

FACTORIES RECOVERED BY WORKERS AND NATIONAL SUPPORTING SYSTEM IN ITALY

In the 2015 Report [Factories recovered in Italy](#), the European Research Institute on Cooperative and Social Enterprises EURICSE refers that since 1979 the enterprises recovered by the workers organized in cooperatives in Italy are 252.

Important information and data on the sustainability of the recovered factories are also highlighted in the EURICSE report. Their average survival rate is in fact 13 years, versus the 13,5 of a traditional enterprise and the 17 of a cooperative newly starting. Between 2010 and 2014 the mortality rate of these enterprises has been 3,30%, compared to 8% of all the Italian enterprises. Moreover 86% of the factories recovered in recent years have been successful by innovating the production and increasing business of the old enterprise.

The average dimension of the recovered enterprises in Italy is a small one, with about 41 employees (almost 70%). This reduced dimension reflects the Italian economic system with small and medium enterprises representing 99% of the national enterprises. This small size seems to have also played an important role for their success, facilitating the decision-making process in setting up cooperatives, in negotiations and in the direct management of production by workers.

The report puts in evidence that the number of recovered factories has grown steadily because of the crisis in the manufacturing sector, the growing number of business closures and the rising unemployment.

However, the recovery initiatives of companies in Italy also multiply thanks to a complex national system that makes them viable. This system includes national laws and financial support for workers who choose to organize themselves in co-operatives, to buy the bankrupt factory and relaunch the production.

Already in 1985 a specific law, known in Italy as *Legge Marcora*, was foreseeing a specific support in favour of the workers recovering factories gone bankrupt. Updated in 2001 and then in 2013 to adapt to European standards, this law states that employees have *the right of preference in rent or purchase the companies subject to bankrupt, establishing a cooperative made by the same workers of the company subject to bankruptcy proceedings.*

This Law allows workers to choose the option to recover the factory and production as soon as the owners take the



decision of bankruptcy. Avoiding long bidding times, negotiations and unemployment, workers can face the purchase process by investing their own funds and severance indemnities.

Public support is also given by the Italian State in providing the necessary capital funds to buy the factory and restart the production through the *Foncooper*, a revolving fund for low interest loans, and the *Special Fund* to safeguard employment levels and the development of new cooperatives. These two funds give new cooperatives a contribution to the capitalization in terms of both social and debt capital. State contributions shall be equivalent to the total amount paid by the employees and must be returned within 7-10 years. The Law also allows the recovered company to have a partner during the whole duration of the investment.

The third and fundamental pillar sustaining the recovered factories in Italy is represented by the cooperative's movement. The National League of Cooperatives *Legacoop* gives support to the workers organized in a cooperative to recover a bankrupted company. Through the [Coopfond](#), a fund financed with 3% of the profits of all members, it has recovered more than 122 factories with a contribution of 70 million euros. Other financial contributions are offered by [Cooperfidi](#), a national body of guarantee for cooperatives. Even the *Confederation of Italian Cooperative Movement*, together with other federations, have provided the recovered companies with technical and financial assistance, investing funds of the cooperative movement.

Initially those experiences were born in the Italian regions where the cooperative movement was more rooted, and are now spreading across the whole country. Each one of the stories of these companies recovered shows the great abilities of its employees in the technical management of the production and in the successful management of the whole process necessary to become owners of a company in bankruptcy.

Researchers and a growing number of policy makers in Italy and in Europe consider that enterprises recovered by workers organized as cooperatives not only represent a temporary solution to save jobs, but are medium-term instruments to safeguard the employment, to improve the productive capacity of enterprises and to enhance the economies of their respective territories.

To know more

[Las empresas recuperadas en Italia \(PDF en Italiano\)](#),

[EURICSE Working Papers by Marcelo Vieta](#)

[Article in thenews.com website](#)

[Article in reshaping-europe.boellblog.org](#)

[Article in Coopfond.it](#)

[Article in Coopfond.it](#)



[Article in lincmagazine.it](http://lincmagazine.it)

[Article in ilmegafonoquotidiano.it](http://ilmegafonoquotidiano.it)

[Programa Facultad Abierta Argentina](#)

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[Cecop.coop website](http://Cecop.coop)

