

A: CO-OPERATIVE ALLIANCES, ITALY

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The Wall of ideologies has finally come down for the Italian co-operative movement as well. The main three co-operative associations have been gradually merging into the newly established Italian Co-operative Alliance. This has been a long process, after decades of competition and separation.

The unifying process of the three co-operative unions, products of the noble, glorious ideologies of the 21st century, is final and inevitable. After all, it would be something of a paradox that co-operatives are unable to co-operate, i.e. work together and jointly run a major project which is not only economic (the Italian Co-operative Alliance accounts for approximately 8% of the Italian GDP), but, above all, cultural and ethical. In a world that is divided and worryingly witnesses the blind defence of boundaries and borders, Italian co-operatives have been pursuing the path of unity with great conviction for some time (since January 2011 to be exact). The spirit of the pioneers of Rochdale, a town on the outskirts of Manchester where the first consumer co-operative was founded 170 years ago, is being interpreted in a new, modern light by the Italian Co-operative Alliance. This single, united Italian co-operative association is managing to be a driving force at a time when great global changes are underway and, at the same time, in consolidating a tradition in the field of work, both social and economic, that helps to give a solid foundation and democratic voice to the entire system.

Before discussing the cultural, social and economic prospects of the Alliance, I would like to begin with a series of figures that give us a clear idea of what the co-operative movement is today in Italy and how it came to be. As already mentioned, the Italian co-operatives account for approximately 8% of the GDP and have an aggregate capitalisation of over 52 billion euros and a net capital of over € 6 billion. The Alliance brings together 43,000 businesses and represents approximately 90% of the Italian co-operative movement with 1,200,000 people employed, a € 140 billion turnover and over 12,000,000 members. The Alliance is very strong in the agro-food sector with a *Made in Italy* production that amounts to € 35 billion and the banking sector with the big banks like Unipol-Sai or Credito Cooperativo which account for 13.4% of the banking sector in the country with direct deposits of € 157 billion. The retail distribution and consumers' co-operative sector is also huge, controlling about 34% of



the market, with a turnover of € 28 billion and over 8 million members. The social sector employs 355,000 people and provides social and health care services to 7,000,000 people (employment has grown by 115% in the healthcare sector in ten years). In the co-operatives, 52.8% of the people employed are women and represent 25% of governance, foreigners account for about 20% of the workforce, one Italian in five is a member of a co-operative and one in three people buy from co-operatives. As we can see from these few figures, co-operation in Italy is an essential, vital part of the economy.

It is a huge phenomenon based on three important work and community experiences from the last century. The Alliance consists, at a formal level as well, of Legacoop, Confcooperative and AGCI. Here is a brief outline of their origins.

The Federation of Italian Co-operatives, founded in Milan during the first congress of Italian co-operative members (1886), changed its name to the League of Co-operatives during the 5th congress which was held in Sampierdarena in 1893. Although it has changed dramatically in many ways, its mission remains that of 'supporting the leading economic, social and civil role of the co-operatives in the most dynamic and effective way. For 125 years, this has been the aim of Legacoop, an association close to socialist ideals that brings together over 15,000 co-operatives operating in all regions in Italy and in all sectors which are capable of creating development and wealth by focusing on people and the local area and community.

Founded in 1919, the Italian Confederation of Co-operatives, Confcooperative, is inspired by the Church's social doctrine (as can be seen in Article 1 of its Statute). Based on the social function that the Italian Constitution (art. 45) attributes to co-operation, Confcooperative promotes its development, growth and diffusion and currently brings together over 19,000 firms.

AGCI, the General Association of Italian Co-operatives, was founded in Rome in October 1952 by a group of republican-, liberal- and social democratic-inspired associations which formed a new union of co-operatives. It currently includes nearly 8,000 co-operatives.

Although figures and historical origins are all equally important, the ideas for developing co-operation in the very near future are even more so. The model can be found in the International Co-operative Alliance Statement on Co-operative Identity, which focuses on a number of critical points which can be briefly summarised below. Voluntary and open membership, the principle of democracy, strengthening of the role and contribution of women as a structural aspect, and value that helps to



define co-operative identity and an element of competitiveness between enterprises. Maintaining a balanced growth is only possible if human capital is not wasted, and the principle of centrality of people and their dignity is preserved. Equity, the importance of merit, must guide renewed interest in work and its importance as a primary need in today's society.

It is not accumulation that distinguishes co-operatives from joint-stock companies, but the substantial limit to the private appropriation of the wealth produced which introduces innovative elements of pluralism and democracy to the market and determines, on a social level, the special bond between co-operatives and the community. The limits to the appropriation of resources (indivisible reserves, limited return on capital) are the conditions that lead to a sustainable capitalisation and to maintaining the distinctive nature of a co-operative as an enterprise that responds to the needs of its members and the community, both now and in the future.

However, the principle that will be increasingly valued in the future is that of intergenerationality, i.e. creating ways of handing co-operative values and assets down to future generations, training the social base and rotating decision-makers, focusing on meeting the needs of the members. To keep the intergenerationality profile high, innovation, which involves promoting co-operation in new areas, is vital.

This is a huge challenge based on the awareness that in future societies and economies there will always be a space for co-operation. A strong, united co-operative association will help in facing this challenge. This approach should be considered also in those countries where the representation of the co-operative sector is still fragmented.

References

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