

# An Assessment Of Cooperatives In Italy: Economic And Occupational Insights In 2008

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## Abstract

Despite a growing interest in cooperatives, knowl-  
edge of the real economic, occupational, and  
social dimensions of cooperatives is still little and  
fragmentary. There is still a need of constantly  
updated analyses of the overall dimensions of this  
phenomenon to follow its evolution and quantify  
— with reasonable precision — its ability to manage  
business and create jobs.

On this basis, this study, which is part of the  
widest research program carried out by the Euro-  
pean Research Institute on Cooperative and Social  
Enterprises (Euricse) regarding the development of  
the Observatory on Cooperatives in Italy (OCCO) intends  
to offer a reliable analysis of Italian cooperatives in  
2008 by highlighting their economic and occupa-  
tional dimensions.

## Introduction

The new century has witnessed a progressive studies and research on cooperatives are not and renewed interest in cooperative enterprises. missing or underdeveloped, a broader under Two important acknowledgments have been standing is needed. Many researchers have the 2002 Promotion of Cooperatives Recom indeed studied its origin and its evolution (Za mendation of the International Labour Organi magni, 2006), its levels of efficiency and its zation (ILO, 2002) and the 2004 Communica impact on economic and social development tion on the Promotion of Cooperative Societies (Fontanari and Borzaga, 2010). However, these adopted by the European Commission. More studies are not always updated or they simply recently, other acknowledgments have comerefer to specific contexts, to particular types from several economists and connoisseurs of (Istat, 2008; Spinicci, 2011) or to restricted economic policy. Both the International Mone samples of enterprises (Bentivogli and Viviano, tary Fund and a few chairmen of Central Banks 2012). There is a lack of analyses of the overall Đ Mario Draghi among them, then Governor of dimensions of this phenomenon, able to quan the Bank of Italy (Draghi, 2009) - have recog tify with reasonable precision its ability to man nized the role and the importance of coopera age businesses and jobs. tive banks, both before and during the financial crisis of 2008. Renowned economist J. Stiglitz It is possible to attribute this information gap to admitted that in the past too much importance specific causes. In particular, official statistics had been given to the model of enterprises-ex usually do not deem the juridical form of or clusively aimed at maximizing profits (Stiglitz, ganized economic activities worth considering; 2009). He acknowledged that this model was instead they dwell upon results and favor the not successful and that other models of enter activity sector. Information about the different prise are necessary; cooperative and non-profit types of enterprise (often restricted to number enterprises in particular. The opinion of Elinor of enterprises and employees) is gathered and Ostrom, Nobel Prize winner for Economics in made available only Đ and not always - on the 2009, (Ostrom, 2008) is very similar. The lat occasion of censuses. est acknowledgment has been the launch of the International Year of Cooperatives 2012 (IYC) In order to overcome these limitations, it is nec by the United Nations on 3<sup>rd</sup> October 2011. In essary to use administrative information, deriv spite of all these acknowledgments, the realing from data that enterprises have to commu economic, occupational and social situation, nicate to specific institutes, such as federations, at both the international and national level, is the Albo Nazionale delle CooperatItalian Na- still scantily understood and fragmentary. It is tional Cooperatives Register) managed by the a gap that inevitably leads to a slackening ofMinistry of Economic Development, and the the acknowledgment process, which Đ as forCompaniesÖ Register managed by the Cham other economic phenomena Đ would come bers of Commerce. out strengthened if upheld by a more defined awareness of how cooperatives actually contrib The above-mentioned sources offer both pros ute to the economic and social welfare of many and cons. Associations gather (exclusively for countries. their members) more information that other











Social cooperatives are particularly important in 1,155,000, including 29,418 employees of -co the service sector; there were 10,538 enterprises cooperative banks; they corresponded to almost principally active in health and social care ser 5% of all Italian workers and 9% of total non vices and non-residential social care services. -agricultural employees (Table 3). Two sectors registered the highest cooperative presence: 75% of consortia had their seat in northern first, agriculture, where farmersÕ cooperatives (46.8%) and central (28%) Italy. 57.6% of them employed 7.4% of the total number of workers operated in the services sector and 16.3% in then that sector; second, the service sector, where construction sector. there were 7.4% of all Italian workers and 19.3% of the total number of employees.

Over the last decade, cooperative enterprises have been particularly dynamic (Table 2). Coop The contribution of cooperatives to employ eratives thrived in every Italian region and this ment reached important levels in other sectors vitality is indeed the reason for the growing in as well: 6.5% of employees in the construction terest this form of enterprise has aroused over sector and 3.7% of employees in the trade and the last decade. accommodation service activities.

Liveliness in setting up new cooperatives had 4. Economic Size: Turnover And Total certainly but only partly been determined by the Assets new cooperative form established in 1991, the social cooperative; only a little less than 25% ofThe overall turnover generated in 2008 by the the total number of cooperatives born over the cooperative system, without considering eo last decade are social cooperatives. operative bankš amounted to more than 108 billion Euros, equivalent to 3.5% of the Italian 50.3% of the cooperatives active in 2008 hadvalue of productionř in 2008 (Table 4). In de been set up between 1998 and 2007, in spite oftail, 91.8 billion were generated by coopera the overall Italian economic stagnation. More than 5,000 cooperatives were set up in 2008.

Just over 50% of FarmersÕ cooperatives were born after 1992. On the other hand, the most dynamic sectors were those of service activities: 72.5% of the 33,217 cooperatives operating in the service sector (excluding cooperative banks) were established after 1992, 39% between 2003 and 2008.

The number of employees was estimated to be

<sup>6</sup> Collaborators with different kinds of contract and self-employed workers, whose income depends, partly or wholly, on them belonging to a cooperative enterprise as producers, were not counted among employees. They were counted among the total number of workers.



**Table 2.** Cooperatives by year of registration Ð Year 2008

Year	N	%	Valid %
Up to 1992	24,735	34.6	34.6
1993 - 1997	5,748	8.0	8.0
1998 - 2002	14,707	20.5	20.6
2003 - 2007	21,302	29.8	29.8
2008	5,023	7.0	7.0
Missing	63	0.1	
Total	71,578	100.0	

Source: Euricse

**Table 3** Incidence of employees of cooperatives on the total number of employees and on the total number of workers by sector of activity Ð Year 2008

tensive nature of the majority of cooperatives, the contribution should amount to more than 3.5%.

83.1% of cooperatives generated a turnover of less than one million Euros and 61.8% generated a turnover of less than 250,000 Euros. Only 3.8% generated a turnover higher than 5 million Euros. Overall, the total assets in 2008 amounted to more than 123 billion Euros; 109.2 billion had been invested by cooperatives and 14.2 billion by cooperative consortia.

72.8% of cooperatives declared that they had invested less than 500,000 Euros and only 17.4% of cooperatives had invested more than one million Euros.

As far as cooperative consortia are concerned, the data show that one in two declared a turnover of less than 500,000 Euros and only 23% declared that their turnover was less than 50,000 Euros.

The data show that the cooperative sector mirrored the general situation of Italian enterprises. More than 50% of cooperatives were small-sized in terms of turnover, capitalization and employees. Less than 10% had a turnover and total assets higher than one million Euros, whereas a little more than 6% employed more than 50 employees.

These figures, however, have to be read in the light of a few considerations. First, an efficient cooperative does not necessarily need to be large-sized; when cooperatives organize the produc



**Table 6.** Cooperatives by impact of profit on turn over € Year 2008

Profit/turnover	N	%	Valid %
Up to -0.06	11,344	15.9	21.5
-0.06 -  0	15,302	21.5	29.1
0 -  0.06	18,748	26.4	35.6
Higher than 0.06	7,263	10.2	13.8
Total without missing	52,657	74.0	100.0
Missing	18,489	26.0	
Total	71,146	100.0	

Source: Euricse

The analysis by year of establishment highlights



The analysis presented in the previous paragraphs is an example of the potentials of the



