



EUROPEAN FEDERATION OF EMPLOYEE SHAREOWNERSHIP

Study day in Brussels with
the “Interrégionales Wallonne et Bruxelloise”
of FGTB (a Belgian Union)

Workers & Employee Buyouts ***an emerging and challenging issue for Belgium***

An outline of the sessions

INTRODUCTION

A study day was held on June the 28th at the FTGB building, 42 rue Haute, Brussels, settled by both *FGTB's Interrégionales Wallonnes et Bruxelloise* and EFES – the European Federation of Employee Share Ownership. The audience was composed with a majority of members of one of the most important Belgian unions, the FGTB, especially members from the Brussels and Walloon sections. The meeting was chaired by Jean-Pierre Knaepenbergh, President of FGTB-Brussels, Philippe Van Muylder, Secretary of FGTB- Brussels and Jean-Claude Vandermeeren, Secretary of FGTB- Wallonia.

Marc Mathieu, Secretary General of EFES and a few members of his staff had joined, such as Miguel Millana Sansaturio and Francesc Abad, representatives of CONFESAL (Spanish Confederation of Employee-owned Companies – *Sociedades Laborales*), and Antonio Ferrer Sais, representative of the Spanish union UGT.

The aim of the meeting was to cover a few issues with regards to the possibilities of enhancing the practice of Workers & Employee Buyout in Belgium, where the phenomenon hasn't yet developed like in other European countries. Spanish personalities from CONFESAL & UGT had been invited in order to provide a wide testimony of the Spanish experience in this peculiar field through the history of the *Sociedades Laborales* movement.

EUROPEAN TRENDS

Opening the session after a warm welcoming and introduction by Phillippe Van Muylder, head of the FGTB's Brussel's Interrégionale, Marc Mathieu gave an overview of the trends over and across Europe and told how and why the Workers & Employee Buyout are in a growing process. One the one hand, the population of the traditional owners is getting as old as to retire from family business and, on the other hand, a movement started in the early 80' is becoming successful in many countries like the Spain, Finland and some States of the USA, like Ohio and California. We might be experiencing a turning point in the labour history, said Marc Mathieu, and Belgium can't miss it for a set of 5.000 to 6.000 positions are in

balance each year due to bankruptcy of companies that has not found acquirer when the owner goes to retire. There is a lot to do to save these positions and EBO or WBO may be good solutions in which unions may have strong words and actions.

SOCIEDADES LABORALES

Both Miguel Millana and Francesc Abad insist on the role of the unions and especially the role they played in the early build of the basements that has later become the structure of the movements covering the experience of the *Sociades Laborales*. From a defeated economical situation, workers abandoned by the owners of factories and industry handled the situation and kept on production and selling processes. It has been quite an “essay & error” process with the rebirth of those companies but many solutions were quickly found out in order to correct the false moves. The aim was and still is to protect workers and to enable them to keep their position in good condition. There is a huge difference between ordinary companies and *Sociades Laborales*, claim the Spanish guests, the prior issue is not the profit, but the workers. That doesn't count us out of a competitor's world, of course, we have to show profit and efficiency as we participate in the economical life. There is no Chinese wall between the so called *social economy* and the other one. A factory remains a factory and it has to sell its products. The role of the union of course is to keep survey but its main impact comes from training the workers. Training is the key to success, said the Spanish representatives from CONFESAL and UGT. Worker's training has been mandatory in order to change their mind and to enable behaviour changes. The pattern of a classic working man or woman is not the pattern of an employee and shareholder. Besides this, training has been either mandatory in management aspects such as marketing ones.

Through figures we can watch at the success of the *Sociedades Laborales* with currently employs more than 110.000 people through around 18.500 companies. Not all the companies are buyouts, some are starters, but mainly, the movement whose umbrella is CONFESAL, remains the typical Spanish solution to endorse cases like companies bankruptcy.

WHAT ABOUT BELGIUM?

What about Belgium then? Do we have cases alike, are there companies that had been bought by their workers? Is there a possibility to set up a system and organisation like in Spain in order to give an appropriate answer to the still growing needs we are facing?

A few persons express a rather positive opinion, such has Marcel Bartholomi, a unionist having experiences buy-outs in the county of Verviers, and Jean-Paul Feldbusch, a personality active in the field of risk capital. Both of them have a rich experience in workers buyouts and both mention the fundamental guidelines to operate properly. According to Marc Mathieu, these propositions are matching international standards. What seems mandatory in the case of a workers buyout is:

- Study of feasibility – not to let the workers to get involved into a situation that may not last.
- Training: management, marketing and other issues relevant to the case
- A good governance in order to avoid any kind of trouble with regards to the relationships between workers.
- The training and support must remain during the take-off and the next months meanwhile the new entity created remains fragile.

Both experts mention that workers and employee buy-out are immediately feasible in Belgium right away. There is no need of a judicial process to start with. Technically speaking such a concept has no real limit within the Belgian laws. How to find a leverage and help from the governments remains a question that has to find its answer before we might observe a real change in the current situation.

Again the role of the unions is outline for unionist have the privilege to act directly with the workers, they know the company and its capacities. Considering its position, the unionist have a key role to play during the whole process of a works buy-out.

THE ROLE OF THE UNION MUST BE STRONG

After lunch, Antonio Ferrer, from the Spanish union UGT, was doing a speech in order to call the Belgian union FGTB not to be afraid of playing their cards into workers buyouts. Again, insists M. Ferrer, the clue is not capitalism, the clue is to save jobs at good conditions and acceptable risks. Steeping out of the traditional role played by unions is something to do, there is no contradiction between the tradition and another position putting the union towards the aim of entrepreneurship. As the purpose is to keep people at work and to fight the risks of globalisation, there is no contradiction, it is still giving shelter to the worker's rights and capacity to maintain jobs. Whether or not we had no choice in Spain at the time (late 70' and early 80'), says M. Ferrer, we want Belgian unionist to know that they can have a huge impact on job losses everyone is currently experiencing in Europe. M. Ferrer closed his word by saying a deep collaboration is something that would be easily settled between UGT and FGTB in order to provide Belgian unionists with the whole experience gathered through the years of activities in Spain.

FURTHER ON

As conclusion time came, Marc Mathieu invites FGTB to enlarge collaboration with EFES in order to develop common polices and action towards a better understanding and practice of Workers and Employee Buyout in Belgium. Philippe Van Muylder concluded by saying the issue will soon be a part of inner session at FGTB.

See some pictures of the meeting on:

<http://www.employee-ownership.be/BE/FR/NEWS%202004/FGTB%20040628/S%E9minaire%20FGTB%2028%20juin%202004.htm>