

February 2020

## The “Highlanders” of the Italian economy: an overview on the 100-years+ cooperatives

The objective of this note is to explore the presence and importance of cooperatives within the Legacoop system that have been active for more than 100 years. These are those cooperatives which have been able to renew themselves and adapt to the relevant changing scenarios and, thus, can be counted as business models of success.

By analysing the total of Italian enterprises registered as having been founded prior to 1920, empirical findings were sought to confirm the tendency towards the major longevity of cooperative enterprises (Burdín, 2014 and Tortia, 2018) compared to conventional companies and, therefore, their effectiveness in putting into practice the principal of intergenerational solidarity. In carrying out this comparison, the enterprises historically defined in the valuable work of *Unioncamere*'s “Register of Historical Enterprises”, which include partnerships and one-person companies, have not been considered.

Consequently, the study has been based on a reworking of the data available on the *Aida Bureau van Dijk/Area Studi Legacoop* databanks. From this data, 1,287 enterprises were identified with headquarters in Italy<sup>1</sup>, being active (enterprises wound up due to mergers from 2005 were also included) and set up prior to 1920. As far as the main economic and productive factors are concerned, however, owing to the differences in the balance sheets adopted, banks, financial intermediaries and insurance entities were excluded.

From the data available, approximately 66% of the total of 100-years + companies in Italy is made up of cooperatives, consortiums and mutuals and, of these, 28% are members of Legacoop (Tab.1).

Moreover, the regional analysis highlights that about 80% of the companies under study is concentrated in the North of Italy, with 40% in Lombardy. On average, the cooperative sector is represented more in the country's North-East and on the Islands, while dropping to below 50% in

---

<sup>1</sup>Among the share capital companies, despite having recently transferred its headquarters to Amsterdam, Fiat Chrysler Automobiles was also included, for clear historical reasons and the presence of its factories on Italian soil, that alone with a PV of €110 bln accounts for 58% of the turnover of joint stock companies, employing 200,000 workers (39% of the employee total).

Campania, Lazio and Piedmont. Instead, the regions of Emilia-Romagna, Piedmont, Lombardy, Tuscany and Calabria register the highest percentage of companies belonging to Legacoop.

Table.1 Regional distribution of 100-year s+ Italian companies

Area /Region	100-year + companies	Coops, Consortiums, Mutuels	% of total	No. of Lega coops	% of Lega - Coops, Consortiums, Mutuels	% Lega of Total
<b>North-West</b>	<b>641</b>	<b>374</b>	<b>58%</b>	<b>153</b>	<b>41%</b>	<b>24%</b>
Valle d'Aosta	1	1	100%	-	-	-
Piedmont	107	44	41%	22	50%	21%
Lombardy	497	311	62%	128	41%	26%
Liguria	32	18	56%	3	17%	9%
<b>North-East</b>	<b>384</b>	<b>325</b>	<b>85%</b>	<b>47</b>	<b>14%</b>	<b>12%</b>
Veneto	68	58	85%	2	3%	3%
Trentino-Alto Adige	175	164	94%	1	1%	1%
Friuli-Venezia Giulia	43	34	79%	6	18%	14%
Emilia-Romagna	98	69	70%	38	55%	39%
<b>Centre</b>	<b>182</b>	<b>104</b>	<b>57%</b>	<b>38</b>	<b>37%</b>	<b>21%</b>
Umbria	5	4	80%	1	25%	20%
Tuscany	102	68	67%	31	46%	30%
Marche	27	18	67%	4	22%	15%
Lazio	48	14	29%	2	14%	4%
<b>South</b>	<b>46</b>	<b>21</b>	<b>46%</b>	<b>1</b>	<b>5%</b>	<b>2%</b>
Apulia	9	6	67%	-	-	-
Molise	2	2	100%	-	-	-
Campania	25	6	24%	-	-	-
Calabria	4	2	50%	1	50%	25%
Basilicata	2	1	50%	-	-	-
Abruzzo	4	4	100%	-	-	-
<b>Islands</b>	<b>38</b>	<b>29</b>	<b>76%</b>	<b>4</b>	<b>14%</b>	<b>10%</b>
Sicily	30	23	77%	3	13%	10%
Sardinia	8	6	75%	1	16%	12%
<b>Total</b>	<b>1,287</b>	<b>853</b>	<b>66%</b>	<b>243</b>	<b>28%</b>	<b>19%</b>

The *Highlanders* of the cooperative movement employ about 9% of the 573,005 total of workers (Tab.2), with 19,116 (36 % of cooperative workers) employed by Legacoop members.

Table.2 Italian companies operating for 100-years + by legal status

<b>Legal status</b>	<b>No.</b>	<b>%</b>	<b>Employees</b>	<b>%</b>
<i>Share capital cos</i>	434	33.7%	519,757	90.7%
- <i>S.P.A.s *</i>	215	16.7%	495,405	86.5%
- <i>S.R.L.s *</i>	219	17%	24,352	4.2%
<b>Cooperative Total</b>	<b>812</b>	<b>63.1%</b>	<b>51,316</b>	<b>8.9%</b>
<b>Lega members</b>	<b>241</b>	<b>18.7%</b>	<b>18,994</b>	<b>3.3%</b>
<b>Mutual Benefit Society and Insurance Mutual Total</b>	<b>40</b>	<b>3.1%</b>	<b>1,932</b>	<b>0.3%</b>
<b>Lega members</b>	<b>2</b>	<b>0.2%</b>	<b>122</b>	<b>0%</b>
<b>Consortiums</b>	<b>1</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,287</b>	<b>100%</b>	<b>573,005</b>	<b>100%</b>

- *S.p.A.* – Joint stock companies
- *S.r.l.* – Private Limited Liability companies

Source: Area Studi Legacoop databank

For 2018, excluding banks and insurance entities, 100-years + companies generated a total turnover of €197.8 billion with a profit of €7.3 billion (Tab.3). With a production volume (PV) of €8.4 billion and profits of €66.4 million, the 100-years + Italian cooperatives contributed to 4.5 % of the total turnover and 0.9% of total profits. It must be pointed out that almost all the financial results of the cooperative sector pertain to enterprises set up as cooperatives, and that all the cooperative companies studied have maintained, from their foundations, their headquarters in Italy.

Table. 3 The 100-years + Italian companies by legal status and balance sheet values (excluding banks and insurance<sup>2</sup>)

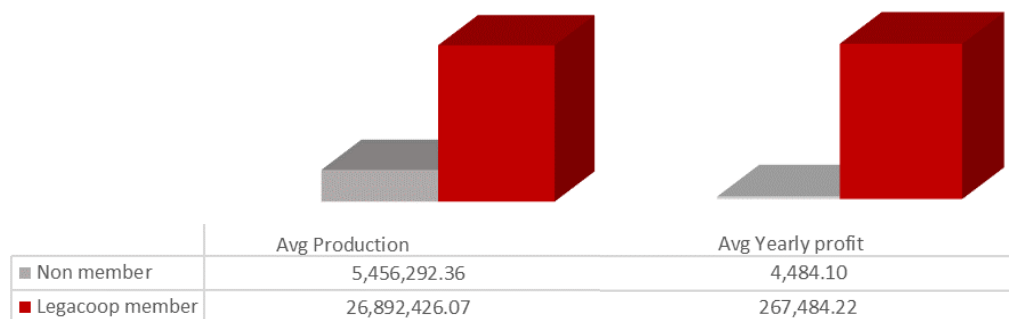
Legal status	No.	%	Employees	%	PV (K EUR)		Yearly Profit/Loss (K EUR)	
						%		%
Share capital cos	407	37.7%	454,875	94.9%	188,937,949.68	95.5%	7,186,615.11	99.1%
- S.P.A.s	188	17.4%	43,523	89.9%	183,776,512.94	92.9%	7,178,487.73	99.0%
- S.R.L.s	219	20.2%	24,352	5.1%	5,161,436.74	2.6%	8,127.38	0.1%
<b>Cooperative Total</b>	<b>635</b>	<b>58.7%</b>	<b>24,118</b>	<b>5%</b>	<b>8,808,438.03</b>	<b>4.5%</b>	<b>66,231.35</b>	<b>0.9%</b>
<b>Lega members</b>	<b>239</b>	<b>22.1%</b>	<b>18,717</b>	<b>3.9%</b>	<b>6,450,387.34</b>	<b>3.3%</b>	<b>64,466.34</b>	<b>0.9%</b>
<b>Mutual Benefit Society Total</b>	<b>38</b>	<b>3.5%</b>	<b>138</b>	<b>0%</b>	<b>34,280.47</b>	<b>0%</b>	<b>226.94</b>	<b>0%</b>
<b>Lega members</b>	<b>2</b>	<b>0.2%</b>	<b>122</b>	<b>0%</b>	<b>30,687.34</b>	<b>0%</b>	<b>-2.65</b>	<b>0%</b>
<b>Consortiums</b>	<b>1</b>	<b>0.1%</b>	<b>-</b>	<b>0%</b>	<b>930.78</b>	<b>0%</b>	<b>- 52.98</b>	<b>0%</b>
<b>Total</b>	<b>1,081</b>	<b>100%</b>	<b>479,131</b>	<b>100%</b>	<b>197,781,598.96</b>	<b>100%</b>	<b>7,253,020.42</b>	<b>100%</b>

Source: Area Studi Legacoop databank

Despite the Legacoop member cooperatives representing less than 36% of the overall cooperative sector (banks, financial intermediaries and insurance companies excluded), with an average production of about 5 times more than non-members, and an average yearly profit 60 times more than non-members, they generate 97% of the profits and 73% (€6.49 bln) of the total production volume of the 100-years + cooperatives.

<sup>2</sup> The balance is for 2018. Where the balance was not available for 2018, the last available one was used.

Figure.1 Average production and yearly profit (KEUR) \_ Legacoop members/non-members



Source: Area Studi Legacoop databank

By referring to the ATECO codes (2007) of the enterprise sample, the sector analysis regarding the cooperatives (Tab.4) reveals a clear prevalence in the real estate and commerce sectors, which accounted for 24% and 36%, respectively, of the company total. Moreover, commerce accounted for 45% of the overall production volume, while 70% of profits was generated by those enterprises active in the manufacturing industry (almost all from Legacoop cooperative members). Instead, the services and insurance sectors (net of banks and insurance companies), with a total yearly loss €8.1 million, appears to have suffered much more. The manufacturing sector, apart from a contained representativeness in numbers (5% of the total), produced 30% of the total turnover and, as mentioned, 70% of the profits.

The retailing sector of Legacoop member cooperatives followed a quite similar trend to that of cooperatives in general, with the exception of the construction, accommodation and catering services, logistics, real estate and education sectors, where the incidence of Legacoop members totalled more than 40%. The sectors, in terms of percentage, where the Legacoop cooperatives accounted for more than 80% of the production volume regarding the 100-years + companies are to be found in the areas of healthcare and social assistance, construction, financial and insurance activities and other public, social and personal services.

Table. 4 The sectoral distribution of 100-years + Italian cooperatives (excluding banks and insurance).

<b>Sector</b>	<b>No.</b>	<b>Lega members</b>	<b>Employees</b>	<b>Lega members</b>	<b>Production Vol. (KEUR)</b>	<b>Lega members</b>	<b>Yearly profit/loss (KEUR)</b>	<b>Lega members</b>
<i>Agriculture, forestry, fisheries</i>	61	19	1,349	705	675,208	378,512	-3,166	-699
<i>Accommodation &amp; catering</i>	50	29	58	19	4,707	1,705	98	-79
<i>Finance &amp; insurance</i>	12	2	53	-	2,489	68	21	-12
<i>Real estate</i>	135	56	156	136	35,077	32,708	122	-3
<i>Manufacturing</i>	34	9	403	397	625,841	624,115	-8,085	-8,190
<i>Commerce</i>	240	68	122	92	53,224	39,395	6,203	4,192
<i>Construction</i>	38	29	7,549	6,182	2,692,191	1,778,804	46,479	45,714
<i>Energy &amp; water</i>	10	2	12,556	9,676	3,983,989	2,929,525	17,508	18,635
<i>Education</i>	3	2	780	724	648,889	629,131	3,382	3,521
<i>Transportation &amp; warehousing</i>	3	2	155	73	72,478	37,656	3,726	1,307
<i>Healthcare &amp; social assistance</i>	23	4	12	-	417	80	-10	-4
<i>Other company assistance services</i>	16	3	704	492	31,374	15,183	109	68
<i>Other social, public and personal services</i>	49	16	359	343	17,767	14,194	18	15
<b>Total</b>	<b>674</b>	<b>241</b>	<b>24,256</b>	<b>18,839</b>	<b>8,843,649</b>	<b>6,481,075</b>	<b>66,405</b>	<b>64,464</b>
<b>%</b>	<b>100%</b>	<b>36%</b>	<b>100%</b>	<b>78%</b>	<b>100%</b>	<b>73%</b>	<b>100%</b>	<b>97%</b>

## Bibliography

Burdín, G. (2014). Are worker-managed firms more likely to fail than conventional enterprises? Evidence from Uruguay. *ILR Review*, 67(1), 202-238.

Tortia, E.C. (2018). The Firm as a Common. Non-Divided Ownership, Patrimonial Stability and Longevity of Co-Operative Enterprises. *Sustainability*, 10, 1023.