

# **Social Economy And the Power of Local Communities: A case from Trentino Region**

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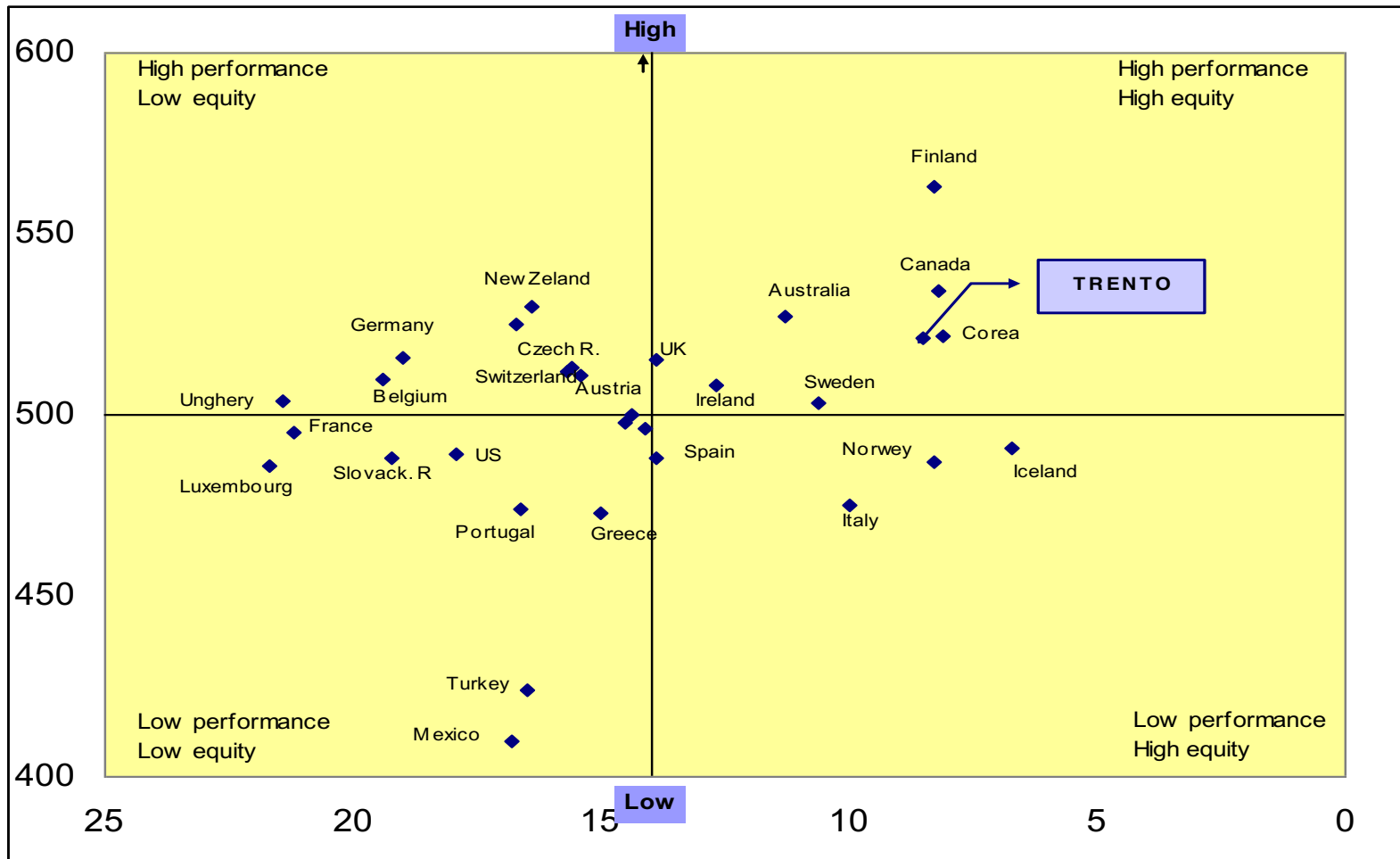
**1870 - 1890**

Thousands of people emigrated to Americas

# One century after: the economic performance

Source ISTAT	Pro-capita GDP (2019) euro
Trentino	38,706
Italy	29,645
UE 27	28,630

# Performance and equity



# Historical steps



**1890–1892:** first consumer cooperative and cooperative bank

**1893:** first wine producers cooperative

**1895:** 50 coops (20 consumer, 13 banks, 6 agricultural, 3 wine producer coops)

**1895:** establishment of the Trentino Federation of Cooperatives

**1898:** establishment of Cassa Centrale, 2 level consortium of banks

**1898:** establishment of SAIT, 2 level consortium of consumer coops

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# The objectives

- pursuing social and economic development of marginal lands, offsetting the distance from large markets.
- joining forces and making a qualitative leap in production and marketing methods.
- compensating the local weaknesses by creating a structured movement with a unified representation.



# Trentino: a cooperative district

- One of the European regions with the highest cooperative density (524,000 inhabitants and 270,000 cooperative members)
- The cooperative size of Trentino's economy:
  - 14% of employment
  - 15% of gross domestic product
- A wide variety of economic sectors organized in a cooperative structure: credit, agriculture, consumption, energy production, culture and education ...



# Cooperazione Trentina

FEDERAZIONE TRENTINA DELLA COOPERAZIONE

270,000 members

536 cooperatives

19,000 suppliers

21 consortia

16,000 employees

5,100 board members

€ 2.6 billion net assets

## Credit

members: 117,000

cooperatives: 46

employees: 2,750

## Agriculture

members: 23,000

cooperatives: 92

employees: 2,550



**Cooperazione Trentina**  
FEDERAZIONE TRENTINA DELLA COOPERAZIONE

## Consumer

members: 92,000

cooperatives: 79

employees: 2,700

## Labour Services Social Housing

members: 23,000

cooperatives: 298

employees: 8,000

# Agriculture



23,000 member suppliers

92 cooperatives

2,550 employees

32 FRUIT & VEG COOPS

19 DAIRY COOPS

15 WINE COOPS

24 MIXED COOPS

2 LIVESTOCK COOPS

90% market share

100% production to coop  
system



# Credit



117,000 members

449,800 customers

46 *Casse Rurali* banks

381 branches

2,750 employees

**65 % market share**





# Consumer



92,000 members

79 *famiglie cooperative*

387 shops

2,700 employees

**Only shop in 194 villages**

**(out of 217)**

**38% market share**



# Labour + Services + Social + Housing



23,000 members

298 cooperatives

8,000 employees

- 96 WORKER COOPS
- 86 SOCIAL COOPS
- 77 SERVICE COOPS
- 38 CONSTRUCTION COOPERATIVE
- 1 MIX EDCOOP



# Cooperation between cooperatives

Cooperatives from the same sector found **consortia** to share and coordinate activities.

e.g. start-ups, purchases, distribution, marketing, research and innovation

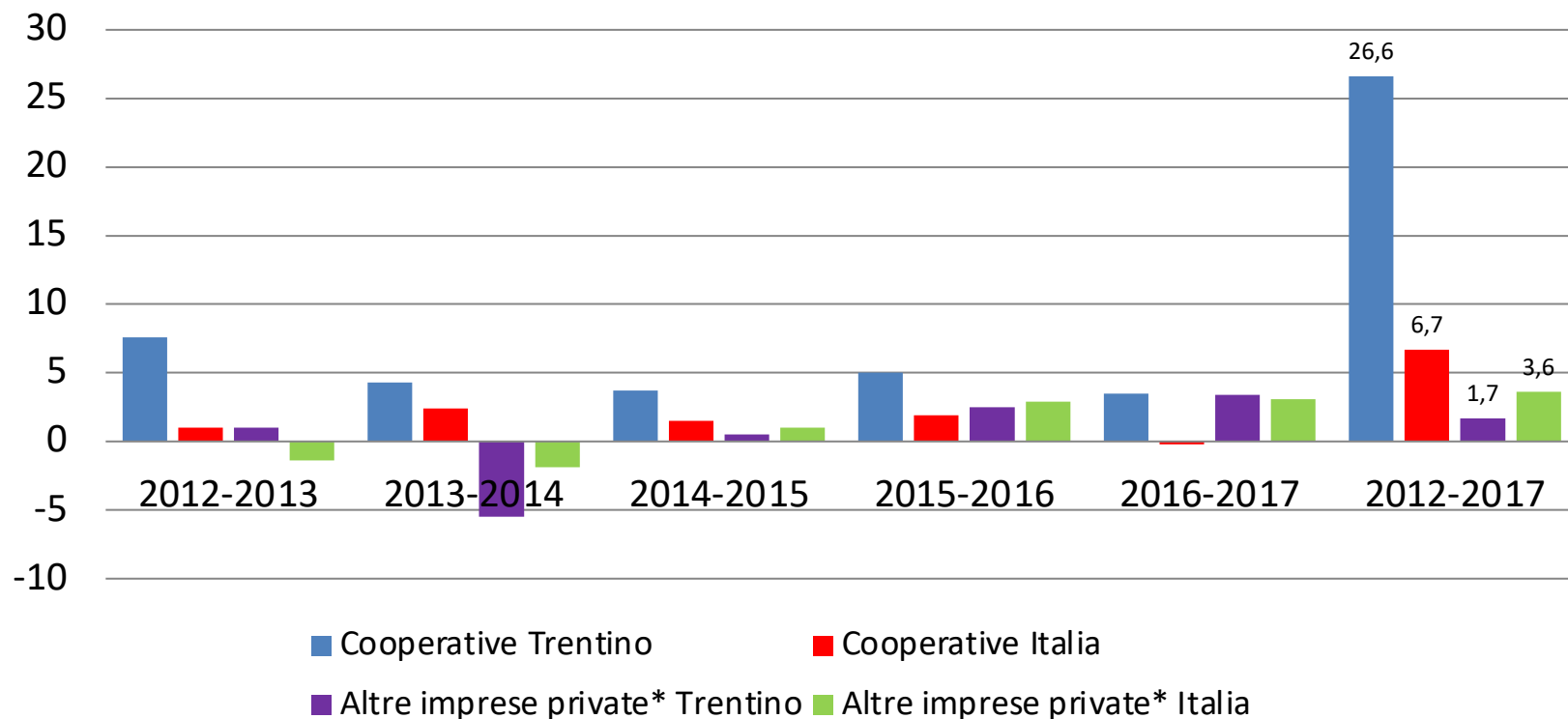
Democratic organization

Member loyalty

Mutual interest



## Number of employees (annual average) of Trentino and Italian cooperatives. Percentage changes years 2012-2017



Source : Istat and ASIA

\* Excluding individual entrepreneurs, freelancers and self-employed persons

# **A case study for local development**



# The Trentino coop experience

1. responds to a critical, frail situation, mobilizing across the history resources and energy that would have otherwise been scattered or fragmented
2. shows the ability to adapt to new social needs
3. intrinsically links to local development: more than just economic development
4. creates a strong connection between the autonomy, earned by the cooperative movement, and the public institutional dimension



# The Autonomous Province

- 1946: international agreement between Italy and Austria, with the United Nations guarantee, that sanctioned the creation of a special autonomous statute for the area.
- 1948: a constitutional law assigned extraordinary legislative and administrative power to Trentino - Alto Adige's region.
- 1972: the administrative and legislative power was increased and transferred to the Province of Trento

# The “double” self-government

- Trentino would not have become what it is today if the institutional framework established by the statute of autonomy had not found a social and cultural substrate for the practice of self-government.
- The success of the autonomy depended crucially on the existence of the living social texture formed by a “cooperative culture” (based on cooperatives, associations, voluntary commitment and non-profit organizations).



# The economic impact of co-ops

- reducing market failures and strengthening the competitiveness of markets
- keeping the production of goods and services close to the needs of people
- long-term perspective of growth
- more fair distribution of income



# The social impact of co-ops

- addressing social problems affecting local communities or stakeholders in need
- strongly rooted in a “collective awareness”
- enhancing social capital
- solving problems that would be otherwise in charge of public sector
- often involving disadvantaged people





# Thank you for your attention.

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