



# MAPPING: KEY FIGURES

## NATIONAL REPORT: CZECHIA

### ICA-EU PARTNERSHIP



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## I. INTRODUCTION AND CONTEXT

This report is part of a Mapping exercise launched by the International Cooperative Alliance and its regional offices, within the framework of a partnership signed with the European Commission for the period 2016-2020. The programme aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects led within this partnership include a worldwide Legal Frameworks Analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research seeks to provide exhaustive information on cooperatives worldwide. This is achieved through a process jointly conducted by the ICA and its four regional offices – Cooperatives of the Americas, Cooperatives Europe, ICA Africa, and ICA Asia-Pacific – using a common methodology. Each office collected the input of ICA members present in the countries within its geographic area, by using the same questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in Czechia.

### i. Historical background

Czechia has been home to a strong cooperative sector since the late 19th century. Scholars date its emergence as early as 1847, with the founding of the '*Association of Foodstuffs and Savings*' in Prague.<sup>1</sup> Many more cooperatives were founded throughout the 1880s and were at that time ruled by the same legal regulations across the Austro- Hungarian Empire. The oldest production cooperative in the country was founded in 1892, entitled '*Kovo Věšín*'.

The late 19th and the beginning of the 20th century was considered a strong period of growth for cooperatives in Europe and today's Czechia (also termed the Czech Republic until 2016). Laws passed at this time, following the first cooperative law of 1873, led to an enabling environment for cooperatives. The sector arguably blossomed, in particular during the 20 peacetime years between 1918 and 1938. A large number of cooperatives functioned in a variety of sectors, particularly in housing and banking, with Raiffeisen (village) credit co-ops, known as *kampelicka*

<sup>1</sup> Johanisová, N. and Vinkelhoferová, M., [Solidarity and profit](#), Czech Republic, Political Critique, March 24, 2016

(after the Czech economist František Cyril Kampelík), numbering 7500 in 1937, according to the OECD.<sup>2</sup>

After World War II, the sector faced a period of regression, as associations and cooperatives were gradually dissolved.<sup>3</sup> The Communist party takeover in 1948 led to heavy state control of the cooperative sector. Farmers entered agricultural (producer) cooperatives under state control. Credit and insurance cooperatives were either abolished or nationalised, as were most other cooperatives, with a number of exceptions, such as production cooperatives.<sup>4</sup>

Following the 1989 Velvet Revolution that swept the communist party from power, the cooperative sector became quantitatively reduced. It demonstrated that the image of cooperatives had been hampered by the experiences under communism. As the next two decades saw a gradual liberalization of the Czech economy, including EU accession in 2004, cooperatives would not return to their former strength, despite the reemergence of a growing civil society movement supported by EU Structural Funds. Today, after over 170 years of cooperative history in Czechia, the sector develops mostly from a bottom-up approach, and in 2016 there were 14 466 registered cooperatives in the country.<sup>5</sup>

Further details on the regulation of cooperatives in the country shall be provided by another research conducted under the ICA-EU Partnership, the Legal Frameworks Analysis. However, a brief overview that can already be shared in the present report for information is that the main legal source is Law 90/2012 on commercial companies and cooperatives (Business Corporations Act), which among others imposes a minimum number of 3 members to create a cooperative.<sup>6</sup>

<sup>2</sup> OECD (2016) LEED Project, [Boosting social entrepreneurship and social enterprise creation: Unlocking the potential of social enterprises in the Czech Republic](#), December 2016, p.22.

<sup>3</sup> See Dohnalová, M., D. Guri, J. Hrabětová, K. Legnerová & V. Šlechtová (2015), [Social Enterprise in the Czech Republic, ICSEM Working Papers, No. 24](#).

<sup>4</sup> OECD (2016), pg.22.

<sup>5</sup> CZSO (2016), Czech Statistical Office, available at: [www.czso.cz/](http://www.czso.cz/)

<sup>6</sup> For a recent review, see Bányaiová Vožehová (2018) '[Corporate Law](#)' Report.

## ii. Public national statistics

For a more comprehensive picture of the cooperative movement in Czechia, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

The data presented here stems mostly from the Czech Statistical Office (CZSO), a central body of the state administration of the Czechia, and from general data provided by the Cooperative Association of the Czech Republic (CACR).

### NUMBER OF COOPERATIVES:

In 2016, the country had 14 466 registered cooperatives, 5782 of which were based in the capital city of Prague. This accounts for 0.5% of the 2 807 532 businesses operating in the country, though many of these cooperatives are not members of any unions or associations.<sup>7</sup>

### EMPLOYMENT:

Data from the CZSO shows that Czechia's economically active labour force in 2016 stood at 5 350 000, suggesting 0.9% of this employment is provided by CACR membership.

### COOPERATIVE MEMBERSHIP:

Czechia counted around 268 317 cooperative memberships in 2016, which in relation to the 10 625 449 inhabitants counted in the country in June 2018 (10 565 284 in mid-year 2016), represent 2.5 % of the population.<sup>8</sup>

### PRODUCTION VALUE:

In 2016, the overall GDP of the country stood at 195 305 Billion USD (185 620 Billion EUR or 4 767 990 Million Czech Koruna) (CZSO & World Bank Data, 2016). For a comparative perspective, in 2015, the most recent year for which data is available the cooperative's economic contribution in was estimated at 2.77 Billion EUR. For example, in the industrial sector, which accounted for 34% of Czech national GDP in 2016, the cooperative economic contribution of CACR members was estimated at 0.6 Billion EUR, or 0.4% of the sector.<sup>9</sup>

<sup>7</sup> See [Družstevní asociace České republiky \(DACR\), Czech co-operative Movement and selected statistical data in 2017](#), pg. 32.

<sup>8</sup> Data is provided by the CACR and includes both CACR memberships and non-CACR memberships for 2016.

<sup>9</sup> Economic contribution defined with turnover from CACR cooperatives in the industrial sector.

### iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Czechia, the Mapping questionnaire, was distributed to, and completed by 1 ICA member organisation in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

## II. KEY FIGURES

This section presents the results of the data collection directed by the ICA members. It is different from the general estimates for the country provided in the introduction – as the coverage represents approximately 8.6% of the total number of cooperatives in the country.

Czechia counts one ICA member organisation, **the Cooperative Association of the Czech Republic (CACR) – Družstevní Asociace České Republiky (DAČR)** in Czech<sup>10</sup>.

CACR is a full ICA member<sup>11</sup> and the national apex organisation<sup>12</sup> for Czech and Moravian cooperatives, who they represent in public and abroad. Together with its member organisations cooperating with the government, various ministries and representative institutions, promotes the interests and needs of cooperatives, helping to round development of the cooperative movement in the present and in coming years.

Its member organisations are active in the following sectors, ordered here by decreasing order of importance – from the highest to lowest number of memberships:

- Construction
- Wholesale and retail trade
- Industry
- Agriculture & food industry
- Education

### iv. ICA member data

The data collected was provided by CACR for the year **2016**. While a significant portion of the questionnaire was completed, data could not be provided for the following variables:

- While CACR represents four different types of cooperatives, i.e. user, producer, consumer and multi-stakeholders cooperatives, no detailed data was available for these categories – including the number of cooperatives, memberships, employees, or economic data within each type.
- No data on gender and youth related to the organisations represented by CACR could be retrieved, including regarding the number of memberships and employees that are female or under 35 years old. Although data could be provided for the CACR organisation itself, where 50% of the employees are women.
- Some sectorial information was partially incomplete: in the Education sector, only the number of cooperatives/mutuals represented could be made available.

<sup>10</sup> For further information, please visit: <http://www.dacr.cz/cooperative-association/>

<sup>11</sup> This category covers members with voting rights – as opposed to associate members (which can include for instance governmental agencies).

<sup>12</sup> Defined in the present research methodology as “the umbrella organization at national level in which all sectors of cooperatives (and/or mutuals) converge and that is responsible for promoting the cooperatives (and/or mutuals) in the country and providing services to the cooperative(and/or mutuals) members.”

- The economic data was also only partially available, covering some sectors (cf. sectorial section below) but not providing an overall picture of all the sectors where CACR members are active.

## v. General overview

The present section provides an overview of the ICA membership data for Czechia. It is displayed in several categories and with the support of graphs, for clarity purposes.

| Category               | Total   |
|------------------------|---------|
| Number of cooperatives | 1243    |
| Number of memberships  | 141 190 |
| Number of employees    | 50 198  |

CACR represents **1243** cooperatives in the country, with a total number of memberships<sup>13</sup> of **141 190**, and a total number of **50 198** employees.<sup>14</sup> While no economic data was available for all member organisations at the national level, some sectorial data could be provided and is broken down below.

<sup>13</sup> Defined in the Mapping methodology as: the number of persons who initially signed the application for registration and those admitted in accordance with the cooperatives' bylaws and who currently participate in the organization in accordance with the cooperatives' bylaws.

<sup>14</sup> Defined as: all those workers who hold the type of job defined as paid employment jobs.

## vi. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned. With regards to the turnover, the amount is provided both in the original currency, the Czech koruna (CZK), and in the equivalent amount in Euro (EUR)<sup>15</sup>.

A general overview is provided in the chart below:

|                                      | Number of cooperatives and/or mutuals | Number of memberships | Number of employees | Turnover in million CZK | Turnover in million EUR |
|--------------------------------------|---------------------------------------|-----------------------|---------------------|-------------------------|-------------------------|
| <b>Agriculture and food industry</b> | 368                                   | 975                   | N.A.                | N.A.                    | N.A.                    |
| <b>Industry</b>                      | 198                                   | 3216                  | 13525               | 16452                   | 608.39                  |
| <b>Construction</b>                  | 629                                   | 655000                | 2665                | N.A.                    | N.A.                    |
| <b>Wholesale and retail trade</b>    | 48                                    | 137841                | 13308               | 10382                   | 383.93                  |
| <b>Education</b>                     | 9                                     | N.A.                  | N.A.                | N.A.                    | N.A.                    |

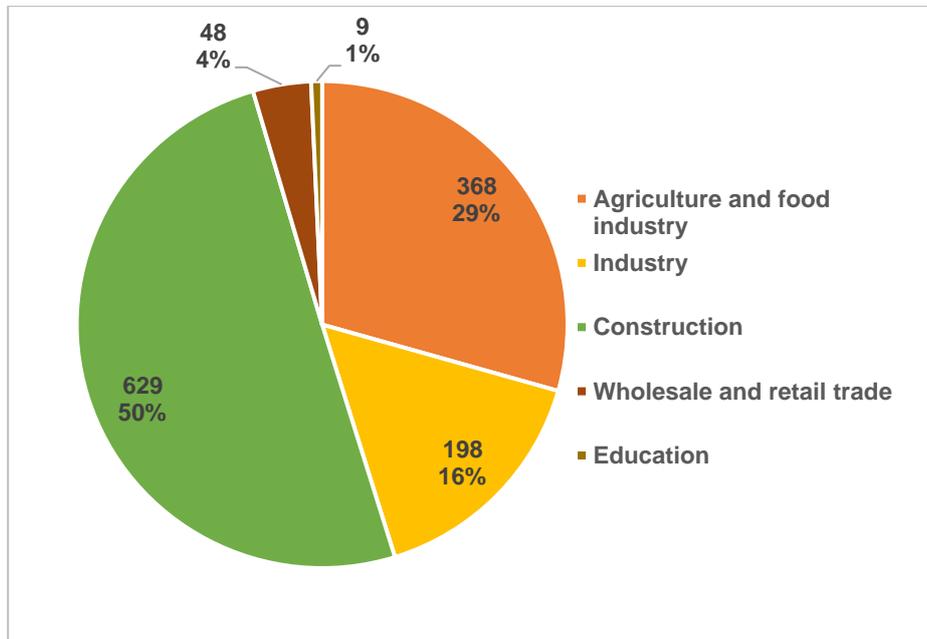
<sup>15</sup> This amount was calculated based on the annual average rate (for the year 2016) between the two currencies, using the currency converter InforEuro:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro)

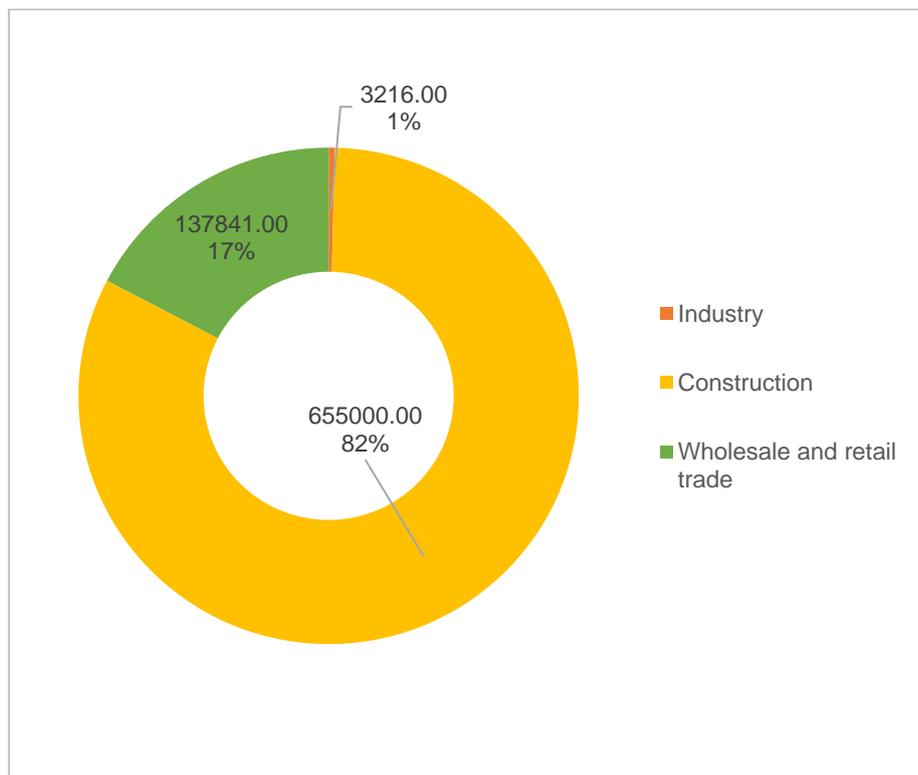
### III. GRAPHS

Specific variables are also detailed in the graphs below, when sectorial data was available.

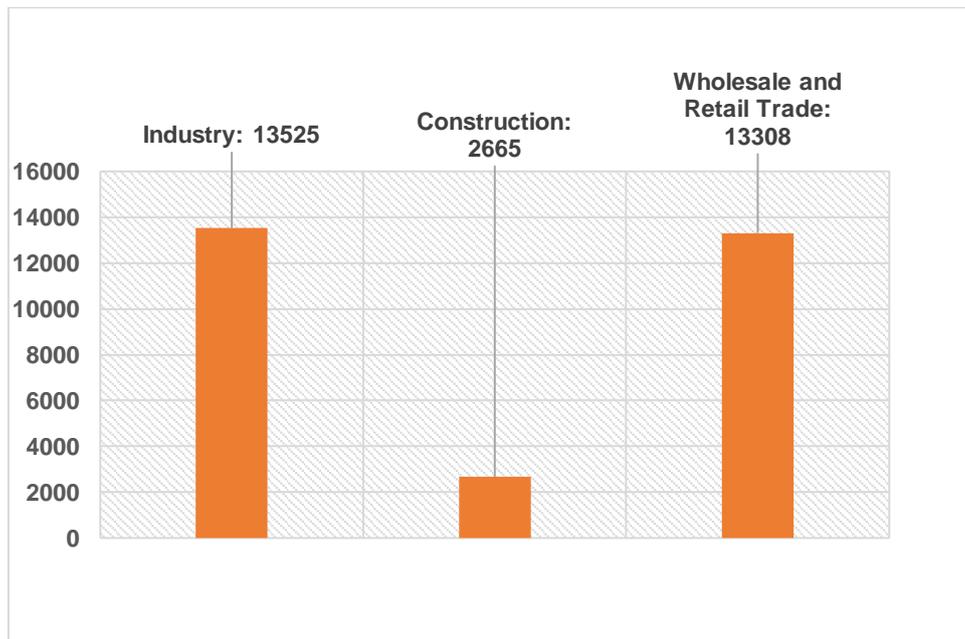
vii. Number of cooperatives by sector:



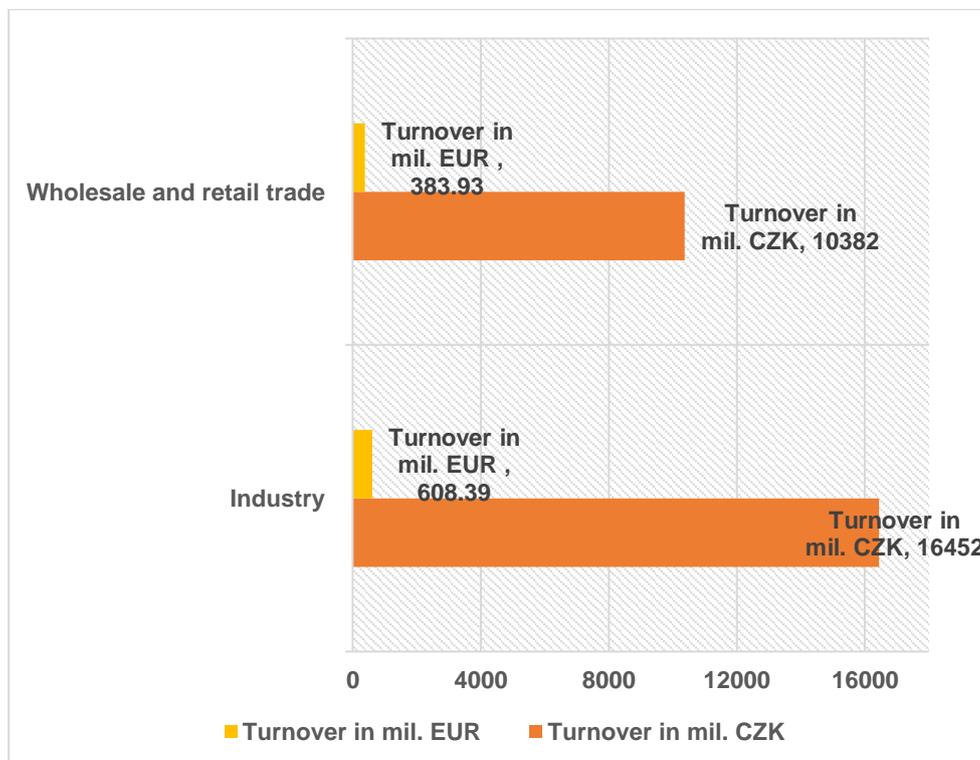
viii. Number of memberships by sector



ix. Number of employees by sector:



x. Turnover by sector in CZK and EUR:



## IV. ANNEXES

Sources and contacts are listed below.

### Sources

CZSO (2016), Czech Statistical Office, Available at: [www.czso.cz/](http://www.czso.cz/)

Družstevní asociace České republiky (DACR), Czech co-operative Movement and selected statistical data in 2016, 2017

Dohnalová, M., D. Guri, J. Hrabětová, K. Legnerová & V. Šlechtová (2015), Social Enterprise in the Czech Republic, ICSEM Working Papers, No. 24.

Johanisová, N. and Vinkelhoferová, M., [Solidarity and profit](#), Czech Republic, Political Critique, March 24, 2016

OECD (2016) LEED Project, [Boosting social entrepreneurship and social enterprise creation: Unlocking the potential of social enterprises in the Czech Republic](#), December 2016

### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://www.coops4dev.coop)

The production of this report was overseen by staff from Cooperatives Europe and the International Cooperative Alliance. For any further information or clarification, please contact [mappingresearch@ica.coop](mailto:mappingresearch@ica.coop)

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