



Working Paper

**Workers BuyOut: why employee-owned enterprises
are more resilient than corporate business
in time of economic and financial crisis?
The case of Emilia-Romagna Region**

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Abstract

The Workers BuyOut (WBO) is an economic and social phenomenon that has developed since the beginning of the 2008 financial and economic crisis and is still growing. In Italy, its roots can be traced back to the 1970s and today journalists and politicians are publishing reportages and books on this phenomenon. Inside the Italian scientific community, also some economists have dedicated accurate but rare studies to the topic. Nevertheless, the WBO has not yet become the focus of a precise and in-depth research by sociologists, despite its evident social relevance.

The present paper is the result of a sociological investigation carried out by the authors and aims at illustrating this phenomenon through the lens of organizational analysis. It is structured in five sections: a general introduction; a description of the phenomenon at the national level, through the analysis of its normative grounds and its quantitative dimensions; a more detailed description of the WBO in Emilia-Romagna Region; a focus on the case study of one firm that turned into a successful WBO; a critical conclusion, highlighting the main incentives and obstacles for the full development of WBO experiences.

Keywords: Workers BuyOut; Italy; Emilia-Romagna; cooperatives; State; success

JEL Codes: J54; L31; L33; P13

1. Introduction

The purpose of this paper is to debate the phenomenon of Workers BuyOut (WBO) in Italy. It is an economic and social phenomenon that has developed worldwide since the beginning of the 2008 financial and economic crisis and is still growing: in 2012, the European Parliament officially recognized the important contribution of WBOs (and of cooperatives, in general) to the crisis overcoming, and called for a concrete financial and fiscal support to them by the European Commission (Toia, 2012, pp. 17-18).

In Italy, the cooperative sector is historically well developed and strong, and the WBO phenomenon is relevant in the socio-economic context, not only currently: indeed, the first Italian case of WBO was, *ante litteram*, a local newspaper in the city of Livorno, closed by its owner and transformed into a cooperative by the typographers in 1978 (De Micheli, Imbruglia and Misiani, 2017, pp. 53-58). Nevertheless, the Italian scientific community has not developed a long and consolidate tradition of studies and researches on it and this is particularly true for sociologists, while some economists of EURICSE,³ some years ago, published three valuable studies about the phenomenon, adopting a quantitative approach (Vieta, 2015; Vieta, Depedri, 2015; Vieta, Depedri, Carrano, 2015). In one of these studies, they provide a definition of the phenomenon that we found fit and adoptable:

“A worker buyout (WBO) is an employee-led business rescue, restructuring, and conversion process whereby employees purchase an ownership stake in the entire business that employs them, or in a division or subsidiary of the business” (Vieta, Depedri, Carrano, 2015, p. 35).

As we can see, the word “cooperative” is not pronounced: indeed, a WBO not necessarily adopts the cooperative form (Vieta, 2015, pp. 6-8). However, in Italy this is the most adopted solution and also the most interesting for a sociologist who studies welfare and social policy. Indeed, a WBO, from the sociological point of view, is an actual case of social and economic policy based on *social investment* (Hemerijck, 2013; Hemerijck, 2017) and also a model of active collaboration (*partnership*) between the State, the for-profit world and the Third Sector.

³ EURICSE is a center devoted to the interdisciplinary study of the cooperative phenomenon: it is located in Trento and many academic scholars collaborate with it. See <https://www.euricse.eu/it/mission-euricse/> (last accessed: May 19, 2019).

This is the WBO typology that the authors chose as target of their research: the present paper is the result of an investigation carried out by them and aims at illustrating this emerging phenomenon through the lens of organizational analysis. Besides the introduction, the study is structured in four sections: an analysis of the normative foundation and quantitative dimensions of the phenomenon at a national level; a focus on the WBO phenomenon in Emilia-Romagna, with specific regard to the institutional support and the role of the cooperatives; the insight into a successful WBO, taken as a case study; a critical conclusion, highlighting the main incentives and obstacles for the full development of WBO experiences. The purpose is to bring out, through the case study presented here, a possible analytical modelling of successful cases (*best practices*), in order to enhance their transferability to other territorial and socio-economic contexts.

2. The WBO phenomenon in Italy: normative foundation and quantitative dimensions

The Italian State started supporting the WBO phenomenon even before that this term was coined: the first normative measure in this sense was the “Marcora Act” no. 49 of the 27th February, 1985⁴. This Act created a “rotating fund for the promotion and development of cooperation later called Foncooper” (Article 1), financed mainly by the Ministry of the Treasury (Article 2). It created also a second fund “for interventions to safeguard employment levels” (Article 17, Clause 1), and established that, using this second fund, “the Ministry of Industry, Commerce and Crafts participates in the share capital of specially established financial companies” (Article 17, Clause 2).

This particular provision of the Marcora Act allowed the foundation of two private societies: SOFICOOP (1985) and CFI (1986). SOFICOOP was created by a catholic cooperative organization called UNCI, in order to allow new cooperatives of workers to access the fund and “promoted the creation of 84 cooperative societies, intervening in their development and consolidation, and thus contributing to the safeguarding of over 1,500 work units”⁵. In 2001, a normative reform, the Act no. 57 of the 5th March⁶, allowed SOFICOOP to give

⁴ See

http://www.agcimarche.it/public/upload/users/348076225/downloads/11_Legge_49_85_Misure_credito_livelli_occupazione.pdf (last accessed: April 24, 2019).

⁵ <http://www.soficoop.it/chi-siamo/la-storia/> (last accessed: April 24, 2019).

⁶ See

https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dat

directly a monetary aid, becoming “Institutional Investor”⁷. The Ministry of Economic Development holds the 99% of its property⁸.

CFI (whose meaning is: “Cooperazione Finanza Impresa”, Cooperation Finance and Enterprise) instead was created jointly by the three big head Italian cooperative organizations: Legacoop (of socialist/communist inspiration), Confcooperative (of Christian democratic inspiration) and AGCI (of republican/social democratic inspiration). Therefore, from the beginning also its aim was “to manage the rotating fund established by the Marcora Act”⁹. Subsequently, the 2001 normative reform allowed the Ministry of the Economic Development to enter this society: CFI became also “Institutional Investor”¹⁰. Currently, the Ministry of the Economic Development “holds 98.33% of the capital and is present in the administrative and control bodies [of CFI]”¹¹. Moreover, this reform allowed CFI to support social cooperatives and already existing cooperatives. A further normative provision (the Ministerial Decree of 4th December 2014, called “new Marcora”¹²) opened the gates of financing also to cooperatives that manage enterprises confiscated to organized crime.

The quantitative dimension of the CFI intervention is much greater than the SOFICOOP one, and probably this is why very recently, on 7th May 2019, CFI incorporated SOFICOOP becoming the only “Institutional Investor” acting on the basis of the Marcora Act¹³. On this regard, it is important to specify that so far, a complete census of the WBOs in Italy has not yet been carried out by the Italian Institute of Statistics (ISTAT). Vieta, Depedri and Carrano elaborated a valuable database, called the “IRL database” and updated to the 31st December 2014, but as they admit “we do not claim in this report that the 257 WBOs tracked in the IRL Database is the definitive universe of WBOs in

aPubblicazioneGazzetta=2001-03-29&atto.codiceRedazionale=001A3199&elenco30giorni=false (last accessed: April 26, 2019).

⁷ <http://www.soficoop.it/chi-siamo/la-storia/> (last accessed: April 24, 2019).

⁸ See <http://www.soficoop.it/societa-trasparente/informazioni-general/> (last accessed: April 24, 2019).

⁹ <http://www.cfi.it/storia.php> (last accessed: April 24, 2019).

¹⁰ Ibidem (last accessed: April 24, 2019).

¹¹ Source: CFI.

¹² See

https://www.mise.gov.it/images/stories/normativa/decreto_ministeriale_4dicembre2014.pdf (last accessed: April 26, 2019).

¹³ See http://www.cfi.it/upload/web_news/11_5_000000278_1557240466.pdf (last accessed: May 19, 2019).

Italy” (Vieta, Depedri, Carrano, 2015, p. 83). Therefore, for our study we decided to use the quantitative data provided officially by CFI, considering them enough valuable and trustable.

According to these data, since 1986 till now, CFI financed 381 cooperatives, whose 221 are WBO, with a total investment of 223.000.000 € millions and a total number of 18.749 workers involved¹⁴. With regards to the economic and social repercussions of its activity, CFI estimated that, in the last 10 years, the financial aid provided to cooperatives has generated 688.000.000 € of direct and indirect repayments for the Italian State, as showed in Table 1:

Table 1 - Repayments of the CFI investments for cooperatives

Type of repayment	€
Dividends, Active Interest, Revaluation of CFI capital	9.000.000
Social security contributions paid by the cooperatives	256.000.000
IRPEF paid by the cooperatives	225.000.000
Taxes paid by the cooperatives	36.000.000
Estimated lower use of social security cushions	162.000.000
TOTAL	688.000.000

Source: CFI.

About 200 of the 381 cooperatives supported by CFI are now consolidated, and not anymore under CFI control (the survival rate of the cooperatives supported by CFI is 80,41%¹⁵). Instead, currently CFI holds in its portfolio 140 cooperatives. An accurate table, available on the CFI website, shows a complete set of data for each cooperative¹⁶. We elaborated these data, and found that the highest number of CFI interventions (59, the 42%) consists in help to WBOs, as shown in Table 2:

Table 2 - Typology of CFI intervention

Typology	A.V.	%
WBO	59	42,2
Development	56	40,0
Consolidation	13	9,3
Start Up	12	8,5
TOTAL	140	100

¹⁴ Source: CFI.

¹⁵ Source: CFI.

¹⁶ See <http://www.cfi.it/cooperative.php> (last accessed: April 24, 2019).

The relative majority of these 59 WBOs (26, the 44%) is located in Northern Italy (the most economically active area of the country), as shown in Table 3:

Table 3 - Geographical Area of the CFI-supported WBOs

Geographical Area	A.V.	%
Northern Italy	26	44,0%
Central Italy	18	30,5
Southern Italy	15	25,5
TOTAL	59	100

From the sector of activity perspective, industry encompasses the absolute majority of these 59 WBOs (44, the 74,6%), as shown in Table 4:

Table 4 - Sector of Activity of the CFI-supported WBOs

Sector of Activity	A.V.	%
Industry	44	74,6%
Services	9	15,2
Installations and fixtures	5	8,5
Constructions	1	1,7
TOTAL	59	100

Considering the geographical area where the “Industry” sector of the WBOs is more represented, it appears to be the Northern Italy (20 on 44, the 46%), as shown in Table 5:

Table 5 - Geographical Area of the WBOs in “Industry” sector of activity

Geographical Area	A.V.	%
Northern Italy	20	46%
Central Italy	12	27%
Southern Italy	12	27%
TOTAL	44	100

Finally, among the Regions of Northern Italy, Emilia-Romagna turns out to be the one where the WBOs phenomenon is most widespread (17 on 26, the 65,5%), and, considering the whole country, a Region where it is remarkably widespread (17 on 59, the 28,8%). This is firstly true considering the phenomenon more broadly (all sectors), as shown in Table 6:

Table 6 - WBOs in the Regions of Northern Italy

Regions	A.V.	% Northern Italy	% Italy
Emilia-Romagna	17	65,5%	28,8%
Veneto	6	23,0	10,2
Lombardia	2	7,7	3,4
Piemonte	1	3,8	1,7
TOTAL	26	100	

But, secondly, this is also true considering the WBO phenomenon with regards to the “Industry” sector alone (13 on 20, the 65% – the 29,5% on all the country), as shown in Table 7:

Table 7 - WBOs in the Regions of Northern Italy in “Industry” sector of activity

Regions	A.V	% Northern Italy	% Italy
Emilia-Romagna	13	65%	29,5%
Veneto	5	25%	11,4%
Lombardia	1	5%	2,2%
Piemonte	1	5%	2,2%
TOTAL	20	100	46%

Therefore, it is possible to conclude that, probably, the Emilia-Romagna Region is the most remarkable and “inviting” for the WBO phenomenon. Nevertheless, it is impossible to affirm this in absolute terms: given the partial data due to the lack of a complete census of the WBOs in Italy. Such a census would be of considerable scientific value and would also be the basis for more general and deciding inferences.

However, supposing provisionally that Emilia-Romagna is the Italian Region where the WBO phenomenon is most diffused and developed, it is necessary to inquire which are the causes of this diffusion and this development: our research therefore aimed for this target.

3. The WBO phenomenon in Emilia-Romagna: institutional support and role of the cooperatives

The exact place of birth of the first Italian cooperative is a topic that is still debated among scholars, politicians and cooperative organizations. However, it is a fact that in Emilia-Romagna the cooperative movement arose early after the proclamation of the United Kingdom of Italy (1861), and grew strongly until the establishment of the Fascist regime (1922). Then, it has risen again after the 2nd World War and is still expanding: to sum up, nowadays it is an economic and social reality of main importance in this Region.

As we have observed, the political inspiration of the Italian cooperative movement was and is still heterogeneous: social-communist, Christian democratic and republican-social democratic. Nevertheless, during the last decades the three big head Italian cooperative organizations (Legacoop, Confcooperative and AGCI) preferred to practice synergy instead of competition among them, and established an association to represent and coordinate them all, the so called “Alleanza delle Cooperative Italiane” (Alliance of the Italian Cooperatives)¹⁷.

This alliance is particularly strong in Emilia-Romagna, a very developed and flourishing Region, with one of the highest rates of *civiness* (as measure of the social capital) in Italy, as demonstrated recently, among others, by the political scientist Roberto Cartocci (Cartocci, Vanelli, 2008; Cartocci, 2012; Cartocci, Vanelli, 2015). Traditionally, the regional government was under the control of the Italian Communist Party (PCI) and the Italian Socialist Party (PSI), while the Christian Democracy (DC) was the main opposition force. The political events of the 1989-1992 period determined the end of all these parties, that were the principal Italian parties since the proclamation of the Republic, in 1946. After this period, the Region has been and is still ruled by a centre-left coalition whose principal party is the Democratic Party (PD): the PD addresses to citizens with socialist, social democratic and progressive-catholic ideals. With regards to the cooperative movements, this means that the regional government is favourable without discriminations and approves their alliance.

Concretely, the regional government supports the cooperative movement and, consequently, the development of the WBO phenomenon. In this sense, the most recent and significant normative provision of the Region is the Regional Act no. 6 of the 6th June, 2006, entitled “Rules for the promotion and

¹⁷ See <http://www.alleanzacooperative.it/l-associazione> (last accessed: April 26, 2019).

development of mutualist cooperation in Emilia-Romagna”¹⁸. This Act guarantees the support of the Region to all kinds of cooperatives: for this purpose, a special Cooperation Council (Consulta della Cooperazione) is established (Article 3). The task of the Council is to provide official advices on projects of Regional Acts concerning cooperation, initiatives of support to the cooperation, or regional programs involving cooperatives (Article 4). Moreover, the Region is assigned the function of observing the cooperation, possibly with the help of Unioncamere, the organization that represents all the chambers of commerce of the Region (Article 5). Finally, the Region supports the development of cooperation both with the promotion of official agreements (Article 7), and with specific financial instruments (Articles 8 and 9), of course respecting EU rules and their limits (Article 10). The WBO phenomenon is not explicitly mentioned in the text, but the provisions of the Act have been and still are applied to it.

According to Article 5 of the Act, in 2016, the regional government carried out a census of the WBOs with the assistance of Unioncamere. The census results were presented in a conference and then exposed in an official publication:

“From the data emerged at the conference, in Emilia-Romagna in 2016 there were 56 new cooperatives born with the path of the WBO, 1,200 jobs saved: the phenomenon is distributed a little on the whole regional territory, but stands out in the Province of Forlì-Cesena with 30 cooperatives, followed by Reggio Emilia with 8, Bologna with 6, Modena with 4, Ravenna with 3, Rimini and Ferrara with 2, and finally Parma with one. With regard to the productive sectors, the industry emerges to a greater extent, where 60% of WBOs are concentrated, followed by services (35%) and agriculture (5%)” (Regione Emilia-Romagna, 2018, p. 57).

Subsequently, another census was realized in 2018: this was a partial census, with general data, therefore it is not possible to determine the distribution of the WBOs by geographic area or by sector of activity. It is only possible to know that from 2016 to 2018 other 46 WBOs started, for a total sum of 105 and with a total amount of 1.581 saved jobs. These data have been provided to us by an official of the Emilia-Romagna Region.

¹⁸ See

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjxq7zGoe7hAhUFMuwKHde0ADYQFjAAegQIAxAC&url=http%3A%2F%2Fdemetra.regione.emilia-romagna.it%2Fal%2Fclass%2Fdownload.php%3Fid_doc%3Da7f5b767-5cb9-6b54-6500-5757cbde885c%26ext%3Dpdf&usg=AOvVaw3aPela0y7e7w8X9rzwurKx (last accessed: April 26, 2019).

This official and one of his colleagues accepted to be interviewed by us on 25th March 2019. They claimed the usefulness of the Regional Act no. 6/2006:

“ This law provides for the establishment of a Cooperation Council, which includes representatives of the major cooperative centers, some university professors [...], the [Regional] Councillor, and Unioncamere, for data collection. Within this Council some trends or some lines of development are decided, which are partly financed, always through the law, through the so-called ‘promotional projects’ ” [Regional functionary].

More precisely, the Region provides two types of *financial support* to cooperatives (and WBOs): 1) the Region accesses the aforementioned national rotating fund Foncooper and makes it available to them¹⁹, 2) the Region provides other funds, from its own resources, to the ‘promotional projects’ according to the Regional Act no. 6/2006

“What happens? The Council gathers, decides which are the 3-4 priority themes, the announcement comes out, the head cooperative organizations present projects on these themes, which are however decided together with the Councillor. One of these was the WBO. [...] So there were € 600,000 overall” [Regional functionary].

A second kind of support is *technical assistance*, provided by the Region through a society called Aster, founded by the Region, the Universities, the public research institutes and the chambers of commerce²⁰.

“we made available our in-house company Aster, which is the innovation agency, and made a sample of some WBOs reported by the cooperatives, and accompanied them by analyzing innovation needs, putting them into contact with what they needed, and including them in the high-tech network” [Regional functionary].

Finally, a third and more general kind of support is the *political orientation*, that, as we have already observed, in Emilia-Romagna has been constantly favourable to cooperatives (and WBOs). Concretely this means the availability to listen to their needs, in order to improve the aforementioned services:

“And so, with them, we started a political action, of understanding needs, and from this emerged the need for innovation, the need for speeding up procedures, and the need to modify some funds that we

¹⁹ See <http://imprese.regione.emilia-romagna.it/Finanziamenti/industria-artigianato-cooperazione-servizi/fondo-rotazione-foncooper> (last accessed: April 27, 2019).

²⁰ See <https://www.aster.it/chi-siamo> (last accessed: April 27, 2019).

had available” [Regional functionary]; “Then, I would say, [we also provide support] above all motivational, political [...]” [Regional functionary].

The interviewees also specified that this political support has been increased since 2014, with the election of the current Regional Council: this is a focused policy of the Council, and precisely of the Councillor for “Productive activities, energy plan, green economy and post-earthquake reconstruction”²¹.

On the other hand, the interviewees admitted that the main role in helping WBOs is played by the big head cooperative organizations:

“The head cooperative organizations do 95%. That is, the management and the accompanying, from the identification of the case to... then, the Councillor, on some specific cases, we say that he accompanied, and he succeeded in promoting as a solution, because we also manage the negotiating tables for the employment, that is the same Councillor. So, the crisis appears [...] some cases, which arrived in the Region as a business crisis, were supported because, in the dialogue – let’s say – among the groups, the Councillor recognized WBO as a possible solution” [Regional functionary].

They also precise that there is a difference in the *modus operandi* of the three head cooperative organizations: “the WBOs of Legacoop, for example, are very focused on large manufacturing, that is on production industries. Perhaps the Confcooperative ones are smaller, but with a very strong social impact” [Regional functionary]. Therefore, they conclude:

“In Emilia-Romagna, so to speak, we are so good because there are very concrete, operational, cooperative centers that have supported, because they are the first point of contact with respect to crisis situations. Who expressed the desire, they accompanied him” [Regional functionary].

Of course, the Region’s interest and its political willingness consist in saving principally jobs, but also saving workers’ professionalism. On the workers’ side, these are also the most powerful motivations in order to accept the risk connected with founding a WBO as members:

²¹ See <https://www.regione.emilia-romagna.it/giunta/palma-costi> (last accessed: April 27, 2019).

“on the one hand, the fact that, later, finding a job is not so simple, eh? [...] On the other hand, also in order not to waste skills, jobs, knowledge. [...] Those who choose to become members have also a strong identity” [Regional functionary].

The last advice they gave us was useful to choose a concrete case study, in order to understand more deeply these dynamics: “You have to go to Raviplast” [Regional functionary].

4. Raviplast: a successful WBO as a case study

Raviplast was born in 1905 with the name of “Canapificio Romagnolo”: it was a factory where hemp was worked. In 1920, it was bought by the great chemical firm Montecatini: jute bags became the product until 1970, when they were substituted by plastic films and bags for industrial packaging, which are the firm’s products still nowadays. In 1972, the factory was bought by the “Pansac” firm, which, after some years, was bought by the entrepreneur Dario Lori, who renamed it “Nuova Pansac” (De Micheli, Imbruglia and Misiani, 2017, p. 185).

Dario Lori was a serious and skilful entrepreneur and gained a good market share for his plastic products, but he suddenly died in 1993. His son, Fabrizio, started a new type of entrepreneurial regime, made of many expenses (also for a soccer team) and little concreteness (ibid., pp. 185-186). The final result was the total crisis of the “Nuova Pansac” group in the period 2007-2009.

The group productive apparatus consisted in five factories: three in Veneto, one in Lombardia and the one in Ravenna. In 2010, the group called for the advice of an international business consultation society, the AlixPartners: the advisors of AlixPartners prepared a plan that provided for the closure of the Ravenna factory. Their idea was to sell the area of the factory to someone interested in real estate investments. However, the plan failed, no buyers appeared and, in November 2011, the crisis was officially declared with the intervention of the judicial authority, the Milano tribunal: at that moment the factory had 90 workers (ibid., pp. 192-193).

Following the law, the tribunal appointed a judicial commissioner: a lawyer. He opened again the factory and for about 18 months tried to look for a buyer interested in maintaining the production. In that period, he published two calls for bids unsuccessfully, as the current Raviplast CEO remembers: “He first makes a call to sell everything, then he makes a second call to sell the 5 sites, then he makes a third call to sell the industrial part” [CeO]. That third call was decisive for the birth of Raviplast. The commissioner claims credit for having had the original idea of trying a WBO (ibid., pp. 193, 198), but the most

important point is that he suggested his idea to the Ravenna Municipality, and the Municipality played the principal role in this enterprise:

“it is precisely the Ravenna Municipality that was a particularly dynamic active part in facing the crisis. On the basis of the history, the weight and also the qualities of the Ravenna cooperative movement, it calls the cooperative movement at a negotiating table: it is mid-July 2013, the ban was going to end on 21st September” [CeO].

Legacoop was the first head cooperative organization to answer the call, but soon Confcooperative and AGCI joined it:

“at that moment the 90 employees had decreased to 49: in August they were 49. [...] [the project] was born in Legacoop, but was immediately extended to the other two head cooperative organizations: when it was born, this cooperative was born immediately unitary” [CeO].

CeO was a cooperative manager and was working for Legacoop: when this idea arose, he considered it as an opportunity and a defiance. It really was a defiance: in less than two months, he and his colleagues prepared a project verifying carefully its economic sustainability, and listened to the stakeholders and their needs.

“therefore the project that the cooperative movement analyzes takes into account economic sustainability, financial sustainability, environmental sustainability. Running, running because we have 40 days to develop the project, checking with the workers” [CeO].

The workers were of course the most important stakeholders, and their participation was not sure, as CeO underlines:

“This is another aspect that, in my opinion, will be deepened in the studies that will be made in this regard: the willingness to participate in cooperative projects, which even in the territories of Romagna must not be taken for granted” [CeO].

There is a simple reason for this: according to the Marcora Act, in order to transform a firm into a cooperative the workers have to invest their “indennità di mobilità”, that is their unemployment benefits. This is a very heavy loss for an average factory worker and is counterbalanced by an opportunity, that is also a risk: but if the project fails, the worker loses his money and the State will not refund it. Therefore, CeO warns about the huge responsibility that he felt at the beginning: “this is for me, who have this responsibility on my shoulders, a

central element: that is, when workers put the unemployment benefits here, they burn them for other purposes” [CeO].

In order to avoid this result, CeO and his colleagues verified the machinery capacity, contacted the former buyers of the “Nuova Pansac” products and cut all the waste of resources. On the other hand, they committed to invest in improving the environmental sustainability, that the former owner had neglected: this was requested by the Municipality in exchange of its support, with the purpose of protecting public health of citizens. Taken into account these expenses, they found the project economically sustainable.

Therefore, the project was explained to the 49 workers, gathered in subsequent assemblies, and 35 of them accepted to participate to the enterprise, and to invest their unemployment benefits, but the project provided for only 24 workers, the most necessary ones: this problem and the risk of failure determined the initial opposition of trade unions representing the workers. Anyway, after hard negotiations, trade unions accepted the project. With regard to this, CeO believes that a certain caution is understandable, but notices that in some cases, trade unions are self-defeating, because, in order not to lose the unemployment benefits, they refuse the WBO solution, also if there is not another concrete solution, so obtaining the definitive closure of the factory. The Raviplast case anyway was different:

“I must say that, in the experience I lived, the initial caution of the three trade union organizations was diluted and the trade unions, so to speak, came to be convinced of the project [...] we built this path together with the union organization that, so to speak, came to support the project, but at the beginning there was a great caution” [CeO].

Once obtained the adhesion of the workers and trade unions, the initial capital was gathered with the aid of 5 “financing members” of the future cooperative, that is, the three big head cooperative organizations, a local holding company called “Cometha” and CFI: “the initial capitalization of the firm is around € 850.000: these € 850.000 come half from the funds, so to speak, from the shareholdings by the financing members, who are the 5 that we said, half come from the workers” [CeO]. Gathered the capital, the new firm was constituted: the cooperative adopted the name “Raviplast”. It presented its offer for buying the machinery on time, in September 2013, the commissar accepted it and on 5th December the production started again (ibid., p. 196).

The first big investment (€ 500.000) was made to honour the commitment with the Ravenna Municipality on the environmental sustainability: it had conceded

one year to adjust the machinery in this sense. But this was also a commitment with the same cooperative nature of the new firm:

“the quality of the members’ participation, the quality of the relations with the territory, this is essential: it is not by chance that we chose [...] we could not have done otherwise, but it is not by chance that we chose to put environmental elements first at our birth. It’s not by chance. That is, those € 500,000, if we had spent them in production, would have had a far greater impact on the budget. These we spent did not have any impact on the budget, on the contrary: they weighed in terms of non-productive amortizations. So these are the things that matter” [CeO].

In this way, year by year, the balance sheet closed always with profit, which brought the Raviplast to start a cautious expansion: at the beginning there were 21 members and 3 non-member workers, but members have increased to 24 and non-member workers to 6, for a total amount of 30 operators. Moreover,

“at the end of 2017, we adopted the first investment plan for the industrial part: € 1,500,000 invested over a three-year period. And this was a fairly intense subject of discussion among the workers, because, inter alia, in order to finance this industrial plan we made a capital increase to which the workers participated” [CeO].

The ground and the walls of the building where the factory lies are still property of the State, but the rent is cheap and Raviplast does not want to spend money for this, at least till now.

Raviplast is therefore a successful case of WBO, but CeO warns about the importance of studying also the unsuccessful cases, despite it is very difficult for a simple reason: workers who try to develop a WBO and fail, suffer not only a great financial loss, but also a great psychological loss. They do not want to talk about it. However, on the basis of his experience, he believes that there is a peculiar problem about the figure of cooperative manager, that sometimes does not fit:

“the problem that I see, if we want to take it from this point of view, is that, that is, inside a cooperative firm there are, let’s say, all the general economic obligations of a normal firm, the more there is one more, which is the management of social aspects. So, this must become a manager’s asset: a cooperative manager is a business manager, more a cooperative manager, that is, he must know that he works in an environment that is different, that has different values,

and must share this in his professional experience. If you do so, you are a good cooperative manager” [CeO].

This problem is connected with a more general question: which are the factors that determine the success of a WBO? In CeO’s opinion:

“ generally I underline 4 of them:
the first is *economic sustainability*. So, that is, the project must hold up: there are no possible mediations from this point of view;
second: *the managerial context*. This is also fundamental, that is, a company does not stand only if there are workers;
the third one is the *territorial context*, that is, the support both of the public and of the private institutions of the territory (in Raviplast case, the Ravenna Municipality, the commissar and the cooperative movement);
the fourth is *finance*. I put it last, even if not hierarchically, but because, from this point of view, I think that, if the project is there, finance arrives. Then [...] there is a need for finance that I – not just me – call ‘patient’ ” [CeO].

These words were of significant help for us in order to draw our conclusions.

5. Conclusions

This research was carried out with the purpose of beginning a study of the WBO phenomenon in Italy, because till now scholars have not considered it very carefully, especially sociologists. Moreover, as we have seen, currently no national census of the WBOs has been conducted and there are no general data available. For these reasons, it is not possible to draw definitive conclusions, but only temporary ones. Nevertheless, the quantitative data collected, although partial, are significant because of their reliability, and the observations reported are noteworthy because of the role and competence of the expert witnesses interviewed. On these bases, it is possible to assume that the success of a WBO does not depend on one factor only, but on many. These factors are both endogenous and exogenous: the former consist in the inner strength of the firm bought out, and the latter are based on the social environment that encompasses the same firm. They are summarized in Table 8 (there is no hierarchical order):

Table 8 - Factors determining the success of a WBO

Endogenous factors	Exogenous factors
Efficient machinery	An affordable market share
Skillful and determined workers	The support of the public institutions
Good cooperative managers	The support of other cooperatives
Good product	The support of the banks

The *endogenous factors* are both human and material: the human ones are at the same time individual and social, because the choice to adhere to a WBO project is extremely individual, but the skilfulness of a worker is the result of his/her education and of his/her experience, acquired in a social environment. It is a substantial part of his/her identity, and his/her determination to face the development of a WBO is the result of many elements: one of them is the willingness not to lose this identity. The identity of a cooperative manager is made not only of business ability, but also of carefulness for the social consequences of the business, as we have seen.

On the other side, the first *exogenous factor* is “material”, in the sense that it depends on the product, but the other three are social, in the sense that public institutions, cooperatives and (less) banks have a social task to contribute to the community welfare, each one with its instruments. Therefore, the social factors are a constitutive part of the success of a WBO: that is why sociology can play an important role in the study of this phenomenon.

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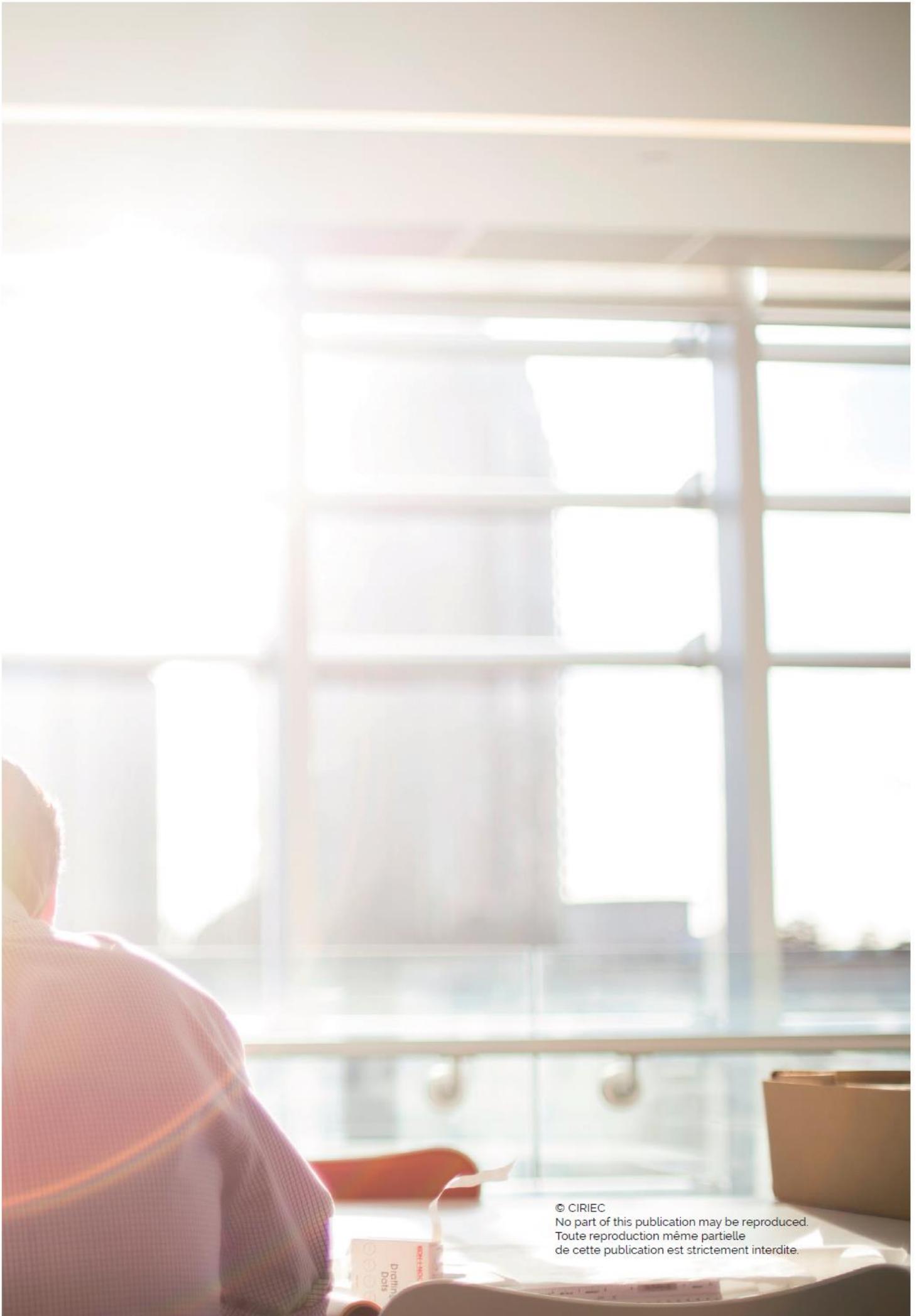
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