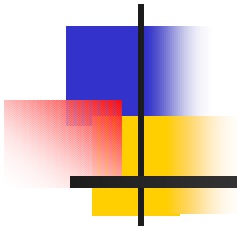


BUILDING SUPPORT FOR PRIVATE SECTOR REFORM



The Bolivian Experience Promoting Workers Participation

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Main worries at the beginning:

PRIVATIZATION:

- Will create unemployment
- Will not respect agreements
- Will not pay social benefits
- Will maximize profit reducing labor
- Will bring foreign workers



Five consecutive steps:

- 1. Define the strategy
- 2. Organize the work
- 3. Prepare the message
- 4. Train the team
- 5. Reach the individual



First step:

- 1. Define the strategy



Defining the strategy

Objectives:

- Accomplish the transaction
- Minimize lay-offs
- Create a participatory environment



Defining the strategy

Means:

- Transaction modality
 - Concession
 - Sale
 - Increase of capital
- Economic incentive
- Social plan
- Participatory process



Labor strategy in Bolivia:

- Transaction modality
 - Capitalization
- Economic incentive
 - Share option
- Participatory process
 - Communication
 - Negotiation



Second step:

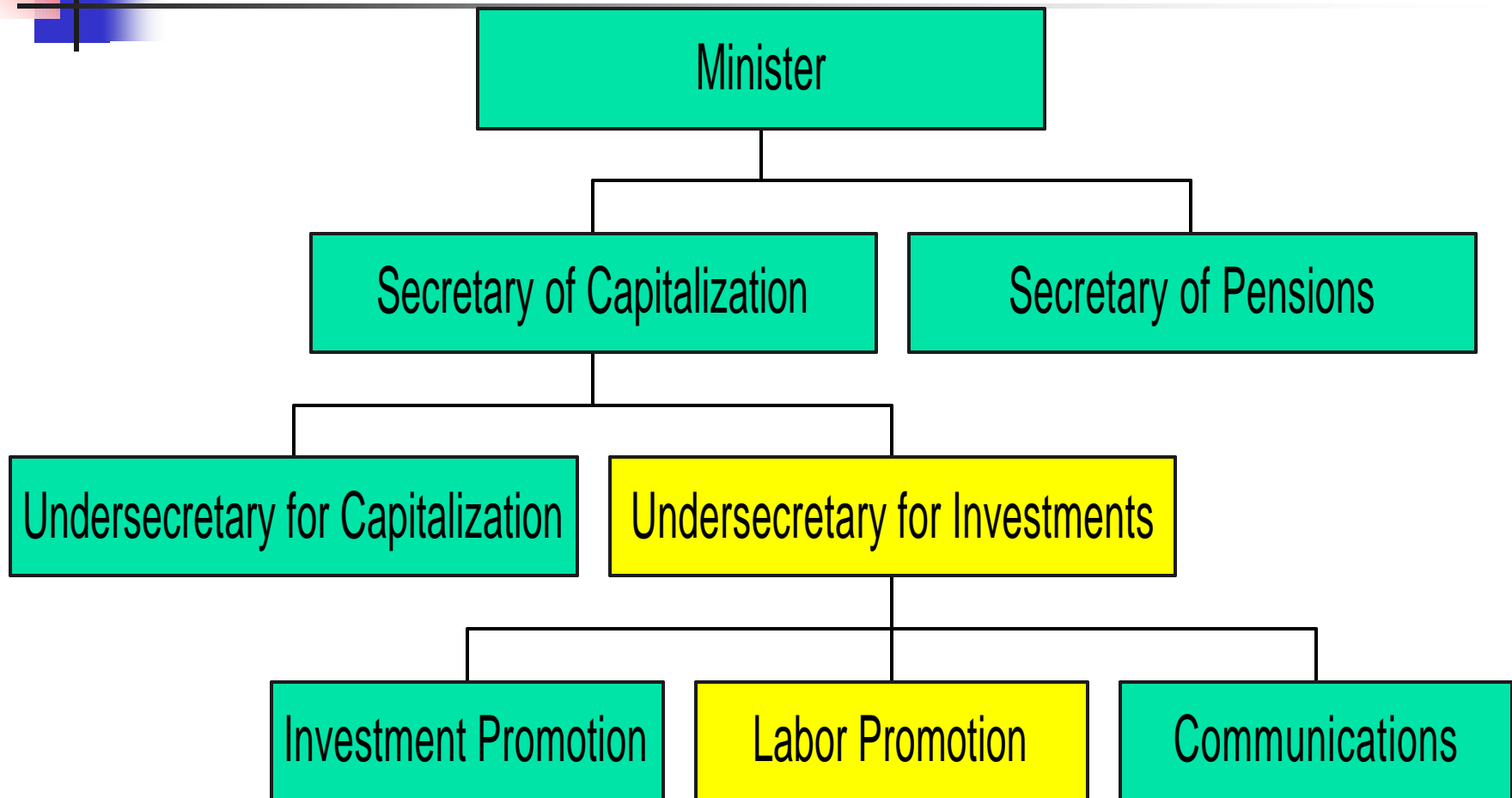
- 1. Define the strategy
- 2. Organize the work



Work organization

- High priority
- Access to highest decision makers
- Multidisciplinary team
- Enough means to mobilize quickly

Work organization



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Third step:

- 1. Define the strategy
- 2. Organize the work
- 3. Prepare the message



Message to workers, Two main worries:

- Labor stability
- Economic compensation



Workers - Labor Stability

Message:

- How transaction may minimize dismissals
- How is transition to new administration organized

Workers Economic Compensation



Message:

- Early retirement packages, real state and housing projects
- Share ownership workers participation



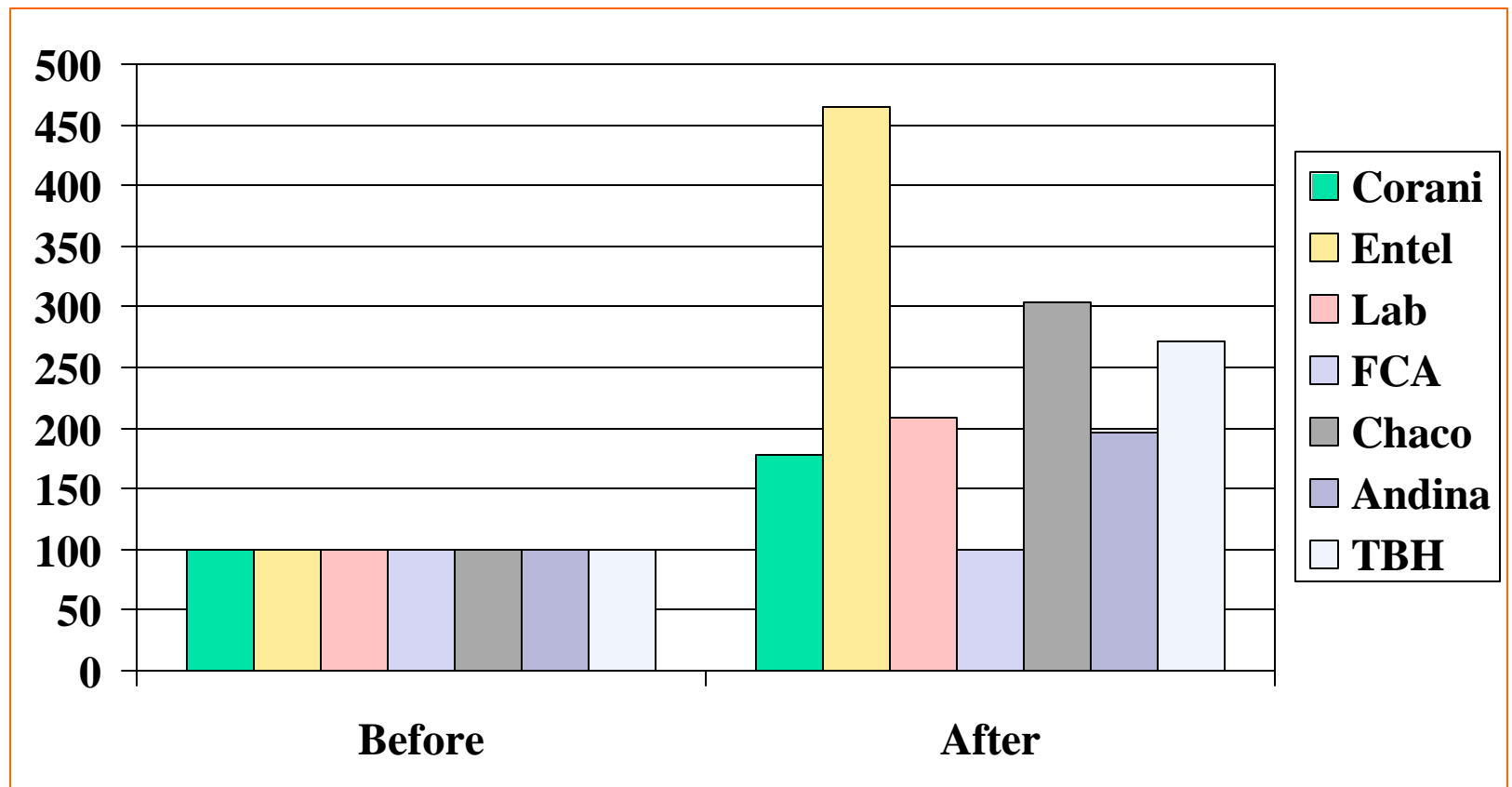
Workers - Participation as Shareholders

- Two stage process:
 - 1st. Workers were invited to become shareholders buying an option with the payment of one share.
 - 2nd. After transaction, once workers knew the result of the process and the value offered by winning offer, could decide to buy additional shares knowing the premium they could get.

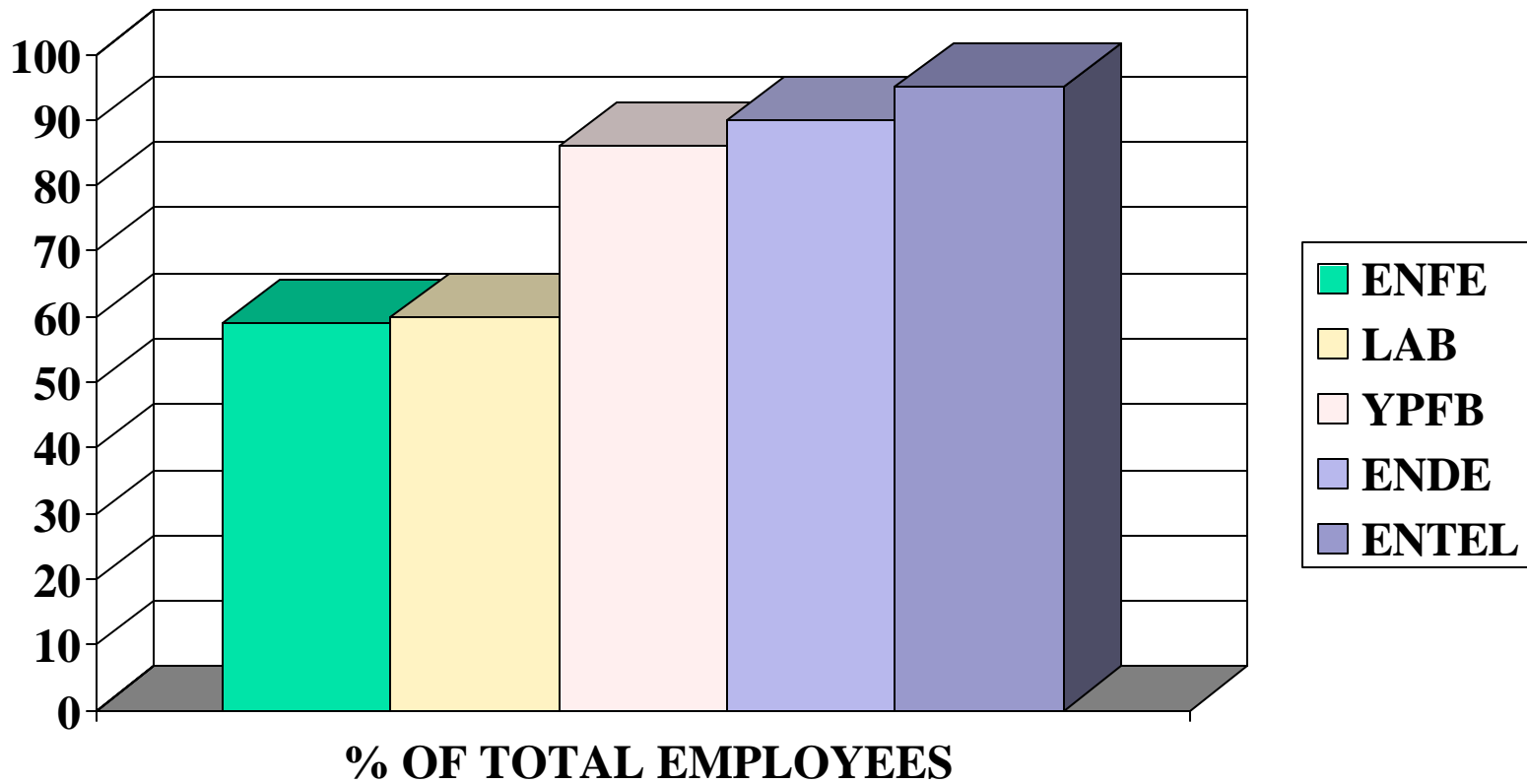
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Share Prices Before and After Capitalization in (\$BoI)



Workers participation



Shares for workers: Benefits

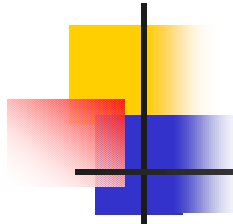


- The state saves money
- Workers can access to a saving scheme
- Workers can sell their shares and realize a profit
- Local stock exchange can trade shares

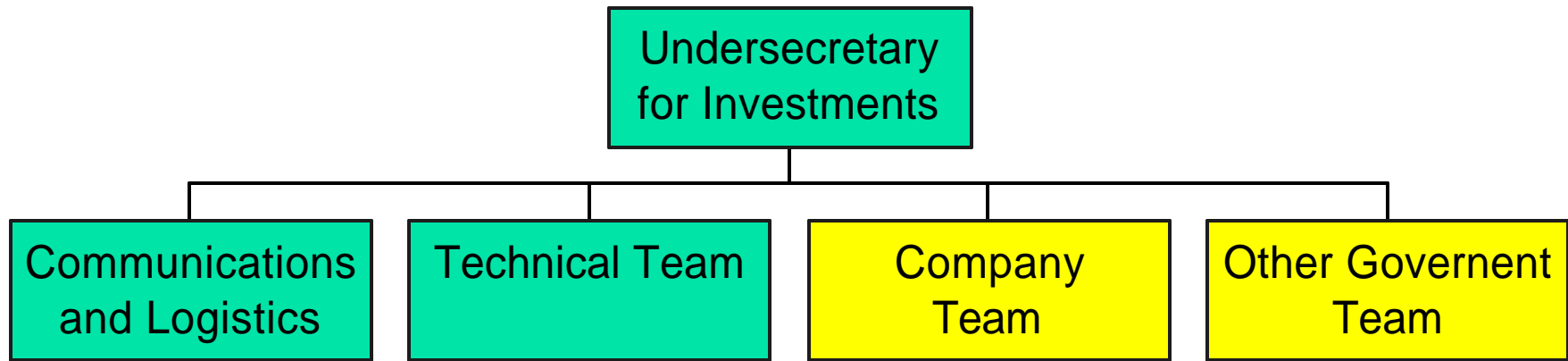


Fourth step:

- 1. Define the strategy
- 2. Organize the work
- 3. Prepare the message
- 4. Train the team



Team

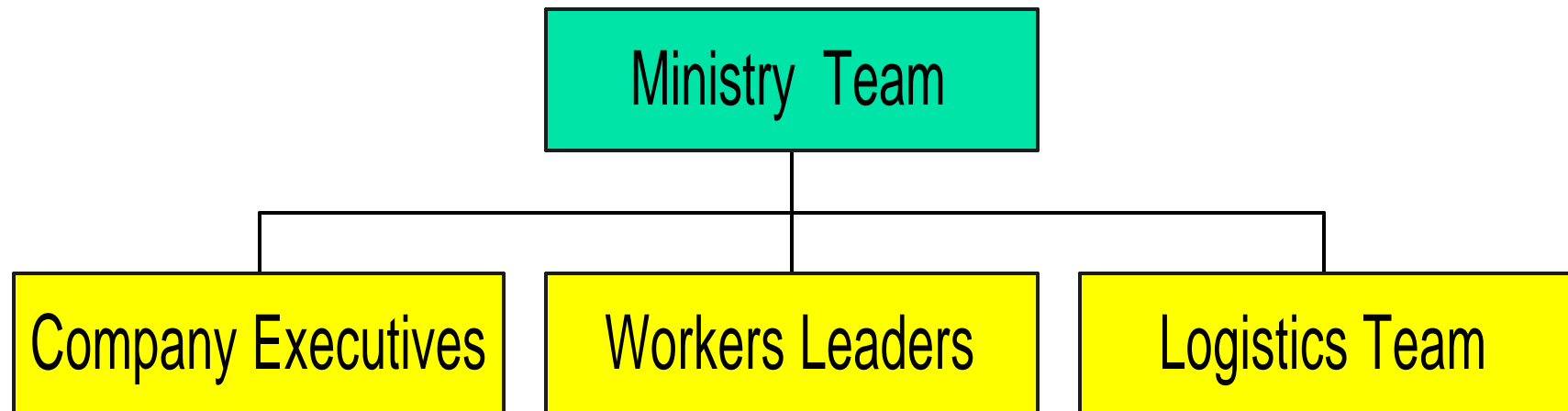


 Ministry

 Other



Team for training





Elements of training

- Seminars
 - Leaders
 - Promoters
- Manuals
- Questions and answers pamphlet
- Lists and printed forms



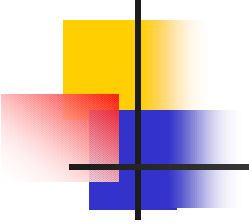
Fifth step:

- 1. Define the strategy
- 2. Organize the work
- 3. Prepare the message
- 4. Train the team
- 5. Reach the individual



Reaching the workers

- First Approach: need of a strategy
- Direct message to individuals not to groups
- No unions negotiations for participation
- Addressing them as potential investors



Elements of a the strategy to approach workers

- Research: polls, focus groups, interviews
- Strategy: flexible to react to the conjuncture
- Information and promotional materials: slogans, video, spots, brochures, posters.



Workers Seminars

- Conducted in groups of 100 - 200 workers
- In main cities and semi-rural towns
- Half day events outside the company
- Presentations, video showing testimonials, meals, raffles
- Sales of shares with promotional discounts and term payments



Workers - Communication Support Activities

- Communication units for each company in main cities
- Task forces and monitors in each company
- Promotional and information material available for each company
- Local radio and TV programs
- Local press advertisement
- 1- 800 telephone services



Workers - Critical Cases

- Camiri – YPFB
- Uyuni – ENFE
- Cochabamba – LAB
- Tarija - SETAR
- Huanuni and Colquiri - EMV



Reform dimension

- Infrastructure companies: 13
 - Electricity (5)
 - Hydrocarbons (3)
 - Telecom (1)
 - Water (1)
 - Transport (3)
- Small Companies

Reform Timetable

