

ESO in micro enterprises: Reactivating unemployed while supporting regional economic development



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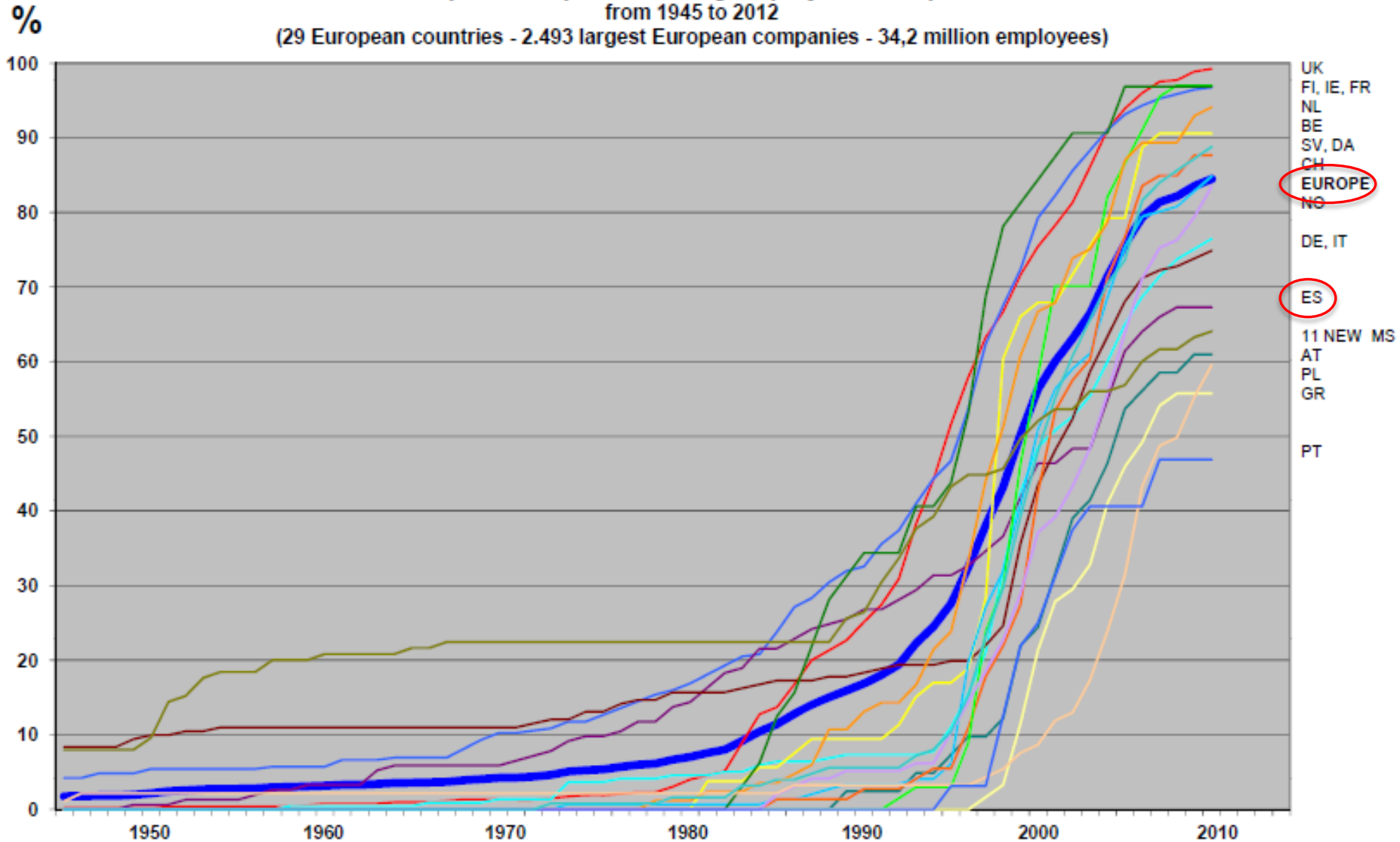
ASLE

Confesal

Current Status of Financial Participation in Spain

- Lower level of employee financial participation than in other [European countries](#).
- In general, lack of tax incentives and grants for the development of financial participation.
- Lack of training and lack of knowledge about financial participation.
- In some regions, workers participation is a strategic regional policy: the example of Gipuzkoa (Basque Country).
- Confesal involved in the promotion of EFP in Spain. Partner in ProEFP Project.
- Basically, financial participation remains limited to the field of “Social Economy”: [“Sociedades Laborales”](#) and Cooperatives.

European companies having employee share plans
from 1945 to 2012
(29 European countries - 2.493 largest European companies - 34,2 million employees)



The Concept

- ✓ No exact parallel in other EU Countries.
- ✓ Existing in Spain since 1973.
- ✓ A Sociedad Laboral is a **worker-owned** company, that has adopted the form of **public or limited liability** company and the **majority** of the shares are **owned by its permanent employees**.

Employed Population. Spanish Sociidades Laborales. By years.

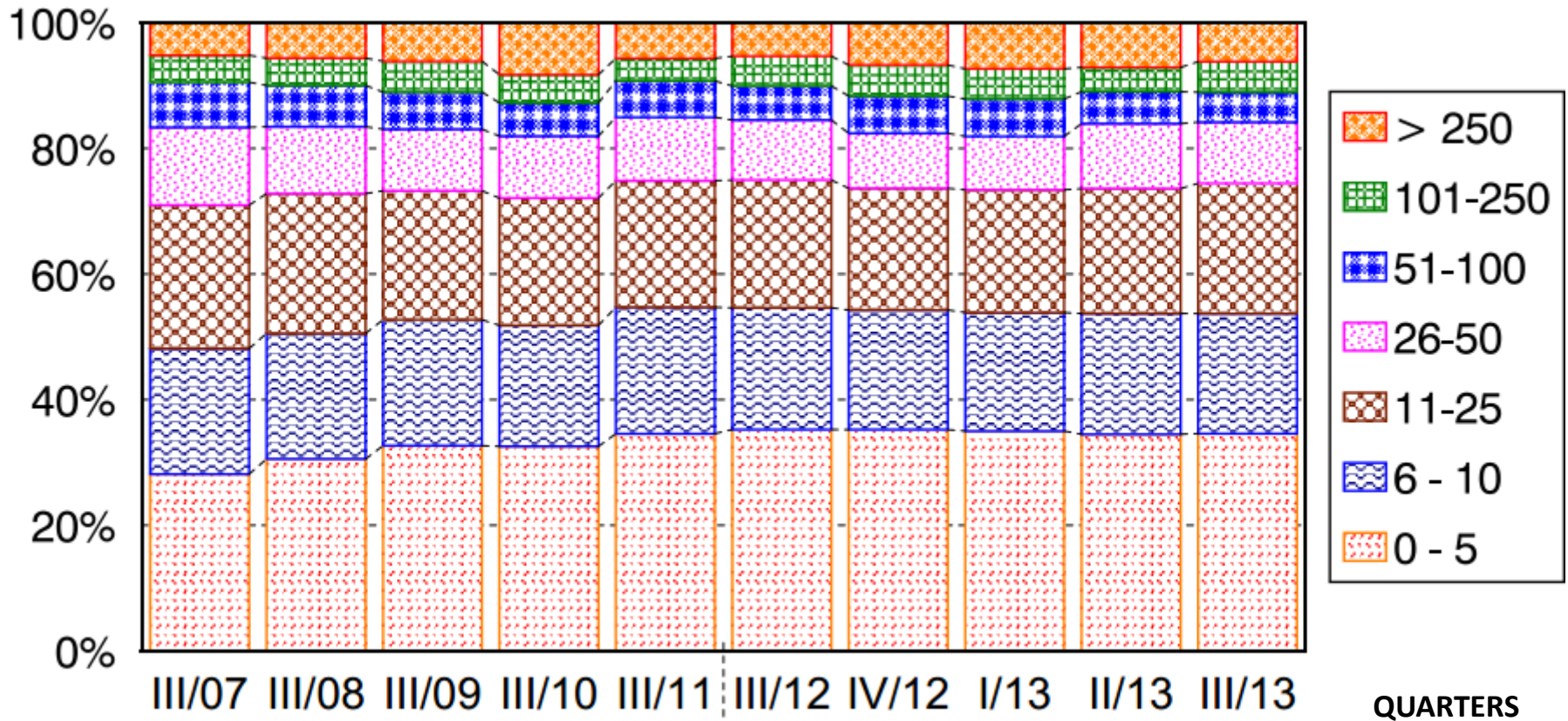
YEAR	Employed Population	Employed Population. Social Economy	Employed Population. Sociidades Laborales
2011	17.807.500	364.736	63.931
2012	16.957.100	354.357	67.445
2013*	16.823.200	331.770	63.931

* Data to the third quarter.

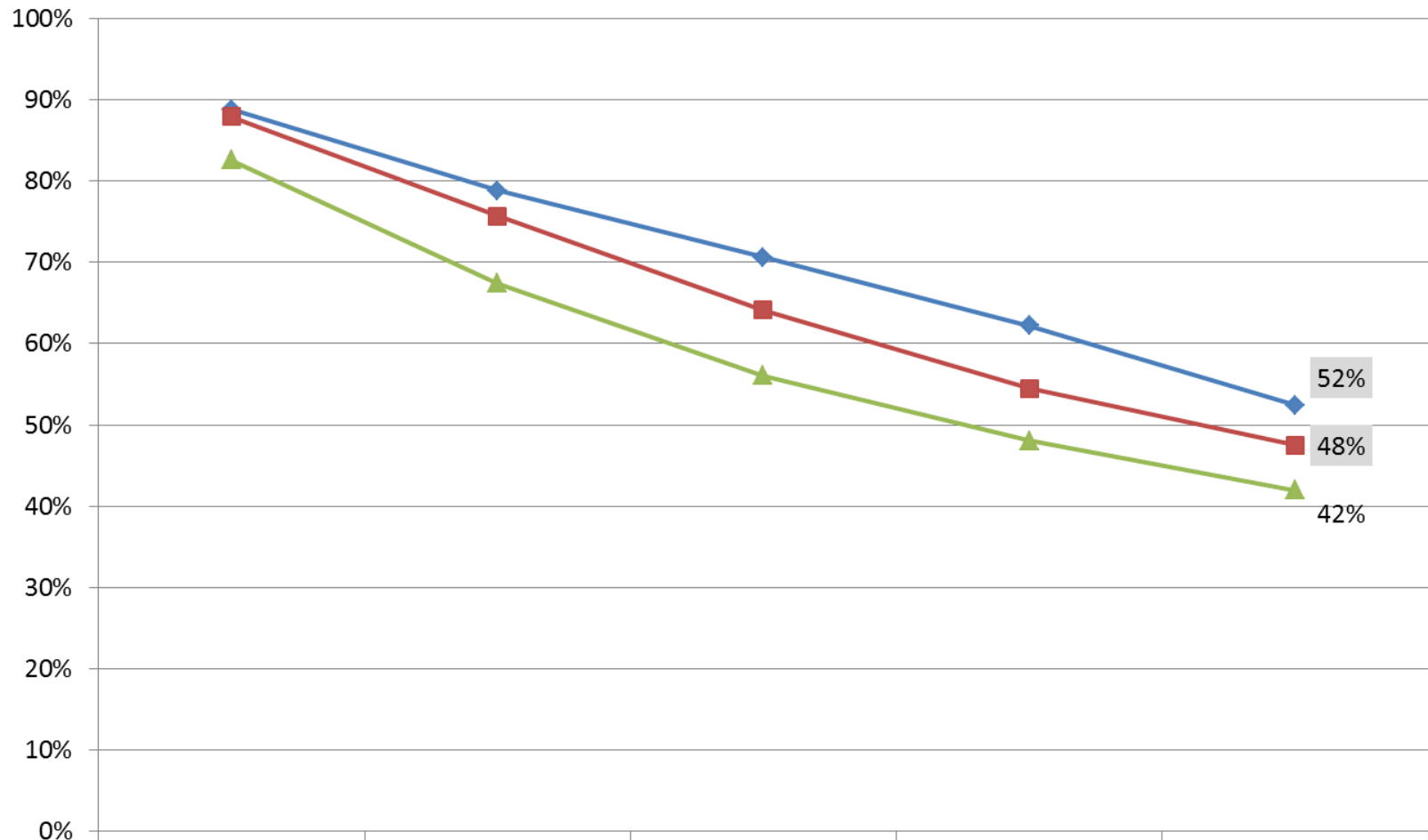
Main Features

- Type of **owners**:
 - Worker owners and Non worker owners.
- Permanent workers must own at least **50 per cent** of company shares.
- No single owner may hold more than **one third (33%)** of the company's stock.
- **Limitation on hiring** permanent workers.

Distribution of Workers by size of company



Survival Rates of Sociudades Laborales



◆ Public Limited (SAL)	89%	79%	71%	62%	52%
■ Limited Liability (SLL)	88%	76%	64%	54%	48%
▲ All Companies	83%	67%	56%	48%	42%

Disqualification of a Sociedad Laboral

— Origin of Disqualification as a Sociedad Laboral:

- Closure.
- Becomes a Conventional Company.

	2010	2011	2012
Nº of Sociedades Laborales in Basque Country Registered In Social Security System	815	762	709
Nº Sociedades Laborales that lost the qualification as Sociedad Laboral	39	37	34
Nº of Sociedades Laborales that lost the qualification and became a Conventional Company	19	19	13
Nº of Sociedades Laborales that became a Conventional Company and closed down	3	3	4
Nº of Sociedades Laborales that survive as a regular worker owned company	16	16	9
Additional Survival Rate	41%	34%	27%

Causes to Disqualifications

- 40.91% of companies admitted having abandoned the “Sociedad Laboral” formula for **lack of aid and incentives** to support their activity.
- 17.53% believe that the **limits in hiring permanent workers** finally prompted them to give up the formula of “Sociedad Laboral”.
- 4.55% shows that the main reason consisted in the **obligation to transfer the shares to workers** before selling to a foreign agent and external to the company.
- 3.9% blames the **insignificance of tax advantages**.
- 2.6% says that there is not having a **proper social security scheme**.

Costs for the State

- **Capitalisation of Unemployment Benefit:** right to receive the unemployment benefit as a lump sum to start a new company or to recapitalise an existing one.
 - It can go up to 32.000 €.
- **Tax Incentives:** lack of sound fiscal incentives. Under Research.
- **Government Aids and Subsidies:** residual set of measures for labour market policy spending. Under Research.

Thank you for your attention!!!



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Source: [Flickr](#)

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