

Case Study 7.4

Social impact of employee ownership – evidence from Italy

As part of the research for his doctoral thesis in 1999, David Erdal conducted a study of three Italian towns in the region of Bologna: Imola, Faenza, and Sassuolo. Each town had twenty-six per cent, thirteen per cent and zero per cent respectively of the working population employed in worker co-operatives. He sought to explore the effects of having a more egalitarian society by studying the effect worker ownership had on each town based on the following metrics:

- Crime – victimisation; policing; confidence; feeling of security; and domestic violence.
- Education – level attained; age leaving school; truancy; expected truancy; post-school training; and perceived importance of education.
- Health – physical health; emotional health; and mortality.
- Social environment – perceived gap between rich and poor; helpfulness of authorities; and supportiveness of social networks.
- Social participation metrics – membership of clubs; voting rates; and blood donation.

Erdal found that the towns with a greater percentage of citizens working in co-operatives performed in terms of mortality (they lived 2.5 years longer), donating blood, and voting at local and national elections, as well as in all of the other metrics except for one.

Erdal concluded that ‘an economy with a moderate to high level of worker co-operatives’ produces significant beneficial effects in the wider community - better health and education, lower levels of crime, higher levels of social participation and increased appreciation of the social environment.

Source: D. Erdal, *Beyond the Corporation: Humanity Working* (London: The Bodley Head, 2011), p. 239-241.

Erdal, D. (1999). The wider social effects of worker co-operatives. Extract from PhD thesis.

