

International Forum

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# **Workers' Cooperatives in Italy between Solidarity and Autocratic Centralism**

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# Session Overview

- \* Prologue: worker cooperatives strike. What happened to Italian cooperatives?
- \* An outline of the Italian cooperative movement (1854-1980)
- \* The growth of cooperatives in the last twenty years
- \* New management and networking patterns
- \* Cooperative working conditions in front of the out-sourcing system

# The strike of worker cooperatives in the logistic sector

- \* The strike in the logistic sector of 22nd March 2013: migrant worker cooperatives
- \* The sub-contract model of big multinationals: DHL, TNT, GLS, IKEA.
- \* The need for a 'new' rank and file trade unions

Stop the exploitation  
in the cooperatives!

No! To the Bossi-Fini  
law (i.e. strong link  
between residence  
permit and work  
contract)



Porterage Cooperatives=Slavery

# The Italian cooperative movement in XIX century

The long tradition of the Italian co-operative movement (1854): an instrument of self-defence for the working class, not only against the owners, but also to avoid emigration.

The co-operative movement embraced three different political ideologies in the XIX century:

- 1) co-operatives are a way of developing an “association of free producers”, in order to overcome the contradictions between capital and labour (Giuseppe Mazzini).
- 2) Co-operatives are a way to defend and organise the working class (socialists and then communists).
- 3) Co-operatives are a way to help poor people to survive without changing the Italian ‘class division’ (Liberals).



Liguria Cooperative Alliance

# The umbrella organizations

- \* Three largest umbrella organizations
- \* 1) Legacoop (of socialist origin), founded in 1886
- \* 2) Confcooperative (of Catholic inspiration) founded in 1919
- \* 3) Liberal peak organization. Liberal co-ops were the first founded around the middle of the XIX century, but their organization as a group has always been loose.

# Fascist regime (1922-1943) and the cooperative movement

- \* An high point of cooperative movement is in 1922: 8,000 associated cooperatives and two million partners
- \* Fascism destroys co-operatives (especially the socialist ones) or place the movement under control in the Fascist National Cooperation Body.
- \* Some leaders of cooperatives offered their technical experience to the Fascist regime.
- \* Ideological continuity with the elements of cooperation designed to unite the interests of workers and of employers.

# A slow renaissance after World War II

- \* Legacoop (socialist and communist orientation) and Confcooperative (Catholic) immediately reorganized because of the Cold War.
- \* The liberal umbrella organization was formed in 1952 as Agci. Other two smaller peak organizations were added later: Unci in 1975 and Unicoop in 2004.
- \* The 1948 new Italian constitution (art. 45) recognized the interest of the nation in the promotion of co-operation as a way of keeping together economic activity and solidaristic motivations.
- \* 1950-1960s Italian economic boom based on capital-intensive sectors, while cooperatives remained anchored to the defense of the working class with scarce funds.

# The turning points

- 1) The first turning point is in 1950s' when the Italian Communist Party decided to ally itself with the middle class and embrace the «enterprise culture». The priority was to develop a trade union subordinate to Party directives and a cooperative movement that could support them.
- 2) The second turning point is the strong workers struggles between 1968-1980: limits the forms of co-operatives that were sweatshops, but helps the left wing parties to obtain some bills in favour of cooperatives.
- 3) The defeat of the working class movement in the late seventies substantially modified the cooperative system: cooperatives open up to meritocracy and they enter in the market. In the economic crisis of 1970's cooperative movement proposed itself as a "valuable resource" and a "real force" in order to overcome the recession.
- 3) The fourth turning point occurs with the collapse of Soviet Union and the changes in the Italian political system (traditional political parties crisis and weakening of the trade unions)

# Growing inside and outside national borders

- \* In the 1990s the role of the cooperatives as a "driving force" in favour of the political parties ended. Some cooperatives became Joint stock companies
- \* A new business-style approach ensured a growth and a transformation from small to medium–large sized structures and to fund 'cooperative groups' (consortium)
- \* 'Only big cooperatives could survive in the global market'. Legacoop and Confcooperative fund 'Obiettivo Lavoro' a Temporary Work Agency (TWA). Obiettivo Lavoro is the third largest TWA in Italy after Manpower and Adecco and it is present in Romania, Poland, Brazil, Peru and Bolivia.

# Stagnation of Italian economy and growth of new cooperative

- \* The expansion of the cooperative movement is due to several factors including the low cost of labour and the generous tax breaks provided for non-profit companies.
- \* In 2011 the three pillars of the cooperative movement, Legacoop, Confcooperative, and the Agci came together in the “Alliance of the Italian cooperatives”: turnover of 140 billion Euros (7% of the Italian GDP); 43,000 companies with more than 12 million partners: 1.3 million employees in total (7.2% of Italian employees).

# The structure of Italian cooperative

## Cooperatives and employees 1951-2011

	Numbers of cooperatives	% of Total companies	Number of Employees	% of total employees
1951*	10,782	0.7	137,885	2.0
1961*	12,229	0.6	192,088	2.2
1971*	10,744	0.5	207,477	1.9
1981*	19,900	0.7	362,435	2.8
1991*	35,646	1.1	584,322	4.0
2001*	53,393	1.2	935,239	5.8
2011**	79,949	1.5	1,310,388	7,2

Source: \*Istat, Censuses of Industry and the Service Sector, various years (Menzani, Zamagni 2010) and \*\* Censis 2012.

## Cooperatives and employees by economic sector (2011)

	No. of coop.	%	% of total company	Coop. Employees	%	% of total employees
Agriculture, forestry and fishing	9,042	11.3	1.09	101,949	7.8	8.6
Industry	6,162	7.7	1.10	103,078	7.9	2.3
Construction sector	16,454	20.6	1.99	66,702	5.1	3.2
Services: total	48,047	60.1	1.57	1,037,501	79.2	9.9
<i>Trade, retail, public service and tourism</i>	7,069	8.8	0.40	120,616	9.2	2.4
<i>Transport and logistic</i>	8,867	11.1	5.47	257,538	19.7	24.0
<i>Media, finance and real estate</i>	5,612	7.0	1.20	99,507	7.6	6.5
<i>Service to the company and consultancy</i>	12,074	15.1	3.83	250,055	19.1	15.7
<i>Social service</i>	14,425	18.0	4.30	309,785	23.6	23.7
Total*	79,949	100	1.50	1,310,388	100	7.2

Source: Censis 2012. \* Total include non classified cooperative and other sectors

# New kind of cooperatives

Two major segments:

- 1) larger cooperatives that work in accordance with a relatively convergent model, with respect to capitalist companies, and that increasingly use networks where strong elements of rationalization and efficiency are promoted
- 2) Small cooperatives that show unrelated working practices: cooperatives with high solidarity values as well as sweatshop cooperatives.

# Management models and working conditions in the new cooperative company

- \* Ethics and Corporate Social Responsibility: from solidarity to business criteria
- \* Ideology of ‘participation’... but the control remains in the hands of the top managers.
- \* A limited ‘social life’ and participation
- \* External workers constitute a substantial part of all employees: 42% of workers in cooperatives are not partners but only employees.

# The partner worker

- \* An ambiguous employee.
- \* Subordinate to managers.
- \* Italian and migrant partner workers: protect the workers, not the cooperative
- \* Deterioration of internal democracy and of working conditions of members and employees of cooperatives.

# The cases of consumer cooperatives : I am not the coop!

The large retail sector: Conad and Coop two of the largest cooperative supermarket chain stores in Italy with a market share of approximately 34%.

The Chinese partner-workers in the chain of Coop Adriatica sub-contracts.

Retail workers are not members of the cooperatives: the consumers are members.

Standard employment contracts, mostly part-time with very flexible hours: the just-in-time of the workforce.



You are the coop, who can exploit you more than this?

# Social cooperatives

Sub-contract on behalf of public administration: hospitals, hospices, schools.

Flexible hours, physically exhausting, emotionally challenging and low wages.

Segmentation of labor market: cooperative workers and civil servants

Mostly female: Italian women often employed in skilled jobs and migrants, regardless of educational level, as unskilled.

A dual control : one of the leaders from the cooperatives and one from the company or managers from public administration.



Social cooperatives. Oh, you poor man

# Conclusion

Two main changes in the cooperative movement:

- overgrowth (cooperative groups) provokes a new kind of management, strong distance between managers and workers, ambiguous relationships between cooperatives that control other cooperatives or big enterprise (Ltd);
- out-sourcing process of the welfare state and of private enterprises (i.e in the logistic sector) cause a flourishing of cooperatives where the aim is to decrease the "cost of labor (i.e. the wage).

# For the future...

- \* Small/Big
- \* Local/Global
- \* Partners/External workers
- \* Management patterns
- \* Working conditions