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Guidelines for democratic and participatory businesses

To outline a favourable scenario for businesses taken over by workers

REWIND

Relaunching Enterprises through Workers' Innovation and New dynamics



April 2025

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Introduction

As outlined in the Council Recommendation of 27 November 2023 on developing the framework conditions for the social economy (C/2023/1344), the social economy plays a crucial role in promoting social inclusion and ensuring equal access to the labour market.

It also contributes significantly to the implementation of the European Pillar of Social Rights¹, particularly its first principle: the right to quality and inclusive education, training, and lifelong learning. This principle has guided the work of the REWIND consortium.

This Policy Guidance Document, *Guidelines for Democratic and Participatory Businesses*, aims to highlight inclusive practices in the entrepreneurial world that foster business continuity. It seeks to promote businesses committed to socially responsible approaches—focusing on quality and safety in the workplace, gender equality, transparent governance, and the creation of ecosystems that support social and cooperative entrepreneurship².

Through REWIND, we have explored the practice of **Workers Buyout**—the transfer of company ownership to workers organized in cooperative form. This is a well-established model in some partner countries (e.g. France, Spain, and Italy)³, yet remains rare or absent in others such as Belgium, Greece, and Sweden.

These guidelines offer professionals in initial and continuing vocational education and training (VET) a comprehensive framework to support the use of REWIND's learning resources, which include:

- The [Training Plans](#), structured into seven modules focused on: Critical thinking for strategic decision-making; Socially responsible businesses; Organisational models: Democratic and participatory; Transfer of company ownership; Methodological and process innovation: Adapting to digital and technological change for business transformation; ICT for process and product innovation; System innovations.
- The [e-Learning Platform](#), providing self-directed learning pathways for current and aspiring entrepreneurs. The platform develops key transversal skills essential for cooperative and social enterprises in the digital age, with seven modules on: People and talent management; Negotiation and flexibility; Computational thinking; Coordinating with others and social intelligence; Decision-making and decision-making skills; Intercultural competences; Cognitive load management and results orientation.
- The [Interactive Portal](#), offering tools and resources for professionals to support cooperation and innovation in business transfer processes. It includes: Strengthen the networks and strategies of cooperative for social innovation; Design and implement support services for the creation and consolidation of social enterprises and cooperatives;

¹ GU C 428 del 13.12.2017, p. 10.

² To learn more about the cooperative model, see the website of the International Cooperative Alliance (International Cooperative Alliance) <https://ica.coop/en>, and on the worldwide monitoring since 2012 ICA in cooperation with the European Research Institute on Cooperatives and Social Enterprises (Euricse) publishes annual reports, the last one can be downloaded here: [World Cooperative Monitor 2023 | ICA Monitor](https://www.youtube.com/watch?v.). The 2023 Report launch video (25/01/2024) <https://www.youtube.com/watch?v.>

³ fi-compass, 2025, ESF+ Study on Worker's Buyout, Summary Report, 96 pages. <https://www.fi-compass.eu/library/market-analysis/esf-study-workers-buyout>

Design and implement inclusive and participatory distance learning pathways. Three multimedia resources for self-learning on Emotional intelligence; Service orientation; and Virtual collaboration. A collaborative and Co-working Space.

A shared challenge across all six partner countries is the urgent need for better information and education on the social or civil economy. This includes an understanding of its distinct characteristics—beyond legal forms—and its broader implications for society, including its role in addressing critical issues such as the climate crisis.⁴

Education and training on these topics should not only target younger generations but also professionals engaged in continuous learning and business consultancy, who must increasingly account for the social and environmental impacts of entrepreneurial decisions. These decisions must be grounded in a holistic approach to corporate social responsibility.

Sources of REWIND Guidelines

The development of this document is based on both national and European grey literature consulted during the desk research phase, complemented by qualitative insights obtained through interviews with 31 key stakeholders. The **National Research Reports** offer an overview of the economic frameworks and governance systems in the six partner countries, providing evidence on the experiences of **Workers Buyouts (WBOs)** and identifying the critical factors that either support or hinder the emergence of this form of active labour market policy.

The **semi-structured interviews** aimed to explore the practical experiences of individuals directly involved in WBOs, as well as representatives from intermediary organisations—such as employers' associations—and professionals engaged in ownership transfer processes or in the creation and consolidation of cooperatives and social enterprises.

Interviewees were asked to reflect on several key areas:

- The critical success factors to be monitored when facilitating ownership transfers to workers
- How entrepreneurial and managerial skills needs are addressed
- The contextual barriers that may prevent the adoption of WBOs
- The level of awareness within new cooperatives or social enterprises regarding decent and safe work, Corporate Social Responsibility, equal opportunities and diversity management, and environmental and social sustainability
- The implementation of democratic and participatory governance models

⁴ At point 31 of *Laudate Deum* (4 October 2023) Pope Francis writes: «This situation [the climate crisis] has to do not only with physics or biology, but also with economics and our way of thinking about it. The logic of maximum profit at minimum cost, masked by rationality, progress and illusory promises, makes impossible any sincere concern for the common home and any attention to the promotion of the discarded of society. [...]».

The exchange with these experts and stakeholders also offered insights into the current challenges in supporting these enterprises, the evolving nature of assistance services for cooperatives and social enterprises, and potential initiatives to improve corporate crisis governance through social economy models.

This **Guidelines document** presents a synthesis of the data collected, along with a shared analysis by the REWIND consortium. The final chapter offers concluding reflections developed at the end of the project. These considerations are intended not as definitive answers, but rather as a springboard for continued dialogue among stakeholders. They remain open to further development and refinement in response to the evolving challenges posed by globalisation.

Workers' Takeover Experiences

According to the European Industrial Relations Dictionary⁵,

An employee buyout, also known as a worker buyout or a worker takeover, refers to a restructuring process in which employees buy a majority or total ownership stake in their own company and, in effect, become the owners. These buyouts generally serve to avoid the loss of jobs arising.

As highlighted in the *EFS+ Study on Workers' Buyout Report*⁶, the **non-discrimination criterion** is essential: a Workers' Buyout (WBO) involves the acquisition of company shares by a substantial majority of employees, ensuring the process is inclusive and open to all staff members—unlike management buyouts, which often involve only a limited group of executives.

Although the prevalence and maturity of WBO practices vary across the six REWIND partner countries, each offers notable examples that demonstrate the value of this active labour market policy.

Case Studies: Sweden

Two illustrative cases from Sweden highlight the potential of WBOs, regardless of legal structure:

1. **Facit AB** (1980s) – A renowned Swedish manufacturer of calculators and office equipment. When the company faced severe financial difficulties, it was restructured under worker ownership. The employees succeeded in stabilising production and preserving jobs, marking one of the early examples of a WBO in the country.
2. **Vaggeryd Textile Factory** (early 2000s) – Faced with imminent closure, the workers took ownership of the company. Through employee-driven innovation and a shift towards niche markets, the enterprise not only survived but became more competitive. This case demonstrates how worker-led initiatives can yield both social and economic benefits.

⁵ Source: <https://www.eurofound.europa.eu/en/european-industrial-relations-dictionary/employee-buyout>

⁶ fi-compass, 2025, *ESF+ Study on Worker's Buyout*, p.10.



These examples affirm that the legal form of the enterprise—be it a cooperative, limited liability company, or another structure—is less important than the underlying **ownership model** and the outcomes it delivers in terms of employment retention and participatory governance.

Case Studies: Belgium

WBOs in Belgium can be broadly classified into three categories:

1. Recovery of a Business Activity by Workers

- **Difrenotech** (2016–2019): An attempt to recover a delocalised business through the creation of a worker cooperative. Despite initial media attention and strong commitment, limited market access led to its closure.
- **Retritech** (2021–): A demolition and recycling enterprise formerly owned by Arcelor. With the company's sale imminent, eleven of twelve employees formed a cooperative with support from a certified social economy consultancy and public funding. Today, the company employs nineteen workers.

2. Management Buyout PLUS

- **Camelon** (2020–): A clothing outlet store facing closure after the bankruptcy of its parent company. With support from *hub.brussels* and a cooperative incubator, management—backed by many of the 80 employees—acquired the company, converting it into a worker-influenced enterprise.
- **Ventfield** (2024–): A firm in the industrial piping, welding, and electrical sector. Upon the owner's decision to sell, three employees (manager, sales director, and designer) acquired the company, promoting it as a cooperative with the moral support of colleagues.

3. Expansion of Ownership to Workers

- **Liswood & Tache** (2021–): An advertising agency where all nine permanent employees became shareholders, fostering shared ownership and participatory decision-making.
- **Logis des Féés** (2022–): A work integration social enterprise in the cleaning sector. Acquired by another social enterprise operating under the service voucher system, the aim was to enhance worker participation in governance processes.

These case studies underscore the diversity of WBO pathways and demonstrate the adaptability of worker ownership models across sectors and legal frameworks. They also highlight the role of supportive ecosystems—including advisory services and public institutions—in enabling successful transitions to worker-led enterprises.

Case Studies: France

WBOs in France have their roots in the broader cooperative movement, which began gaining momentum in the mid-20th century. These initiatives gained prominence in the 1970s and 1980s in response to widespread industrial restructuring and economic crises.

- A pivotal moment in this history was the case of **Lip**, a watchmaking company in Besançon, widely recognised as the first significant WBO in France. Although the cooperative ultimately dissolved in the 1980s, it remains a symbol of worker empowerment and

economic democracy. The Lip experience catalysed debates on cooperative legislation and worker participation in governance, laying the groundwork for the robust WBO ecosystem that exists in France today.

- A more recent example is **La Belle Aude**, born out of the closure of the Pilpa ice cream factory in Carcassonne. When multinational R&R announced the shutdown, over 100 employees lost their jobs. Nineteen of them used their severance pay to found a worker cooperative, preserving their craft and livelihoods. The transition was supported by a strong network of cooperative support organisations.
- Another notable case is **Corsica Gastronomia**, a leading food-processing company in Sarrolo-Carcopino. Founded in the early 1990s, the business was sold in 2015 by founder Charles Antona to four long-time employees as part of his retirement plan. The buyout was enabled by financing from the **European Regional Development Fund (ERDF)** (12%) and local support from the **Agency for Economic Development in Corsica (ADEC)**. Today, the company maintains €8 million in annual revenue and a 10% overseas growth rate, safeguarding more than 40 jobs.

Case Studies: Spain

In Spain, worker takeovers typically assume one of the following legal forms:

- **Worker cooperatives**, where employees jointly purchase and manage the business, sharing risks and profits.
- **Labour societies (Sociedades Laborales)**, where workers own the majority of shares while maintaining a corporate structure.
- **Social enterprises**, which balance economic activity with social objectives and are often supported by public or private funds.

A standout example is **La Fageda**, founded in Catalonia in the 1980s to provide economic inclusion for people with disabilities. Combining a strong social mission with efficient business practices, La Fageda now employs over 200 people, many of whom have disabilities, and serves as a benchmark for inclusive entrepreneurship in the agri-food and social services sectors.

Case Studies: Greece

In Greece, WBOs have emerged as a response to the prolonged economic crisis following the 2008 financial downturn.

- One of the most emblematic examples is **Vio.Me**, a construction materials company in Thessaloniki. Originally founded in 1978, Vio.Me declared bankruptcy in 2011. In 2013, workers reoccupied the factory and transformed it into a cooperative, emphasising democratic governance and sustainability. The enterprise focuses on:
 - **Sustainable production** through eco-friendly products
 - **Job preservation**
 - **Community engagement**

Vio.Me has become a symbol of resilience, showing how worker cooperatives can thrive in times of crisis by aligning economic goals with social values.

Case Studies: Italy

Italy has a long-standing tradition of WBOs, with numerous examples across the country. In some regions, WBOs have also contributed to the recovery of businesses previously tied to criminal organisations.

- One such case is **Centro Olimpo** in Palermo, Sicily—the first Italian company seized from the mafia and later revived by its employees through a WBO. The recovery was supported by **Legacoop Sicilia**, **Coopfond**, **CFI**, **Banca Etica**, and **Unipol**.
- Another prominent case is the **Fenix Pharma** cooperative in Rome, the only pharmaceutical WBO in Italy. It emerged after the closure of the Warner Chilcott plant in 2011, when the American multinational exited the European market, laying off 160 Italian workers. A group of former employees took over and relaunched the business as a cooperative.

Other significant cases include:

- **Ceramica Noi**, in Città di Castello (Umbria), where employees took over **Ceramisia** after the owner relocated operations to Armenia.
- **Birrificio Messina**, originally founded in 1923, was reborn in 2014 when 15 workers and master brewers invested their severance pay to form a cooperative after the closure of the historic brewery. Their action prevented the relocation of production and preserved local employment.

These diverse case studies across Europe demonstrate the transformative potential of WBOs—not only as a tool for preserving jobs and businesses, but also as a vehicle for fostering inclusive, democratic, and sustainable economic models.

Promoting Workers' Democratic Participation in Enterprises

Legal Frameworks

Across the six partner countries involved in the REWIND project, despite differing historical and cultural approaches to the cooperative model, there exists a solid legislative foundation supporting the social economy and its integration into the European business environment.

France, Italy, and Spain boast long-standing experience with Workers' Buyouts (WBOs) evolving into worker and production cooperatives. In contrast, other countries are developing alternative forms of employee participation, such as Employee Stock Ownership Plans (ESOPs), Employee Ownership Trusts (EOTs), and Employee Stock Purchase Plans (ESPPs)⁷—each offering structured opportunities for workers to become co-owners and active stakeholders in their enterprises.

Understanding the Nature of Business Crises

A critical factor in the success of any WBO initiative is the timely and accurate analysis of the underlying causes of a business crisis. The *time variable* is particularly important—not only in diagnosing the crisis but also in shaping viable business repositioning strategies.

While a lack of managerial skills is often cited as a barrier to designing and implementing industrial recovery plans, many stakeholders agree that the primary issue lies further upstream. As highlighted by several interviewees, **early warning systems**—both at the company and national level—are crucial to anticipating and managing corporate distress before it escalates.

Stakeholder Engagement and Key Roles

In nearly all WBO case studies documented in the REWIND research, workers emphasized both the emotional strain of impending unemployment and the uncertainty experienced during the transition phase. Equally, they acknowledged the **critical role of robust support ecosystems**, which include:

- Public institutions involved in regional economic policy
- Financial and insurance institutions
- Risk Guarantee Funds
- Employers' associations, cooperative federations, and trade unions
- Civil society organisations
- Public opinion, amplified in today's social media landscape

These actors contribute at different stages, offering financial assistance, legal and managerial expertise, and moral support, all of which are vital for the success and sustainability of WBOs.

Continuing Training and Business Coaching

All stakeholders consulted during the research identified **continuing training** as a top priority. However, in practice, allocating time for training amidst daily work routines remains challenging—particularly when training is delivered through traditional, classroom-based models.

⁷ fi-compass, 2025, *ESF+ Study on Worker's Buyout*, p.11.



To address this, **alternative approaches** should be encouraged, such as on-the-job training, coaching, and mentoring aimed at fostering professional development and personal fulfilment. Such formats support the acquisition of practical behaviours and attitudes directly within the work context.

While many trainers express interest in integrating **new technologies** into their methods, there remains a strong reliance on familiar tools and limited innovation in the field of adult education. This gap highlights the need to promote **self-directed learning** and **flexible, participant-oriented training programmes**, capable of accommodating diverse learning styles.

Peer-to-peer learning is another underutilised yet powerful method. It facilitates collaborative learning environments in which every worker can serve both as a learner and a teacher, sharing unique knowledge and experiences. Unfortunately, many publicly funded training calls still favour conventional models, thereby limiting the adoption of these more dynamic approaches.

Fostering Collaboration Between Enterprises and Institutions

Aligned with **Sustainable Development Goal 17—Revitalize the global partnership for sustainable development**—the REWIND findings underscore the importance of cross-sector partnerships in advancing the 2030 Agenda.⁸

Enterprises must play a central role in forging **territorial alliances** for sustainable development, working in concert with governments, civil society, academia, and peer businesses. These partnerships are essential to unlocking new solutions to economic, social, and environmental challenges, ultimately strengthening the democratic participation of workers and supporting resilient business models rooted in cooperation and shared ownership.

Promoting Inter-Cooperation and Local Anchoring

Among the key values highlighted by cooperative members interviewed during the REWIND project is the promotion of cooperation among cooperatives and their close connection with local communities. This embeddedness is considered one of the distinctive competitive advantages of the social economy model, reinforcing the resilience and sustainability of worker-owned enterprises.

The Role of Public Authorities and Intermediate Bodies

A recurring theme across all WBO experiences analysed is the central role of coordinated efforts between public administrations and intermediary bodies. Collaboration among employers' associations, cooperative and social enterprise federations, trade unions, and territorial governments is often essential in ensuring the viability of these transitions.

In many cases, regional institutions are the primary agents of economic development and are supported by national funding mechanisms. Their involvement includes not only financial assistance but also guidance in legal, managerial, and operational restructuring processes.

However, in Italy, a notable structural weakness persists: a low rate of cooperative membership in representative bodies. According to the Report to Parliament on Cooperation, as of 31 December 2021, only 35.5% (39,224) of the 110,445 cooperatives registered were affiliated with

⁸ Source: <https://www.globalcompactnetwork.org/en/the-un-global-compact-eng/sdgs/business-sdgs/1506-sdg-17-revitalize-the-global-partnership-for-sustainable-development.html>

representative organisations—leaving 64.5% (71,221) unaffiliated and potentially outside the reach of institutional support.⁹

Current Challenges Facing WBOs and Social Enterprises

Policy, Visibility, and Governance

- **Belgium:**
 - Public policies and financial instruments promoting worker participation remain **underdeveloped**.
 - **Visibility of support structures** and the WBO model itself is low, particularly among conventional employers and external business consultants.
 - A **comprehensive mapping of available tools and incentives**—especially regarding taxation and social security—is needed to support succession planning and business continuity.
- **France:**
 - The **SCOP model** (Sociétés Coopératives et Participatives) is internationally recognized, but challenges remain, including:
 - Fragmentation of cooperative legislation
 - Inconsistent recognition of community objectives across cooperative types
 - Need for **enhanced research and education** in cooperative law
 - **Barriers to growth** persist: high initial capital needs, geographic and sectoral imbalances, and limited reach of the model in underserved regions.
- **Greece (Vio.Me. case):**
 - Core issues include **financial instability**, complex **legal property rights**, and **fierce market competition**.
 - National policy is not yet effectively aligned with **early crisis intervention**; alert systems for restructuring are underutilized.
- **Italy:**
 - Entrepreneurs often lack the conditions or awareness to initiate restructuring **before crises become irreversible**.

⁹ Ministry of Enterprises and Made in Italy, General Directorate for the supervision of cooperative entities and companies, *Report to Parliament on Cooperation 2018 - 2021*, p.8.
https://www.mimit.gov.it/images/stories/documenti/Relazione_al_Parlamento_sulla_cooperazione_2018-2021.pdf

- Workers transitioning to entrepreneurs face not only **economic hurdles**, but also **emotional and psychological stress** that can last years—until the cooperative achieves financial stability and reaches a **break-even point**.
- **Spain:**
 - Despite an ecosystem supportive of WBOs and the social economy, several challenges limit their potential:
 - Cumbersome **legal and financial procedures**.
 - Limited **public awareness** of WBO benefits.
 - **Regional disparities** in support services.
 - Difficulty in balancing **social missions with competitiveness**, as seen in La Fageda's case.
- **Sweden:**
 - WBOs face persistent **funding challenges**, especially during the initial buyout phase.
 - Traditional lenders often **perceive worker cooperatives as risky** due to their non-traditional governance and profit models.
 - **Micro-enterprises struggle to scale**, and **local support** for WBOs is often **fragmented and inconsistent**.
 - Lack of **awareness and expertise** among workers about cooperative models continues to hinder uptake.

Lesson Learned from REWIND

The REWIND experience has underscored the critical importance of promoting cooperative and social enterprise models, especially in a time when, as emphasized by Giuseppe Guerini (European Economic and Social Committee) at the Final Conference in Brussels on 8 April, **“these enterprises are key agents of an economy of peace.”**

In today's turbulent context, social enterprises and cooperatives represent more than just alternative business models—they are pillars of democratic, resilient, and sustainable economies.

Key Takeaways and Priorities for Action

- **Education & Awareness:**

Raise awareness about social enterprises and cooperatives, not only among public authorities, trade unions, and employers' associations but also among younger generations. Many students and young professionals lack exposure to these models, often seeing little difference from traditional enterprises.

- **Formal Education:**

Integrate cooperative values—democracy, participation, and sustainability—into high school and university curricula to inspire new generations toward ethical business practices.

- **Business Continuity through Shared Ownership:**

Promote WBOs and cooperative models as tools to ensure business continuity by engaging all stakeholders in navigating the evolving, global economic landscape. This is a safeguard to prevent the depletion of local wealth and foster innovation for future generations.

- **Knowledge as a Driver of Change:**

Develop comprehensive and continuous training programs, especially during WBO processes. These should include financial aid, business coaching, and legal/managerial support to guide workers transitioning into owners. Peer learning and self-directed training should be at the forefront.

- **Early Crisis Detection:**

Equip enterprises with predictive tools and crisis pre-alert systems to anticipate economic and financial trends—both at the business and national level—to avoid repeating the harsh lessons from the 2008 financial crisis (a concern strongly voiced by Greek stakeholders).

- **Governance & Inclusion:**

Foster participatory governance by ensuring **balanced gender representation** on boards, promoting **work-life balance**, and **eliminating pay gaps**. Internal and external audits should ensure transparency, value creation, and combat any form of discrimination (gender, age, ability, origin, etc.).

- **Innovation Beyond Digital & Green:**

Innovation must not be limited to the digital and green transitions; it must also extend to **rethinking organisational models**. Hierarchical structures are increasingly outdated—horizontal, participatory structures are essential for resilience and adaptability.

- **Measure Social Impact:**

Measuring social impact is vital, not as a bureaucratic requirement, but as a continuous improvement tool that aligns with the cooperative values of mutuality and social benefit.

- **Reduce Information Asymmetry:**

Close the gap between institutional knowledge holders (research centres, universities) and practitioners (workers, entrepreneurs) through **accessible training, targeted financial instruments, and coaching for cooperatives**.

- **Public Administration as a Key Actor:**

Local authorities must take an active role in **coordinating WBO processes** and **safeguarding territorial assets**. Their involvement can balance the individualistic pressures of banks, unions, and other stakeholders.

- **Embrace Failure as Learning:**

While WBO initiatives carry risks, failures must be approached as opportunities to learn and adapt, minimizing damage and building resilience.

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