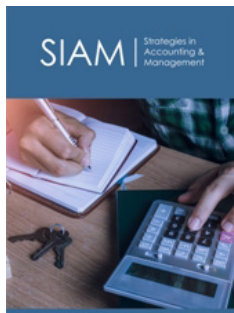


How did Spanish Cooperatives Fare in the Inter-Crisis Period (2008-2020)?

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Abstract

We present some reflections about how Spanish cooperatives, the most important social economy entity in Spain, have fared in the period 2008-2020. We analyse their economic and financial profitability, because they are key indicators of the survival of a firm.

Introduction

The paradigm of a new form of organization, that has underlain the discourse of entities, organizations and states for many years now, makes more sense than ever in the post-COVID era. The values of the Social Economy focused on cooperative principles, solidarity, equity and democracy become fundamental. The empirical evidence indicates that those countries with higher levels of social movements and a greater boom in the social economy are more capable of managing crises [1]. Today this reality is intertwined with sustainable development goals: "Social Economy is a business model whose values and principles are fully consistent with the objectives of the sustainable development agenda"¹. In this model, people are at the core and business activity is not the goal but a way to guarantee better collective well-being under a participatory and democratic process committed to the planet. In the post-pandemic era, the social economy should be at the core of decisions-makers' agenda. We present some reflections about how Spanish cooperatives, the most important social economy entity in Spain, have fared in the period 2008-2020. We analyse their economic and financial profitability, because they are key indicators of the survival of a firm. The analysis is carried out breaking down cooperatives into four categories, depending on their turnover: micro (turnover ≤ 2 million), small ($2 < \text{turnover} \leq 10$ million), medium ($10 < \text{turnover} \leq 50$ million), and large cooperatives (turnover > 50 million) [2].

Main Result

The results over the years are presented in Table 1. We highlight the main features:

1. The margin effect is the determinant of the behaviour of economic profitability (EP) and, at the same time, EP is the key determinant of financial profitability (FP).

¹President of Spanish Social Economy Employers' Confederation (CEPES) at the conference 'Social Economy: A direct path to the realization of the Sustainable Development Goals', organized by the CIDEAL Foundation and CEPES with the support of the AECID (2016).

2. The 2008 crisis involved a significant percentage of cooperatives that presented negative profitability. We can find this in all sizes, although it is more important in micro and especially small cooperatives.

3. Faced with the 2008 crisis, the recovery of medium and large cooperatives was ahead of the recovery of micro and small cooperatives.

4. The COVID-19 crisis increased the negative profitability of micro, small and medium cooperatives. In contrast, large cooperatives showed greater resilience.

5. We break down EP and FP into five ranges (R): $R \leq 0$; $0 < R \leq$

5 ; $5 < R \leq 10$; $10 < R \leq 15$, and $15 < R$ [3]. The highest percentages are those in the range ($0 < R \leq 5$). Figures 1 & 2 plot the average ranges. We can see that micro and small cooperatives show the most polarized results. They have the highest percentages of negative profitability, but also the highest percentages of values.

Conclusion

The literature tends to argue that there is a positive relationship between size and profitability [4-6]. Our results do not fit in with this result. There does not seem to be a positive relationship between size and profitability. However, it is true that greater resilience and earlier recovery are shown by large cooperatives.

Table 1: EP, FP and effects by cooperatives' size.

Micro	EP	M	R	Margin Effect	Rotation Effect	Interaction Effect	FP	L	RE Effect	L Effect	Interaction Effect
2008	2.37%	2.43%	97.39%				4.77%	2.02			
2009	1.66%	1.79%	92.56%	-0.00621	-0.00117	0.00031	3.26%	1.97	-0.01427	-0.00115	0.00034
2010	-0.02%	-0.02%	95.80%	-0.01678	0.00058	-0.00059	-0.04%	1.89	-0.03303	-0.00123	0.00125
2011	0.18%	0.24%	78.58%	0.00247	0.00004	-0.00044	0.38%	2.06	0.00391	-0.00004	0.00034
2012	-0.07%	-0.10%	66.59%	-0.00266	-0.00028	0.00041	-0.13%	1.82	-0.00522	-0.00044	0.0006
2013	0.63%	0.85%	73.92%	0.00634	-0.00008	0.0007	1.31%	2.08	0.01271	-0.00018	0.0018
2014	0.83%	1.06%	78.17%	0.00157	0.00036	0.00009	1.67%	2.01	0.00422	-0.00044	-0.00014
2015	0.30%	0.41%	74.78%	-0.00512	-0.00036	0.00022	0.63%	2.08	-0.01057	0.00054	-0.00034
2016	1.98%	2.74%	72.27%	0.01741	-0.0001	-0.00058	3.50%	1.77	0.03472	-0.00093	-0.00511
2017	2.65%	3.46%	76.50%	0.00526	0.00116	0.00031	5.10%	1.93	0.01191	0.00306	0.00104
2018	2.00%	2.59%	77.27%	-0.00666	0.00027	-0.00007	3.77%	1.88	-0.01243	-0.00115	0.00028
2019	0.97%	1.16%	83.83%	-0.0111	0.0017	-0.00094	1.76%	1.81	-0.01947	-0.00136	0.0007
2020	1.96%	2.61%	74.80%	0.01222	-0.00104	-0.00132	3.69%	1.89	0.01788	0.00072	0.00073
Small	EP	M	R	Margin effect	Rotation effect	Interaction effect	FP	L	RE effect	L effect	Interaction effect
2008	2.96%	1.92%	1.55				6.41%	2.16			
2009	2.22%	1.73%	1.29	-0.00289	-0.00498	0.00049	4.88%	2.19	-0.01597	0.00089	-0.00022
2010	1.47%	1.21%	1.22	-0.00664	-0.00121	0.00036	3.21%	2.18	-0.01643	-0.00029	0.0001
2011	3.49%	1.92%	1.82	0.00862	0.00729	0.00426	7.83%	2.24	0.04393	0.00094	0.00129
2012	2.59%	1.65%	1.57	-0.00497	-0.00472	0.00067	6.29%	2.43	-0.02023	0.00645	-0.00167
2013	2.08%	1.25%	1.66	-0.00626	0.00152	-0.00037	4.59%	2.21	-0.01241	-0.00057	0.00112
2014	2.06%	1.27%	1.62	0.0004	-0.00057	-0.00001	4.40%	2.13	-0.00038	-0.00154	0.00001
2015	1.79%	1.08%	1.65	-0.0031	0.00044	-0.00007	3.71%	2.07	-0.00582	-0.00125	0.00016
2016	4.58%	2.97%	1.54	0.03119	-0.00118	-0.00207	9.27%	2.02	0.05794	-0.0009	-0.00141
2017	3.91%	2.39%	1.63	-0.00888	0.00272	-0.00053	7.82%	2	-0.01353	-0.00108	0.00016
2018	5.56%	3.59%	1.55	0.01956	-0.00209	-0.00105	9.72%	1.75	0.03283	-0.00978	-0.0041
2019	7.48%	5.47%	1.37	0.02901	-0.00638	-0.00333	13.21%	1.77	0.03375	0.00088	0.00031
2020	7.15%	5.54%	1.29	0.00096	-0.00425	-0.00005	11.70%	1.64	-0.0059	-0.0097	0.00043
Medium	EP	M	R	Margin effect	Rotation effect	Interaction effect	FP	L	RE effect	L effect	Interaction effect
2008	0.97%	0.49%	1.97				2.61%	2.7			
2009	2.23%	1.15%	1.94	0.01292	-0.00012	-0.00016	4.72%	2.11	0.03416	-0.00568	-0.00742

2010	1.54%	1.05%	1.47	-0.00196	-0.00545	0.00048	3.74%	2.43	-0.01464	0.00696	-0.00216
2011	1.01%	0.59%	1.7	-0.00668	0.00239	-0.00104	2.23%	2.21	-0.01293	-0.00334	0.00116
2012	0.80%	0.45%	1.77	-0.00237	0.00045	-0.0001	1.91%	2.38	-0.00447	0.00169	-0.00034
2013	1.17%	0.67%	1.73	0.0039	-0.00019	-0.00009	2.69%	2.3	0.00859	-0.00058	-0.00026
2014	0.70%	0.39%	1.78	-0.00486	0.00033	-0.00014	1.66%	2.37	-0.01077	0.00073	-0.00029
2015	0.29%	0.15%	1.92	-0.00433	0.00055	-0.00034	0.64%	2.24	-0.00976	-0.00086	0.00051
2016	1.30%	0.74%	1.76	0.01132	-0.00024	-0.00094	2.71%	2.08	0.02275	-0.00047	-0.00165
2017	0.96%	0.55%	1.74	-0.00333	-0.00015	0.00004	2.02%	2.11	-0.00717	0.00034	-0.00009
2018	1.14%	0.64%	1.78	0.00163	0.00022	0.00004	2.47%	2.16	0.00397	0.00047	0.00009
2019	1.35%	0.75%	1.8	0.00182	0.00016	0.00003	2.83%	2.11	0.00433	-0.00058	-0.0001
2020	1.43%	0.82%	1.73	0.0014	-0.00053	-0.00006	2.94%	2.06	0.00171	-0.0006	-0.00004
Large	EP	M	R	Margin effect	Rotation effect	Interaction effect	FP	L	RE effect	L effect	Interaction effect
2008	1.04%	0.58%	1.8				3.50%	3.37			
2009	1.26%	0.74%	1.71	0.00293	-0.00055	-0.00015	3.81%	3.02	0.00751	-0.00363	-0.00078
2010	1.33%	0.74%	1.81	-0.00005	0.00078	0	4.06%	3.04	0.00219	0.00029	0.00002
2011	1.50%	0.83%	1.8	0.00177	-0.00007	-0.00001	4.22%	2.81	0.00515	-0.00312	-0.0004
2012	1.79%	0.96%	1.86	0.00233	0.00044	0.00007	5.03%	2.81	0.00796	0.00007	0.00001
2013	1.96%	1.03%	1.89	0.00133	0.00034	0.00003	5.30%	2.71	0.00477	-0.00186	-0.00018
2014	2.26%	1.23%	1.83	0.00377	-0.00058	-0.00011	6.06%	2.68	0.00834	-0.00063	-0.0001
2015	2.80%	1.58%	1.77	0.00639	-0.00081	-0.00023	7.44%	2.66	0.01433	-0.00042	-0.0001
2016	3.13%	1.74%	1.79	0.00288	0.0004	0.00004	8.10%	2.59	0.00881	-0.002	-0.00024
2017	2.84%	1.59%	1.79	-0.00282	-0.00007	0.00001	7.03%	2.47	-0.00746	-0.0036	0.00033
2018	2.84%	1.58%	1.79	-0.00005	0.00001	0	6.80%	2.39	-0.0001	-0.00222	0
2019	2.52%	1.39%	1.81	-0.00349	0.00033	-0.00004	5.92%	2.35	-0.00766	-0.00123	0.00014
2020	2.49%	1.38%	1.8	-0.00013	-0.00012	0	5.89%	2.36	-0.0006	0.00029	0

Source: SABI and author's compilation.

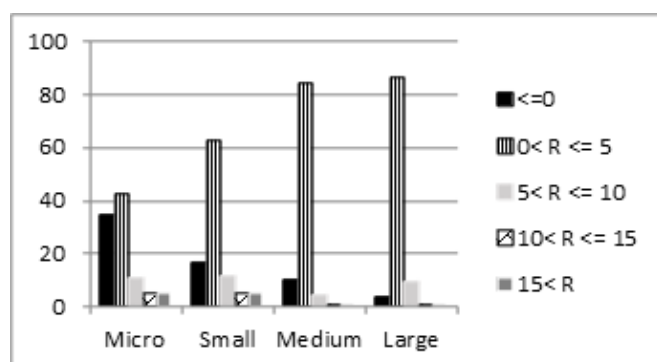


Figure 1: Economic profitability. Percentage by range (Period average).

Source: SABI and author's compilation.

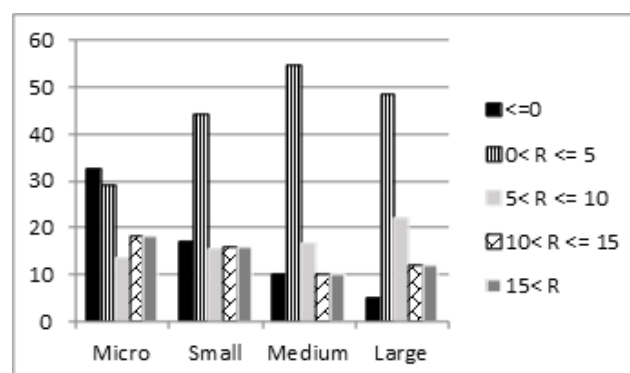


Figure 2: Financial profitability. Percentage by range (Period average).

Source: SABI and author's compilation.

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