroplast being finalised in June 2012.

¹⁰³ Other plants are in Navarre (Spain), Czechia, Mexico, India and China.



6.1.2 WBO description

The first steps involved buying the shareholding from MGI Coutier¹⁰⁴ and explaining to the worker partners of Maier Scoop why the cooperative was disposing of a property to share it with the workers of Ferroplast. The purchase of MGI Coutier's shareholding was financed with funds from the Mondragón Foundation at the beginning of the WBO process.

In 2009, a core team containing representatives of both Maier Scoop and Ferroplast was appointed to ensure that information about the process reached all Ferroplast workers and that they felt represented. A schedule of monthly meetings was set. These 'small council' meetings also helped dispel doubts and build trust among the future worker partners. From that moment on, aspects relating to the transformation process have been discussed at all the annual Maier Scoop assemblies.

It was agreed that the WBO would only take place if supported by over 60% of Ferroplast workers. Two consultations with the workers took place over two years. At the first, less than 60% of workers supported the WBO. However, in the second consultation, which took place in 2012, there was 80% approval and in June of that year, Ferroplast became Maier Ferroplast Scoop.

In total, 148 workers became worker partners in the new cooperative, while just over 40 remained as regular employees.

Due to the unique ownership structure of the cooperative, Maier Scoop and Ferroplast designed a governance structure in which the General Assembly is divided into three-thirds. One-third of the votes is held by the Mondragon Corporation through its Foundation, as an investment partner; the second third by Maier Scoop as a collaborating cooperative, which holds a substantial part of the capital of the new cooperative; and the final third of votes is held by the worker owners of Maier Ferroplast Scoop¹⁰⁵.

In addition, the core team established a committee called the 'Delegated Commission' to work on the cooperative's Internal Regulations. The committee's main task was to regulate the working conditions of Maier Ferroplast's worker-owners as Labour law¹⁰⁶ no longer applied to them. According to its rules, agreements could be blocked with one-third of the votes, equal to the votes held by the worker owners. In other words, they agreed for Ferroplast's worker owners to have a veto over issues that would directly affect their working conditions.

6.1.3 Financial structure of WBO

The entire WBO process was financed by Maier, the Mondragon Foundation and the worker owners of Maier Ferroplast. To implement the WBO, the Mondragon Foundation acquired a stake in Ferroplast held by MGI Courtier, the French partner company in the enterprise and thus became an investor member of Maier Ferroplast.

Just before the WBO was finalised, the capitalisation of Ferroplast was increased twice, resulting in a final amount of EUR 2.6 million. The worker owners' individual contribution to the Maier Ferroplast capital was initially set at EUR 10 000, which they could contribute progressively through salary deductions. As a result, worker partners increased Maier Ferroplast's capital by an additional amount of around EUR 1.5 million.

104 AKWEL, *MGI Coutier becomes AKWEL*. [Online]. Accessed on 10 December 2023, available at: <https://akwel-automotive.com/en/mgi-coutier-becomes-akwel/>.

105 It became necessary to modify the Galician Law of Cooperatives to fit this governance model. The result was a new model of a mixed cooperative whose governance allows one-third of the assembly's votes to be in the hands of investors, one-third in the hands of worker owners, and one-third to another cooperative organisation. In Maier Ferroplast's case, the final third is held by Maier Scoop; itself a worker cooperative which maintains close collaboration with Maier Ferroplast.

106 As explained in the chapter on the Applicable legal framework, the worker members of Spanish cooperatives are not subject to labour law and must develop the rules governing their working conditions in their general assemblies.



The WBO also received public sector support. The regional government of Galicia provided a grant of EUR 2 500 to each of the workers who became partners to facilitate their capital contribution. As the subsidy was granted to the workers and not the cooperative it was not considered a 'de minimis' grant. Support for the business transfer process was offered free of charge by ESPAZO COOP, the representative organisation of worker cooperatives in Galicia, and the Mondragon Corporation. This assistance meant that no credit or loans were required for the WBO.

Table 8: Maier Ferroplast's financial structure.

Initial share capital	The initial capital of Maier Ferroplast was EUR 2.6 million, of which EUR 1.5 million was contributed by Ferroplast workers themselves via salary deductions
% workers' share capital at the beginning	58%
Equity	Workers' contribution - EUR 1.5 million
Debt financing	None
Other financial support	Regional government of Galicia: grant of EUR 2 500 per worker
Other non-financial support	ESPAZO COOP: technical assistance
Transaction costs	None
Private financial support	Mondragon Foundation Maier Scoop
Public (national) financial support	Regional government of Galicia
Public EU support	None

Source: Interview with Maier Ferroplast.

6.1.4 Impact of the WBO

The transformation allowed Maier Ferroplast Scoop to join the Mondragon Corporation, becoming part of an industrial conglomerate based on worker ownership and participation and ruled by the principle of solidarity among its members. The transformation brought about a cultural change that went a long way to pacifying the existing conflicts through ownership, shared risk taking, participation and personal responsibility.

At present the company enjoys good profitability and has been growing steadily. In the year of its transformation 2012, its turnover was EUR 25 million. Since 2020, its turnover has been around EUR 35 million to EUR 37 million annually. It currently has more than 200 employees, of which almost 160 are worker owners.

6.1.5 Lessons learned

The transformation of companies into cooperatives requires a strong cooperative movement that commits to the long-term result and is capable of mobilising numerous resources to help the workers undertaking the challenge.

The best way of supporting these is to build public-private financial and advisory resources in territories where there are opportunities for WBOs and a partnership of institutions willing to commit resources to these processes and match public resources with their own.



The workers' trust in the process is key to its successful outcome, and therefore it is essential that they feel supported by institutions and partners who show their commitment to the project by investing and working without sparing resources. In the case of Ferroplast, building the foundation of trust for the transformation took more than two years, despite there being no substantial economic or financial problems. Transformations that are motivated by an economic or financial crisis tend not to gain the workers' trust, and the time needed to rebuild this may not be available.

The cooperative WBO of Ferroplast required two people working almost full-time to this end for two intense years. The role of the unions was not particularly positive and alternated between suspicion and indifference. Koldo Kortabitarte, president of Ferroplast, reflects that 10 years are not enough for a cooperative transformation, and as far as he is concerned the social transformation in Ferroplast is still ongoing.

6.2 Company #2: Mestres de la Creu Coop V



The WBO Mestres de la Creu cooperative school was established in the summer of 2010 by the teachers of the former Mestres de la Creu school, previously operated as a limited company with two partners. The latter company underwent a succession crisis, to which the solution was found in a WBO.

Mestres de la Creu Coop V offers services in early childhood education, primary education, secondary education, high school, and vocational training in the La Creu neighbourhood of Mislata, near Valencia. It operates as a private centre with a public-private partnership and caters for the educational needs of close to 600 students. It is a reference school for the integration of underage asylum seekers in Valencia.

Today, the cooperative school has a turnover of over EUR 2.6 million, with the teachers' salaries paid directly by the Valencian regional government as part of the public-private partnership. It employs 64 people, 28 of whom are members of the cooperative.

6.2.1 Reasons for WBO – needs and preconditions

The centre was initially a non-regulated training academy operating as a company limited by shares with two partners. Later, the partners separated, and one of them continued the business as a sole proprietor. In the 1980s, the centre progressively entered a public-private partnership called 'Concierto Educativo' and at the time of the WBO, it already offered public primary, secondary, high school, and vocational education. The 'Concierto Educativo' is a form of public-private partnership established to provide public education by a privately-owned school through a contract in which the private school commits to offering tuition-free public education and meeting certain standards and requirements as defined by the educational authorities. As part of this contract, the administration periodically provides payment for the provision of the educational services.



The transformation was triggered by the retirement of the school owner and his wife who ran the administration. Initially, one of their daughters agreed to take over the management and ownership of the school, but she decided to step down two years later. This succession failure led to a leadership crisis and generated uncertainty about the school's future. The new director, appointed after the daughter's departure, suggested that the workers/teachers take ownership of the school through a WBO and transform it into a worker cooperative.

6.2.2 WBO description

The WBO was a response to the succession crisis that arose when the owner's daughter decided to step down from the management. To avoid a repetition of such crises in the future, a team was appointed to take over the school's pedagogical direction, with the new director leading the initiative. This team, along with the former owner, set up a management committee to pilot the transition in July 2010. The management committee later became the first board of directors of the cooperative and was responsible for the school's administration during its initial six years.

The most challenging aspect of the WBO was renegotiating the rental contracts for the premises as the new cooperative occupied eight different premises owned by eight different landlords. Additionally, some of the previous rental contracts had been agreed under a rent control system, which resulted in very low rents. When the cooperative took over these contracts, they lost the rent control status, leading to a tenfold increase in the rental costs. Though rent was expected to go up, the scale of the rent increase was a surprise.

The school underwent its transformation during the summer of 2010, and its first academic year as a cooperative was 2010/2011, just before the public debt crisis of 2011 and 2012. During these two years, the Valencian regional government delayed payments related to the educational agreement (Concierto Educativo) by an average of three months. This delay caused a liquidity crisis for the newly established cooperative, which was partly resolved thanks to successive capital contributions from the worker partners and to agreements reached between the Valencian Union of Educational Cooperatives (Unió de Cooperatives d'Ensenyament Valencianes, UCEV) and two regional credit unions (Caixa Popular and Cajamar) to ensure payments to all cooperative schools in the Valencian Community during the public debt crisis. *Mestres de la Creu* joined this agreement.

At the time of the transformation, there were 41 teachers and 10 employees working in the school's support services¹⁰⁷. During the transformation process, a debate arose about whether only teaching staff should become worker partners in the new cooperative or if the support staff should also be included. Ultimately, it was decided to include only the teaching staff to have a more homogeneous social base with shared interests, allowing for faster and more efficient decision-making. The support staff, on the other hand, became regular employees of the new cooperative.

In the end, 40 of the 41 teachers joined the cooperative as worker members. The result was a worker cooperative running under the governance principle of 'one member one vote'.

¹⁰⁷ Kitchen staff, child minders and administrative workers mainly.



6.2.3 Financial structure of WBO

At the time the WBO took place, the school was not experiencing any financial or economic difficulties and there were no debts outstanding that needed refinancing. The process was supported by FEVECTA¹⁰⁸ which provided free legal and financial advice on transforming the school into a worker (teachers') cooperative.

The former owner agreed to a sale price for the school of EUR 100 000. The teachers accepted this amount without conducting a financial audit, as they trusted the former owner because two of his daughters were joining the cooperative as members. In addition, the former owner lives in the neighbourhood of the school and is well-known locally.

There was no private funding involved other than the members' contributions to the cooperative's capital. Mestres de la Creu Coop V did not receive any public assistance or funding during its transformation into a cooperative. Its President, Miquel Ruiz, suggests that public aid specifically focused on maintaining employment during such transformations would have been beneficial. Additionally, having collateral schemes for members who needed personal loans for their capital contributions would have facilitated the cooperative's initial capitalisation, especially in the first three years of operation.

Table 9: Mestres de la Creu Coop V's financial structure.

Initial share capital	The initial capital of Mestres de la Creu Coop V was EUR 100 000 and was collected through members' contributions
% workers' share capital at the beginning	100%
Equity	Shareholder contribution: EUR 3 000 per member (later raised to EUR 10 000)
Debt financing	None
Other financial support	None
Other non-financial support	FEVECTA
Transaction costs	Low transaction costs (no specific data available)
Private financial support	None
Public (national) financial support	None
Public EU support	None

Source: Interview with representatives of Mestres de la Creu Coop V.

The compensation required by the former owner was initially covered by the contributions of the teachers who became worker members in the cooperative. In addition to the initial contributions of EUR 3 000 per member, an additional EUR 10 000 per member was required very soon after the WBO. By the end of this initial process the cooperative had capital of just over EUR 500 000. These new contributions were used to generate a liquidity reserve to tackle the rent increases and payment delays mentioned above. The worker partners' contributions were financed through personal loans, with the cooperative offering collateral towards the loan of one of the worker members who had no capacity to take on debt without the cooperative's support. Most of those loans were offered by the credit union Caixa Popular as part of a framework agreement.

Over the following 12 years, further capital contributions were made totalling EUR 17 000 per member. Mestres de la Creu Coop V has no investor members and no contributions to its capital other than those from its worker members.

108 Valencian Federation of Worker Cooperatives (Federación Valenciana de Cooperativas de Trabajo Asociado).



6.2.4 Impact of the WBO

The cooperative is now stable and doing well financially. It still provides the same education services that it did at the time of the WBO, but it has increased its social support programmes. It now has 28 worker members and 36 employees; the hired employees all have temporary positions with part-time hours and are mainly employed to deliver the social support programmes. The reduction in members is explained by the retirement of several of the cooperative's founders. There are plans to gradually incorporate employees as new worker members, as the funding for the social support programmes consolidates.

6.2.5 Lessons learned

There were several key aspects of the Mestres de la Creu WBO. The school had limited material assets as it was renting its premises, the former owner's main interest was to see the school continue and thrive rather than to get a substantial cash compensation for the business, and the future worker partners had relatively high salaries, as they were all teachers, and they were very committed to their jobs. All those circumstances paved the way for a smooth WBO, despite the difficulties that faced at the outset.

6.3 Case Study #3: Mantenimiento y Servicios Vicaclean Coop V



The Mantenimiento y Servicios Vicaclean cooperative was founded through a WBO in 2021 by five permanent employees and the main supplier to the company. The Valencian cooperative provides cleaning services to businesses and buildings. Currently, it has seven working members and around 12 temporary part-time workers. Its annual revenue is approximately EUR 300 000.

6.3.1 Reasons for WBO – needs and preconditions

The original company operated as a publicly traded company, although most of the capital was held by a single shareholder. The company had already started experiencing difficulties due to the owner's inadequate management, but throughout 2020 it began to face serious challenges in adapting to the Covid-19 pandemic. Towards the end of 2020, it started to miss payments to its suppliers. This situation alarmed its main supplier, who approached FEVECTA along with several workers to assess the possibility of restructuring the company via a WBO.

6.3.2 WBO description

Conversations were initiated with the owner, who showed willingness to support the WBO if outstanding debts could be covered. After several meetings with the permanent workers, they confirmed their willingness to proceed with a WBO as they were very worried about losing their jobs. An analysis of the company's accounts revealed that around EUR 20 000 was needed to address its debts, and an additional similar amount would be required to stabilise the company's finances. In total, the estimated necessary investment was close to EUR 40 000.



At that time, the company employed around 30 workers, with only five being full time permanent employees. The rest were working on a temporary and part-time basis. The workers were predominantly middle-aged women with low salaries, thus the WBO could only take place if the debt could be addressed using funds other than the worker's capital contributions. Ultimately, it was agreed that the permanent workers would become members in the cooperative, and they would hire several of their temporary co-workers. The WBO took place in May 2021. The five permanent employees and the main supplier became members of the cooperative. The latter joined the cooperative as an investor partner with one vote in the general assembly. The WBO resulted in the establishment of a worker cooperative that operates under the principle of 'one member, one vote' despite the disparity in capital contributions. The main supplier also agreed to support the workers through the transition process.

6.3.3 Financial structure of WBO

As the cooperative had originated through a WBO process during which the original company had already begun experiencing difficulties in meeting its creditors, there was no possibility of obtaining credit to refinance the debt. It was also not reasonable to expect the workers, who only made minimum wage, to contribute the necessary resources to cover the debt through capital.

After studying all the possibilities, it was decided that the workers ought not to apply for their unemployment benefits to contribute them to the cooperative's capital. There was a moderate risk involved in the process of undertaking the WBO and the advisors wanted to make sure that the workers had their benefits intact if anything went wrong. The cooperative instead applied for grants for four out of the five permanent workers who were going to join it as members. These grants amounted to an estimated EUR 36 000. This sum could be used to address the company's debts.

Moreover, the partners each contributed EUR 1 000 at the time of the WBO, totalling EUR 5 000. Additionally, the supplier suggested to join the cooperative as an investor member, converting his debt into capital in the new cooperative and providing the necessary additional financing until the EUR 36 000 in grants was obtained.

Table 10: Vivaclean's financial structure.

Initial share capital	EUR 41 000
% workers' share capital at the beginning	12%
Equity	<ul style="list-style-type: none"> • Shareholder contributions: EUR 5 000 (EUR 1 000 per worker member). • Debt-to-equity conversion by main supplier: EUR 36 000.
Debt financing	None
Other financial support	An unemployment grant of EUR 36 000 (four workers) from the government of the Valencian Community
Other non-financial support	FEVECTA: Technical assistance
Transaction costs	None
Private financial support	None
Public (national) financial support	Government of the Valencian Community
Public EU support	None

Source: Interview with representatives of Vivaclean.



There were no transaction costs as the business was transferred in exchange for covering the outstanding debts and no assets were transferred. FEVECTA provided all necessary technical and financial assistance cost-free. It also negotiated the deal with the main provider.

6.3.4 Impact of the WBO

Currently the cooperative has seven members and several temporary employees on part-time contracts. The grants were received, and the main supplier's debt was repaid. Soon after, the main supplier left the cooperative and his contribution was reimbursed. He is still supplying and mentoring the cooperative.

Turnover has declined in comparison with before the WBO. The reasons for this are that the workers feel more comfortable managing a smaller venture, and because some former clients already lost trust in the business as it began to fail due to financial difficulties.

6.3.5 Lessons learned

WBOs involving workers with very modest incomes are extremely difficult to finance, especially those originating in companies that are experiencing financial or economic hardship. Usually, financial institutions, including credit unions, will not finance businesses that show bad financial ratios, neither will they offer credit to very low-income workers. As a result, the only way to finance these WBOs is via the capitalisation of unemployment benefits and/or via grants offered by regional governments to cooperatives and EOBs. Even then, a financial partner is often needed to cover the needs of the cooperative for a year or so, until the subsidies are delivered.

In these scenarios it is critical that the advisors make an accurate assessment of the workers' financial and personal vulnerability and that the WBO only goes ahead if the workers fully understand the risks involved and are adequately covered should anything go wrong.

Beyond the financial needs, the workers in this type of WBO require intense support for a relatively long period of time from both experts providing insight and management expertise in their specific sector, and from experts providing support and advice about cooperative management.

07

Synthesis of information from company case studies

Based on the insights gathered from stakeholder interviews in Spain, the analysis of the existing institutional setting facilitating WBOs and the interviews in the case studies included, the following key points and conclusions have been determined in the Spanish context:

Needs and preconditions	The situations that lead to a WBO are very diverse, but usually they stem from three specific circumstances: the recovery of companies facing economic difficulties, the transfer of businesses in cases of retirement of an owner without succession plans, and the interest of the cooperative movement in spreading its values and principles. In some cases, combinations of these three situations arise.
Ideal target sectors	There isn't an ideal target sector for WBOs. They occur in both the service sector and in industry. Generally, WBOs in industry tend to present greater challenges in terms of financing, as the investment requirements are considerably higher than in the service sector. In general, activities that are more labour-intensive and less capital-intensive are easier to finance for a WBO. However, there are innovative ways to enable the process for a capital-intensive business. In these scenarios it is not uncommon to have strategic outside investors, often from the cooperative sector. Another way of managing a lack of funds is to structure the WBO as a business purchase without a transfer of assets.
Ideal target companies	WBOs are more common today in small and medium-sized enterprises and less so in large corporations. This is because larger companies with reasonable viability often find investors in the financial markets and rarely resort to a WBO.
Ideal target employees	Low-income employees face greater challenges in leading WBOs, as their financial situation limits their ability to contribute capital. Additionally, those workers who are more committed to their jobs are more inclined to participate in WBOs.
Legal forms	In Spain, practically all WBOs take place in the form of cooperatives or EOBs, as the government grants economic and fiscal advantages to these two types of social enterprises. Even though transformations under the EOB model are simpler, cooperative WBOs are more numerous. The reason is that the cooperative movement provides various resources to support these processes, while employee-owned businesses do not have the same financial or advisory tools. Nor are they committed to spreading their values and principles in the same way that the cooperative movement is. Additionally, public authorities and stakeholders involved in these processes often favour cooperative WBOs, as this legal form makes the WBOs more sustainable in the long term and provides additional social and democratic advantages.
Capital structure of the company	Both in cooperative WBOs and in WBOs that result in EOBs, an equitable distribution of capital where all worker members contribute a similar or equal amount is usually preferred. The cooperative model allows any worker member to accumulate up to 45% of the capital, while employee-owned businesses allow up to 30% of the capital to be accumulated by a single worker member. The difference between these situations is that in a cooperative, additional capital doesn't grant more voting rights, whereas in EOB, more capital does confer more voting rights.



Debt and collateral requirements

The majority of WBOs do not involve companies needing debt restructuring. In the rare cases a debt restructuring is required, this typically occurs through an increase in capital from contributions by partners. WBOs that lack an investor partner to finance worker contributions often require some form of financial guarantee to secure personal loans that worker members use to make their contributions to capital.

Transaction costs

In WBOs driven by an economic crisis, the company transfer is often agreed upon in exchange for satisfying the debt or a portion of it. In other cases, transaction costs can become relevant. However, many factors come into play. Often, the business owner's interest in the company's continuity works in favour of reducing transaction costs for the workers. Additionally, transaction advisory services can in many cases be provided for free by organisations such as FEVECTA and others; as seen by the three company case studies.



08

Potential to use ESF+ and other EU resources in support of WBOs

8.1 Potential use of ESF+ financial instruments

The interviews with companies and stakeholders for this report highlight the need to develop financial guarantee systems for both recent WBOs and workers who want to engage in a process of this nature. The public guarantee systems put in place by Spain's Official Credit Institute (Instituto de Crédito Oficial, ICO) were cited as an example, especially those put in place in response to the emergency created by the Ukraine War¹⁰⁹. The purpose of this guarantee line from ICO is to cover the corresponding portion of the principal of new financing transactions granted by financing entities to companies and self-employed individuals who are affected by the economic effects of the war in Ukraine. The guaranteed financing is intended to cover the liquidity needs of companies and self-employed individuals (current expenses, working capital, and investments). The guaranteed amount cannot exceed EUR 2 million per self-employed individual or company, in one or more loan transactions. It cannot exceed 80% of the principal or a maximum term of 10 years.

However, it is important to create instruments that do not only reserve eligibility to workers experiencing economic vulnerability. Sometimes, the requirements of financial schemes targeting social enterprises restrict beneficiaries to a very small group of individuals. These individuals often face personal circumstances that should discourage both taking on more debt and assuming the collective responsibility of a worker buyout (WBO). Both technical assistance providers and financial advisors agree that WBOs are not advisable operations for individuals in situations of significant financial vulnerability.

Furthermore, there is a call for action to consider the possibilities to allocate ESF+ resources to support organisations that offer technical assistance, both for due diligence development, viability plans, and legal support, as well as guidance in finding financing.

Lastly, perhaps the most crucial role that ESF+ can play is in financing innovative programmes to raise awareness of the potential of WBOs among the general business audience. Ultimately, one of the most significant conclusions of this study is that the number of WBOs is perceived to be much lower than it could be if the model were better understood, and support services were more visible.

8.2 Exploring possibilities of combining financial instruments with grants

Most WBOs in Spain are funded through contributions of capital from their members combined with external financing from credit cooperatives or other financial instruments in the cooperative sector. Therefore, it seems interesting to develop financial products combining grants for workers who are going to join as members in a WBO, with preferential loans or public guarantees for the WBOs' loans.

109 ICO, *Ukraine guarantee line*. [Online]. Accessed on 18 December 2023, available at: <https://www.ico.es/l%C3%ADnea-de-avales-real-decreto-ley-6-2022-de-29-de-marzo>.



8.3 Potential involvement of EIB Group via EU-level financial instruments

An idea that has emerged in several interviews is the possibility of structuring investment funds through public-private partnerships in regions that already have private institutions, such as the cooperative movement or others willing to contribute capital investment to WBOs. In the case of the cooperative movement, the potential of cooperative training and promotion funds has often been mentioned as a viable instrument to start generating resources for this purpose. Potential involvement of the European Investment Bank (EIB) or European Investment Fund (EIF) in such initiatives and funds could be explored with the relevant stakeholders. Instruments of this kind might allow to increase the undertaking among the stakeholders in view of developing more ambitious and targeted WBOs.

InvestEU SISW can play an important role in complementing the existing financial instruments in Spain. As seen from experience, the EaSI guarantee allows for the mobilisation of more financial resources with significant secondary benefits for cooperative enterprises. As a result, guarantee and counter-guarantee instruments could be put in place under the InvestEU Social Investment and Skills policy window to enhance support available for the subject and build on synergies between the instruments:

- Guarantee instrument in cooperation with the cooperative movements' private institutions, which can manage the financial instruments and add their own resources.
- Counter-guarantee instrument to support the cooperative movements' institutions (among others) in guaranteeing more financial intermediaries and involve them in the provision of debt instruments to the WBO cooperatives.
- Technical Assistance: InvestEU SISW may offer technical assistance to support microfinance and social enterprise finance providers providing finance to WBO projects. For example, under the Social Inclusive Finance Technical Assistance (SIFTA), the EIB is providing targeted capacity building services to such finance providers in the form of tailored training, workshops, peer-to-peer exchanges and study visits on a wide range of topics related to financing micro and social enterprises. It also provides rating, assessment and evaluation services to such providers.

8.4 Practical hints for managing authorities

Managing authorities can establish early warning systems to automatically identify companies at risk of insolvency, mobilising organisations that offer technical assistance to inform workers and owners about the possibility of undertaking a WBO.

Such a scheme would undoubtedly increase the number of WBOs among companies facing economic difficulties.

It is essential that managing authorities have dedicated staff that are well-informed and trained about these processes so that they can engage in public-private partnerships with the private sector, which has an interest in promoting WBOs.

Further, managing authorities could commission market assessments examining the potential use of ESF+ financial instruments and grants that could be partially utilised to support WBOs. Support in the framework of the fi-compass advisory platform could also help managing authorities in Spain to explore the possibilities in developing initiatives building on ESF+ financial instruments and in combination with grants.



Suggestions and next steps

The next steps should focus on developing programmes aimed at overcoming the main difficulties identified in the promotion of WBOs. Specifically, in the three areas as described in the following sub-chapters.

➤ **Public guarantee schemes for WBOs**

The lack of collateral to guarantee the credit operations needed to finance WBOs has been a common concern among all the stakeholders interviewed for this study. There is a consensus that a public programme aimed at sharing the risk of the financial operations necessary to launch WBOs would be an instrument that could significantly facilitate their growth.

Additionally, public guarantee schemes send a strong message about public authorities' commitment to support innovative and employee-centric business models. This endorsement can generate a positive effect and dispel some of the prejudices concerning WBOs.

➤ **Investment funds for WBOs**

While smaller WBOs might find adequate support through the existing financial markets, more substantial projects would require a different level of capital infusion that is now seldom available. In this context specialised investment funds could play a pivotal role. Cooperative training and promotion funds, which are designed to foster cooperative development and education, could serve as a natural foundation for such investment funds for WBOs. The idea would be to pool financial resources from both the public sector and the cooperative sector, into a dedicated fund exclusively focused on supporting WBOs. These funds would serve as a centralised source of capital that can be strategically allocated to fund the acquisition of larger companies or complex business transformations. Such a fund would then be able to act fast, both in terms of company analysis and provision of finance for a WBO, leading to an acceleration of the whole WBO process. And even though the credit cooperative Coop57 is currently envisioning the creation of such a fund specifically for WBOs, such a fund's operations would not necessarily have to strictly remain within the bounds of WBOs but serve other cooperative purposes if insufficient demand for WBOs would restrict the fund's activities. Its design could be similar to that of the Cooperazione Finanze Impresa (CFI) Fund in Italy, the activities of which are broadly centred around the support of WBOs, but not limited to it.



➤ **Dissemination programmes**

A concerted effort should be directed towards the development of comprehensive dissemination and communication programmes, strategically designed to engage those who wield influence and possess insight into the business landscape.

- Among these influential actors are trade unions. Collaborative efforts can harness the unions' capacity to reach a broad network of workers and amplify the message of empowerment through cooperative ownership.
- Public authorities can be instrumental in promoting WBOs as a sustainable solution for preserving jobs and bolstering economic resilience.
- Engaging the participation of business consultants and advisors in these programmes can help bridge the information gap and educate companies on the advantages of transitioning to WBOs.
- Judges and insolvency administrators can play a pivotal role in recognising opportunities for WBOs. By involving them in these initiatives, potential distressed businesses can be identified at an early stage.
- The collaboration of commercial registries, as the repositories of corporate data, is essential. These registries can aid in identifying businesses facing economic difficulties or leadership succession gaps, thereby facilitating targeted outreach and education about WBOs.
- Representative organisations of family businesses, which hold substantial sway within various sectors, can extend their support to the dissemination of WBO models. Given their affinity for the values of legacy and continuity, they can highlight the benefits of cooperative ownership as a viable succession plan.

Furthermore, nurturing partnerships between these stakeholders and local ecosystems dedicated to promoting WBOs amplifies the collective impact. These local ecosystems can provide crucial resources, networks, and platforms for facilitating communication and fostering relationships between potential WBO candidates.

Addressing wider misconceptions necessitates funding robust information and communication campaigns targeting both the general public and the business community. By leveraging diverse media channels the success stories of WBOs can be showcased, illustrating their transformative impact on businesses, workers, and communities. Such campaigns serve as powerful tools for challenging existing prejudices, dispelling doubts, and inviting open-minded exploration of WBOs.



10 Conclusion

There is a widespread sense of missed opportunity when it comes to WBOs in Spain. There are not as many WBOs as expected and the reason for this is the difficulty in reaching companies and workers that could benefit from this type of undertaking. More efforts should be made to communicate the advantages of promoting WBOs to the general business population, insolvency administrators, judges, unions, and other key stakeholders.

WBOs take place in the following contexts: the recovery of companies facing economic difficulties, the transfer of businesses when an owner without a succession plan retires, and the interest of the cooperative movement in spreading its values and principles. Cases of companies experiencing economic or financial difficulties are the least common.

WBOs occurring in companies that have already initiated the formal bankruptcy procedure are exceptional. Court procedures are very slow, and the speed at which a WBO prompted by insolvency happens is crucial for its survival. If the procedure extends over time, trust between key actors such as workers, suppliers, and customers, breaks down. Loss of trust always leads to the failure of the WBO.

The promotion of WBOs in Spain varies considerably from one region to another. In some regions there are local partnerships of private actors engaging with public authorities that maintain a supportive environment for WBOs. Where this ecosystem is lacking WBOs are almost non-existent.

The majority of WBOs in Spain typically encompass companies employing a workforce ranging from 20 to 40 individuals. Instances of WBOs involving over 50 employees are infrequent. Moreover, the phenomenon of WBOs transcends sector boundaries, manifesting across all sectors of the economy.

In Spain worker cooperatives and employee-owned businesses are the most common legal forms among WBOs. There is a cohesive and solid legal structure promoting WBOs.

The main instruments used for the financing of WBOs are:

- Capital contributions from worker members to the new company. These contributions are financed either through loans granted by cooperative financial institutions or through the capitalisation of unemployment benefits, in cases where this is possible.
- Capital contributions from investor members. These members often come from the cooperative movement.
- Regional grants for social enterprises. These aids have very long concession and payment periods, which means that enterprises must seek additional finance for the period up until the grant is provided.



Most Spanish stakeholders believe that WBOs with financial needs below EUR 500 000 are adequately served by the current financial markets. There is an opportunity to develop financial instruments that promote larger WBOs. There is a consensus on the opportunity to use the cooperative training and promotion fund to generate investment vehicles that facilitate the financing of these processes. There are already examples of this.

The advantages of WBOs extend beyond mere economic implications. It is imperative for authorities to recognise these processes as essential mechanisms, not solely for salvaging companies and preserving employment, but also for advancing the fundamental tenet of workplace democracy. WBOs empower workers, granting them a stake in the decision-making processes that shape their professional lives, fostering a sense of ownership and commitment.

Furthermore, WBOs contribute to the cultivation of regional prosperity by anchoring wealth within local communities. By enabling workers to become co-owners, the economic benefits generated by the company's success reverberate within the region, amplifying social cohesion and collective well-being.

It is essential to appreciate that each WBO represents a prudent allocation of public resources. As the administration invests in supporting WBOs, the return on investment is evident through reduced social benefit expenditures due to sustained employment, augmented tax revenues stemming from operational continuity, and bolstered social harmony catalysed by community engagement.

In conclusion, embracing WBOs is not only about financial gains; it is a commitment to fostering participatory workplaces, bolstering local economies, and optimising public expenditure, all of which converge to shape a more vibrant and resilient societal fabric.

List of Tables

Table 1:	Regional Cooperative Laws in Spain	13
Table 2:	WBO rules applicable across regional cooperative regulation frameworks	14
Table 3:	Summary of legal forms	18
Table 4:	Currently active subsidies 2023 in Spain	28
Table 5:	Financial institutions supporting WBOs in Spain	31
Table 6:	Main characteristics of the Coop57 Loan product	33
Table 7:	Technical assistance for WBO in Spain	35
Table 8:	Maier Ferroplast's financial structure	44
Table 9:	Mestres de la Creu Coop V's financial structure	47
Table 10:	Vivaclean's financial structure	49

List of Figures

Figure 1:	New worker cooperatives in Spain by year	9
Figure 2:	New employee-owned businesses in Spain by year	9
Figure 3:	Distribution of technical assistance and financial institutions specialised in WBO's in Spain	11
Figure 4:	Reasons for WBO	22
Figure 5:	Existing financial products available to cover financing needs of WBO	26
Figure 6:	Case studies of WBO examples	41

To access the other publications in this suite, scan the QR codes below.



ESF+ Study on Workers' Buyout
Summary Report

Scan to read this ESF+ Report

The image shows a group of people in a red raft on white water rapids. A QR code is overlaid on the left side of the raft. At the top left, there is a logo for 'fi compass ESF+' with the European Union flag. The background is a white background with the logo and QR code.



ESF+ Study on Workers' Buyout
FRANCE

Scan to read this ESF+ Country report

The image shows a group of people in a red raft on white water rapids. A QR code is overlaid on the left side of the raft. At the top left, there is a logo for 'fi compass ESF+' with the European Union flag. A circular French flag is visible in the upper right corner of the raft image. The background is a white background with the logo, QR code, and flag.



ESF+ Study on Workers' Buyout
ITALY

Scan to read this ESF+ Country report

The image shows a group of people in a red raft on white water rapids. A QR code is overlaid on the left side of the raft. At the top left, there is a logo for 'fi compass ESF+' with the European Union flag. A circular Italian flag is visible in the upper right corner of the raft image. The background is a white background with the logo, QR code, and flag.



ESF+ Study on Workers' Buyout
SLOVENIA

Scan to read this ESF+ Country report

The image shows a group of people in a red raft on white water rapids. A QR code is overlaid on the left side of the raft. At the top left, there is a logo for 'fi compass ESF+' with the European Union flag. A circular Slovenian flag is visible in the upper right corner of the raft image. The background is a white background with the logo, QR code, and flag.



Notes



Notes



www.fi-compass.eu
contact@fi-compass.eu

© EIB (2025)

European Commission
Directorate-General
Employment, Social Affairs & Inclusion
B-1049 Brussels

European Investment Bank
EIB Advisory
fi-compass
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg