Brief Note

November 2019

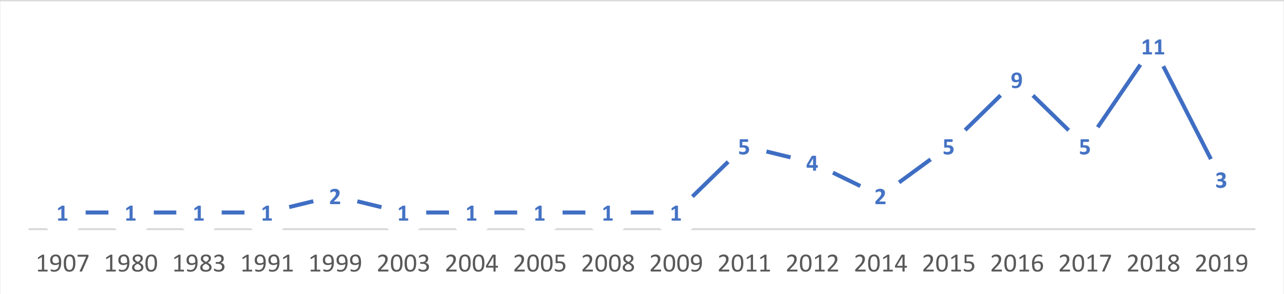
Legacoop community cooperatives in continuous growth

The aim of this note is to map the situation of the active Italian community cooperatives belonging to Legacoop, and outline their growth nine years from the launch of the development project of National Legacoop.

In carrying out this study, the data on the enterprises has been provided by the Legacoop National Association of Community Cooperatives and from the Aida Bureau van Dijk/Area Studi Legacoop databanks. There are currently 55 active member community cooperatives, all classified as SMEs.

Although it is a quite recent phenomenon and still limited in numbers, it has seen a rapid widespread expansion (Fig.1). Over these years, many actions have been introduced promoting their growth within the development project launched by Legacoop in 2010. However, in Italy, there is still no specific legal recognition of this company type, although there are different regional laws[1] in place that recognise a specific regulation pertaining to them.

Figure 1 The setting up of Legacoop community cooperatives by year



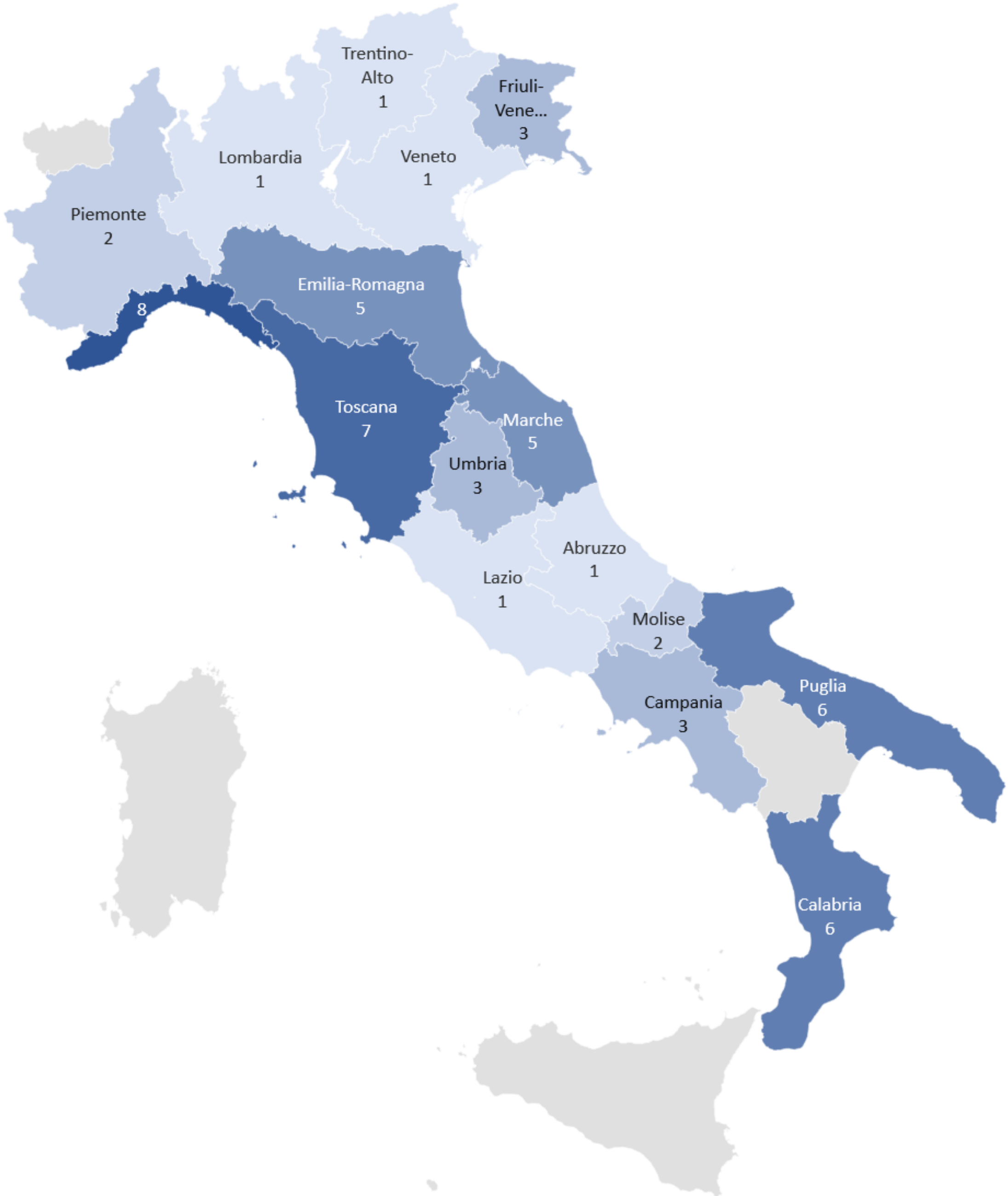
Source: Legacoop Area Studi databank

The geographical distribution appears to be quite similar between the North and the South of the country (Fig. 2). However, a major concentration can be found in Liguria, Tuscany, Apulia,

[1] Abruzzo, Sicily, Apulia, Sardinia, Emilia-Romagna, Tuscany, Umbria, Basilicata and Liguria.

Calabria, Emilia-Romagna and the Marche, while there appears to be an absence in the Islands, in Basilicata and in Valle d'Aosta.

Fig. 2 Regional distribution of active Legacoop community cooperatives



Source: Legacoop Area Studi databank

Overall, the 55 enterprises, classified as community cooperatives, number 2,752 members and 466 employees, generating a turnover of € 18,320,625 (Tab.1). It should be noted that the data on production volume and employment refer to 2018, where a balance was available. Where 2018 balance data was lacking, the 2017 data was used. Moreover, 12 companies set up between 2018 and 2019 have still not lodged a balance with the Chamber of Commerce.

Tab.1 The number of Legacoop community cooperatives by region

REGION	NO.	MEMBERS	EMPLOYEES	PV (€)
ABRUZZO[2]	1	53	41	2,648,029
CALABRIA	6	119	101	3,432,949
CAMPANIA	3	20	8	134,987
EMILIA-ROMAGNA	5	135	28	1,739,877
FRIULI-VENEZIA GIULIA	3	113	7	162,214
LAZIO	1	9	0	0
LIGURIA	8	448	76	2,487,931
LOMBARDY	1	216	45	1,432,508
MARCHE	5	51	4	73,222
MOLISE	2	14	3	60,294
PIEDMONT	2	70	7	353,159
APULIA	6	927	10	759,443
TUSCANY	7	265	15	55,960
TRENTINO-ALTO ADIGE	1	7	1	12,688
UMBRIA	3	136	18	747,949
VENETO	1	169	102	3,719,415
TOTAL	**55**	**2,752**	**466**	**18,320,625**

Source: Legacoop Area Studi databank

Where the sectoral distribution is concerned (Tab. 2), given that most of the community cooperatives are of a multifunctional nature, based on the reworking of the ATECO codes[3], we can see a higher number of the sample in services (tourism, accommodation and catering, and cultural,

[2] The community cooperative sample, present in Abruzzo, involve a company network form. Therefore, the figures refer to the sum of the balance data of the cooperatives under the one the legal subject.

[3] The reworking was carried out in collaboration with the National Association of Community Cooperatives based on the 2007 ATECO codes. Source: Aida Bureau van Dijk

sporting and entertainment activities) and in the agri-food sector. However, if the distribution of the number of members follows the sector figures, employment and production volume are clearly concentrated in the accommodation and catering services (36% and 36%, respectively), in tourism (26% and 21%, respectively) and in professional, scientific and technical activities (10% and15%, respectively). These differences are only in part due to the different sector distribution of the companies set up in the last five years and, therefore, have still not gone beyond their startup phase or have not yet lodged a balance. Table 3 shows the sectoral distribution of community cooperatives set up before 2014.

Tab. 2 Sectoral distribution of Legacoop community cooperatives

SECTOR	NO.	MEMBERS	EMPLOYEES	PV (€)
TOURISM	14	576	123	3,989,758
ACCOMMODATION&CATERING	11	638	169	6,583,387
AGRI-FOOD	10	483	16	829,840
CULTURAL,SPORTING&ENTERTAINMENT	7	429	25	1,324,092
PROFESSIONAL, SCIENTIFIC & TECHNICAL	4	172	46	2,878,113
COMMERCE	2	73	10	417,605
OTHER SERVICES	2	28	1	13,006
FORESTRIES	2	31	21	453,415
HEALTHCARE & SOCIAL ASSISTANCE	2	69	48	1,183,512
ELETRIC ENERGY PRODUCTION	1	253	7	647,897
TOTAL	**55**	**2,752**	**466**	**18,320,625**

Source: Legacoop Area Studi databank

Confirming the above, 26 community cooperatives (50% of the sample) operating for more than 5 years (Tab. 3) generate 84% of the total production volume and employ 75% of the total workforce. However, also here, the production volume and employment distribution does not closely correspond to the sector numbers. In particular, the data shown, in overall values, actually involves at this moment much lower values due to the very recent expansion of the cooperatives. The trend of new startups (Fig.1), and the overall data, net of newly set up cooperatives, could suggest a potential growth over the next years, both in numbers, turnover and employment.

Tab. 3 Sector al distribution of Legacoop community cooperatives set up before 2014

SECTOR	NO.	MEMBERS	EMPLOYEES	PV(€)
ACCOMMODATION&CATERING	7	371	161	6,266,849
CULTURAL, SPORTING & ENTERTAINMENT	3	235	15	779,677
AGRI-FOOD	3	383	12	750,034
TOURISM	3	195	105	3,819,708
PROFESSIONAL, SCIENTIFIC & TECHNICAL	1	53	41	2,648,029
ELECTRIC ENERGY PRODUCTION	1	253	7	647,897
FORESTRIES	1	10	8	448,615
TOTAL	**19**	**1,500**	**349**	**15,360,809**

Source: Legacoop Area Studi databank

Approximately 47% of the cooperatives belong to the sector association of Culturmedia, while the production volume and number of employees is mainly concentrated in the National Association of Social Cooperatives, 61% and 66%, respectively, with Culturmedia accounting for 27% and 21% of the total, respectively. The data from the social cooperatives, which does not show high numbers in actual cooperatives in the sample, can be explained by the high concentration of historically established companies, that have developed over the years a solid economic and productive structure. The number of members, instead, appears to be quite equally distributed among the relevant associations, except for the higher density registered in Legacoop Production and Services (Tab. 4).

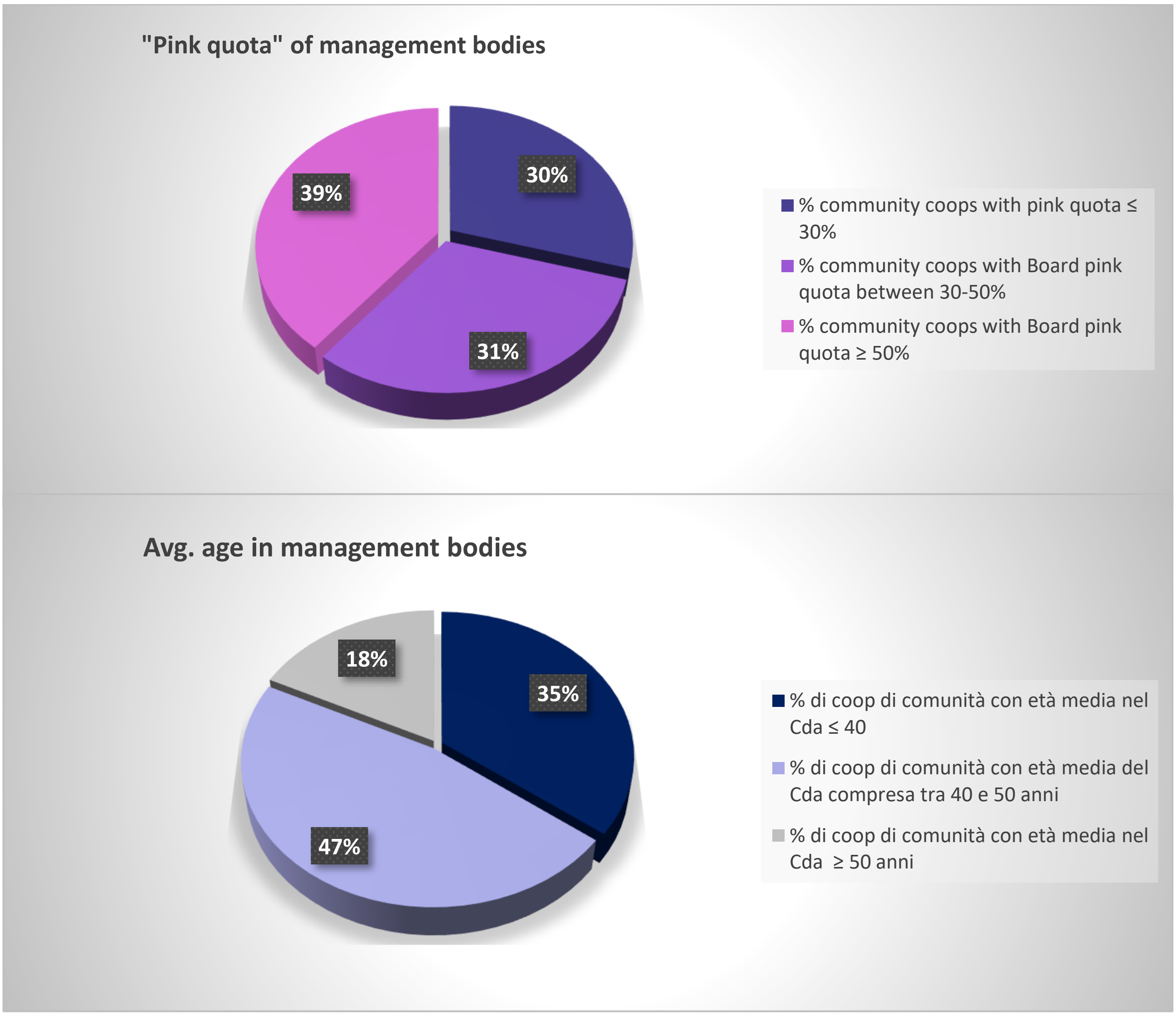
Tab. 4 Distribution by Legacoop association sector

LEGACOOP ASSOCIATION	NO.	MEMBERS	EMPLOYEES	PV (€)
Production & Services	8	840	28	1,200,123
CulTurMedia	26	811	100	5,158,251
Agri-food	10	497	28	831,338
Social	11	604	310	11,130,913
TOTAL	**55**	**2,752**	**466**	**18,320,625**

Source: Legacoop Area Studi databank

A quite innovative aspect can be seen in what emerges from the analysis of the composition of the management bodies of the community cooperatives (Fig. 3). 39% of the company sample[4] show a higher number of women in management and 30% with a "pink quota" on the company boards – between 30-50%. Moreover, in 40% of the cases, the average age of Board members is under 40 years, while only in 18% of the companies, the average age of Board members is over 50 years.

Figure 3 The composition of community cooperative management bodies



Source:Legacoop Area Studi databank

4 Registry data of community cooperative Board members available for 51out of the 55 companies of the sample total.