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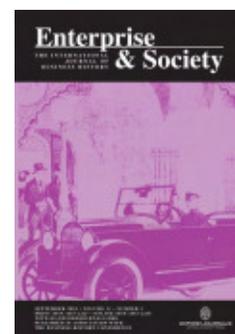
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Cooperative Networks in the Italian Economy

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This paper analyzes cooperative enterprises' networks in the Italian economy, in accordance with recent economic theory, to throw light on the causes of their success of in the last 30 years. We reference the vast literature about business networks to identify some interpretative lines that can be transferred to the cooperative world. On this basis, a typology of the Italian cooperative networks is offered, in order to evaluate the competitive advantages of each type of net, their governance methods, their evolution, and their impact on the recent flourishing of Italian cooperatives. Our conclusion is that the use of networks by co-ops has been very intensive and can still be strengthened, if Italian co-op umbrella organizations will merge. Building large cooperative corporations was often the result of networking, as was the creation of joint stock companies owned by cooperatives.

Networking as One of the Key Factors in the Success of Italian Cooperative Enterprises

Attempting to identify the causes behind Italian cooperative enterprises' success in the last 30 years has led us to become interested in networking, as we noticed in an extensive field study of Italian cooperatives their pervasive use of networks. This is a novel approach, which we have tried to work out as formally as possible. We first consulted

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the vast literature about business networks to identify some interpretative lines that could be transferred to the cooperative world, with adaptations. This exercise allowed us to work out a typology of Italian cooperative networks useful to evaluate the competitive advantages of each type of net, their governance methods and their evolution. Next, we have summarized the progress of Italian coops in the last 30 years, highlighting the other key factor explaining their progress, namely, increased capitalization, an issue abundantly discussed in the literature¹ and therefore will not be tackled here. The subsequent section provides a discussion of the five types of networks considered relevant for Italian co-ops and a final paragraph offers some conclusions. Being the first comprehensive work on cooperatives' networks, in or beyond the Italian context, this essay hopefully can offer a framework for other empirical studies of cooperative enterprises and groups, thus accumulating case studies that may lead to more general conclusions on the role networks actually have played.

A Conceptual Framework for the Study of Cooperative Networks

The economic literature has basically featured two forms of enterprises: the atomistic firm, typical of the neoclassical world where the “invisible hand” is at work, and the Chandlerian corporation, which acts according to a very “visible hand.” Both have the peculiarity of being totally unrelated to other enterprises, essentially “standing alone.”² The Smithian enterprises give rise to a perfectly competitive system, because each small firm is specialized in a limited productive segment and must turn frequently to market transactions. The Chandlerian enterprises, instead, internalize many market transactions, reaching such a large scale that they can only be administered by “hierarchy,” i.e., by a long command chain capable of controlling the many steps needed to produce the final product, resorting to the market only sparingly, and giving rise to oligopolistic competition. It is this, the origin of the contrast between market (understood as the competitive market) and hierarchy, that has long featured in business theory.³

The first challenge to this conventional wisdom came in the late 1970s from theories developed to explain why small firms tended to bunch into clusters and entertain multiple relations with each other. The literature on the industrial districts highlighted the existence of diverse formal and informal extra-market links among small

1. Zamagni and Felice, *Oltre il secolo*.

2. Chandler, *The Visible Hand*.

3. Williamson, *Markets and Hierarchies*; Toninelli, *Storia d'impresa*.

enterprises, aimed at favoring flexibility in the use of labor and promoting product differentiation and customization, but it only surfaced peripherally in the international economic debate, because it applied predominantly to Italy.⁴ However, we do not want to understate the impact of the work done by such scholars as Piore, Sabel, and Zeitlin in highlighting that, after the Tayloristic revolution, “mass” production did not dominate in all parts of the world. Small firms survived; industries continued to need some flexible lines, if nothing else in the production of dedicated machinery⁵; and some areas showed a strong preference for the maintenance of a flexible production system.⁶ Philip Scranton’s addition to this picture has been to demonstrate that in the United States, too, the victory of mass production was not unchallenged.⁷ These works were strategic in reminding scholars that the real world of business was more pluralistic than the market versus hierarchy modeling was prepared to admit.

A second important line of attack on the conventional wisdom of stand-alone firms arose on the basis of Japanese industrial success, connected as this was to the widespread reticular framework of Japanese firms, the so-called *keiretsu* (formerly *zaibatsu*).⁸ This structure, the existence of which could not be denied, Chandler considered a second best solution, to be found in economic systems, where cultural or legislative obstacles prevented the adoption of the integrated corporation. As long as the diffusion of this reticular model seemed only to be confined to the Asiatic countries, its existence could be considered more an exception than a rule. In this context, we deem Granovetter’s contribution decisive. In his 1995 essay, he persuasively treated the business network as an extension of Coase’s theory about the firm, and thus freed this model from its previous subordinate position.⁹ Since the 1990s, an extensive literature, which is not possible here to summarize exhaustively, has examined many features of business networking. For their relevance to the application we want to make to cooperative enterprises, we shall briefly recall here just three approaches.

The first is a foundational one, bringing back in the economic discussion a forgotten element, i.e., actors’ *benevolent* disposition toward others. The benevolent disposition—reciprocal and cooperative—is at least as much present in society as the self-interested one. This line of

4. Saba, *Il modello italiano*; Signorini, *Lo sviluppo locale*; Antoldi, ed., *Piccole imprese e distretti industriali*.

5. Piore and Sabel, *The Second Industrial Divide*.

6. Sabel and Zeitlin, *World of Possibilities*.

7. Scranton, *Endless Novelty*.

8. Aoki, “Toward an Economic Model of the Japanese Firm”.

9. Coase, “The Nature of the Firm”; Granovetter, “Coase Revisited”; Id., “Coase revisited,” review by Zamagni. See also Powell, “Neither Market Nor Hierarchy”.

thinking shows that the non-market and non-hierarchical economic relations must be considered a source of important economic decisions as well. In Adam Smith's theory, these two dispositions—the benevolent and the self-interested—were both present, but many commentators mainly emphasized the second one, while the subsequent economic mainstream has developed only the self-interested relations, sometimes denying the importance, and even the existence, of relations based on benevolence. More recently, contributions showing the failures of a market solely based on self-interest, as well as the failures of a State often incapable of enforcing law and order through the use of police and of adequately promoting social collaboration, demonstrated the irreplaceable role of economic activity based on benevolence.¹⁰ Benevolence, together with the market and the State, allows the creation of civil communities where risk and responsibility are shared, producing a very harmonious public life. The need for a triadic structure of society—market, State, and the third sector—has been recently argued by Luigino Bruni and Stefano Zamagni, who maintain that reciprocity is the basis for the functioning of both the market exchange of equivalents and the gift-giving sector.¹¹ This line of thinking is important to understanding the nature of cooperative firms, which are profit-making companies that distribute benefits to the members of the cooperative in a solidaristic way.

The second approach is through modeling that formalizes networks—especially through game theory—studying them from many different points of view, with political and economic applications.¹² From these studies, we can derive four main concepts: (1) the network is a set of links, relating agents not always directly through bilateral relations, but often making use of intermediaries who provide “knots”; (2) the typology of firm relations is tripartite: collusion in the market, cooperation in production, and negotiated marketing agreements among sellers and buyers on a large scale; (3) the importance of ethnic, religious, ideological, and family bases for business networking is due to the production of benefits of information, reputation, monitoring, and commitment¹³; (4) not all types of networks work properly and some of them end up failing.¹⁴ An

10. Bowles and Gintis, “Social Capital,” in *Moral Sentiments and Material Interests*, eds. Gintis, Bowles, Boyd, and Fehr.

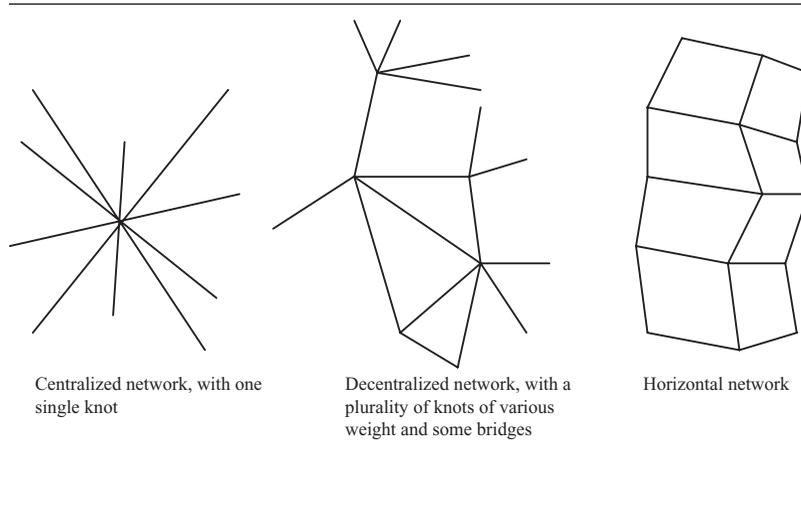
11. Bruni and Zamagni, *Civil Economy*; see also Sacco and Zamagni, *Teoria economica e relazioni interpersonali*.

12. Demange and Wooders, eds., *Group Formation in Economics*.

13. Belussi, “Fiducia e capitale sociale nelle reti di impresa.”

14. On networks failures, see Gössling, Oerlemans, and Jansen, *Inside Networks*, chap. 9 and also Hancock, “The trouble with networks.” The fact that networks suffer conflicts or that they can be organized in a way that proves

Table 1 Position of Enterprises within Networks



example of this can be found in Avner Greif authoritative study of business networks the Italian city states of the Middle Ages produced, which shows the advantages of their “impersonal” networks versus the Maghribi ones based exclusively on family ties.¹⁵ On the whole, this initiative offers useful analytical instruments, but it is still in its infancy.

The third approach is empirical and is the most relevant to our discussion here. It aims at building a typology of the networks prevailing among Italian cooperative enterprises. From this literature we learn that the position of each enterprise within a network can be different: an enterprise can be a simple member, sometimes with a single link to another enterprise; it can serve as a bridge for a series of partners, performing a more strategic role; or it can be the key enterprise for the entire network, with all the other enterprises depending on it, performing the role of overall network coordinator. Networks, therefore, can be tighter or looser and more or less hierarchical. Some examples of networks are reported in table 1.

In table 2, we have prepared a five-fold typology linking together various features of networks; the first three typologies are an adaptation from the work of De Man,¹⁶ while the other two are original and respond to the features of cooperative enterprises, for which it has been written that “the construction of networks among firms is an

unsustainable over time is not sufficient to lead to the conclusion that networks are inferior to the hierarchical form of enterprise.

15. Greif, *Institutions and the Path to the Modern Economy*.

16. De Man, *The Network Economy*.

Table 2 A Typology of Cooperative Networks

Type	Definition	Key characteristics	Governance
Horizontal	Networks to increase market power, to rationalize production, to offer common services, to share risks and opportunities	Very integrated system, long lasting, sometimes they prelude to mergers, generally used by small and middle size firms	Governance with special committees, consortia or other shared legal instruments
Vertical	Networks between suppliers and clients in a long value chain, developed to allow the concentration of each firm in its core business and at the same time the control of the entire production chain	Vertical specialization, logistics coordination, product specifications, network used by many kinds of firms	Governance by a partner who provides coordination in a stratified system
Complementary	Networks between complementary goods and service producers, to offer complete packages to their clients	Latent relationships, generally activated upon client's demand	Steady alliances, equity cross-holdings, cooperative groups, consortia, common strategies, integration
Financial	Financial support networks	Supply of credit; temporary or long-term equity holding, with financial and technical qualified services in view of company consolidation	Strategically oriented independent agencies, with a view to promote business
Network of networks	Strategic coordination networks	External representation; lobby; cooperative identity defense; synergies among networks, common services, and basic strategic decisions	Elective and managerial system governance

inbred element.”¹⁷ In the columns of table 2 we have tried to explain the aims assigned to each type of cooperative network, its most relevant features and the corresponding type of governance. But before testing the significance of the proposed typology, we must present an overview of the Italian co-operative galaxy.

An Outline of the Italian Cooperative Movement

The Italian cooperative movement has a long tradition, with roots deep into the second half of the nineteenth century. Today, it is outstanding in many economic sectors—from retail to credit, from agriculture/food to the building industry, from traditional services to social services—with a strong and widespread presence in the Italian economy, involving many large corporations and extensive networks. From a historical viewpoint, the Italian cooperative movement had its first expansion at the beginning of the twentieth century, during the so-called “golden age of cooperation.” In that period, it strengthened those features that have characterized the movement in the long run, in particular an ideological segmentation, with different umbrella organizations overlapping and competing. The three largest umbrella organizations were Legacoop (of socialist origin), Confcooperative (of Catholic inspiration), and a liberal peak organization.¹⁸ Liberal co-ops were the first to be born, around the middle of the nineteenth century, but their organization as a group has always been loose, up to the formation of a Federation in Ravenna in the early twentieth century, which, however, remained chiefly local. Legacoop formed in 1886 and for some time was the only peak organization. After the 1891 publication by Pope Leo XIII of the “social” encyclical *Rerum Novarum*, a strong Catholic cooperative movement was promoted, which formed its umbrella organization in 1919.

The Fascist regime first tried to destroy cooperatives (especially the socialist ones), but then decided to place the movement under its control, shutting down the former peak organizations. Cooperation was not entirely cancelled and a number of cooperatives even prospered, but without a doubt Fascism slowed the movement’s growth. With the restoration of democracy, the ideological partition of the Italian cooperative movement resumed. Legacoop and Confcooperative

17. Mazzoleni, “La rete cooperativistica,” in *Lezioni cooperative*, ed. Salani (our translation).

18. In Italy, this type of enterprises are labeled “republican,” because they were formed by members of the “republican” party, which opposed the monarchy and had a liberal-populistic inspiration.

Table 3 Cooperative Enterprises according to the Official 1951–2001 Censuses

	Number of co-operatives	% of total companies ^a	Employees	% of total employees*
1951	10,782	0.7	137,885	2.0
1961	12,229	0.6	192,008	2.2
1971	10,744	0.5	207,477	1.9
1981	19,900	0.7	362,435	2.8
1991	35,646	1.1	584,322	4.0
2001	53,393	1.2	935,239	5.8

Source: Istat, Censuses of industry and the service sector, various years.

^aExcluding public institutions.

immediately reorganized themselves, while Agci, the liberal umbrella organization, was formed in 1952 and two smaller apex organizations were added later (Unci in 1975 and Unicoop in 2004). In the 1948 Italian constitution, Article 45 recognized the interest of the nation in the promotion of cooperation as a way of keeping together economic activity and solidaristic motivations. However, during the economic boom of the 1950s and 1960s, the reorganized Italian cooperatives remained small and relatively marginal, as can be seen in table 3.

The turning point happened in the early 1970s, when, as a result of the international crisis, many co-ops ran the risk of disappearing. Co-ops severely worsening of the financial situation shaped the strategies the umbrella organizations put in place to strengthen their capitalization. To achieve this, the cooperative movement obtained more favorable legislation. The first bill approved was the “small reform” (law 127 17/2/1971), which recognized members’ loans as a crucial element to increase capital available to co-ops and granted incentives to this form of financing.¹⁹ The sector in which loans to members became most widespread was the consumers’ co-ops, given the very large number of their members. Even more important was a bill approved in 1977, exempting from corporate taxes undistributed profits set aside in indivisible reserves, a measure that increased self-financing considerably.²⁰ In March 1983 a new bill was passed (law no. 72, labeled Visentini, for the minister who drafted it), granting cooperatives permission to fully own, or hold, a majority stake in a capitalist corporation. This permitted the larger cooperatives to gather capital in a variety of ways, including offering shares of the joint

19. Zamagni, Battilani, Casali, *La cooperazione*.

20. The indivisible reserves form a capital that the co-op can invest, but never distribute back to members. If the co-op is liquidated, its indivisible capital is granted to the movement, to be employed back into active co-ops.

Table 4 The Italian Co-operative Movement in 2006 as Portrayed through the Data of Co-operative Umbrella Organisations

	Number of co-operatives	Turnover (in billions of Euro)	% turnover in Emilia- Romagna	Members	Employees
Legacoop	15,200	50	45	7,500,000	414,000
Confcooperative	19,200	57	33	2,878,000	466,000
AGCI	5,768	6	25	439,000	70,000 ^a
UNCI	7,825	3 ^a	10	558,000	129,000
Unicoop ^c	1,910	0.3 ^a	–	15,000	20,000 ^a
Non-members	21,561 ^b	3 ^a	20	100,000 ^a	150,000 ^a
Total	71,464	119	37	11,490,000	1,249,000

Source: Official figures from the cooperative umbrella organizations, including those for social cooperatives.

^aEstimated figure.

^bEstimated as the residual figure from the total (71,464) given by Unioncamere in its *Secondo rapporto sulle imprese cooperative*, 2006. Note that the co-operatives registered in the Cooperative Register, which was only set up on the January 15, 2006, number 62,253; this would suggest that the numbers of Unioncamere too are somewhat inflated by the inclusion of nonactive cooperatives.

^cThis fifth cooperative umbrella organization (of a rightwing orientation) was officially recognized only in May 2004 and very little is known about its activity.

stock companies controlled by them. Another step toward multiplying financial resources for cooperatives was embodied in law 59, approved in 1992, which allowed cooperatives to have members who only supplied capital (*socio sovventore*) and to issue special privileged shares (*azioni a partecipazione cooperativa*). The same law 59 required co-ops to pay 3 percent of their profits to a fund constituted by their umbrella organizations, with the aim of promoting new starting enterprises in the cooperative movement.

This improved capitalization, together with the networking that will be analyzed below, are the factors that can be considered strategic in allowing Italian cooperatives to flourish, as it is documented in table 3: co-ops' employment more than quadrupled in absolute terms in the 30 years between 1971 and 2001, while it almost trebled in relative terms. Figures for 2006, derived from data released by the umbrella organizations, are presented in table 4, documenting further growth of the movement. It can also be seen that Legacoop and Confcooperative cover 90 percent of total turnover (sales), while Emilia-Romagna stands out as the Italian region with the greatest concentration of cooperative enterprises (one-third of total turnover). The expansion of Italian co-ops has not only been a quantitative phenomenon (in 2008 the co-op galaxy accounted for 7 percent of Italian GNP), but a qualitative one as well: cooperatives have formed large corporations, accounting for 9 percent of employment among

Table 5 Percentage Share of co-ops Employees in Total per Class Size^a

Employee class	1971	1981	1991	2001
1	0.1	0.2	0.4	0.7
2	0.3	0.4	0.6	0.4
3–5	1.0	1.0	1.6	1.8
6–9	1.4	1.6	3.1	3.8
10–15	2.2	3.4	4.2	4.3
16–19	2.8	3.8	4.5	5.4
20–49	3.2	5.1	6.6	7.5
50–99	4.0	5.6	7.9	10.2
100–199	4.3	5.4	8.7	11.5
200–249	5.4	6.3	7.1	10.9
250–499	4.5	6.8	7.9	9.6
500–999	2.8	5.9	8.2	9.4
1000 or more	0.9	1.6	3.2	7.7
All classes	1.9	2.7	3.8	5.0

Source: ISTAT, *Censuses*.

^aExcluding social cooperatives.

the fewer than two thousand²¹ Italian firms with over five hundred employees each (see table 5). The presence of co-operatives among Italy's leading enterprises is documented in more detail in table 6, showing the sectors to which they belong and their total turnover (approximately equal to one-third of total co-op turnover).²²

It must also be mentioned that historical regional differences in co-ops' diffusion remain almost unchanged to this day, with a dynamic movement in the Centre-North—especially in Emilia-Romagna and Trentino-Alto Adige, both regions belonging to the North-East of the country—as opposed to a limited presence in the South²³ (table 7). Compared with their population shares, the North-East has more cooperative employment, while the North-West and the Centre have approximately the same percentage and the South a considerably smaller one. If we add to this that all the large co-ops are in the North-Centre, the conclusion is strengthened, although in the

21. The small average size of companies is a well-known feature of the Italian economy, widely studied in the literature.

22. For more details, see Zamagni, *Italy's Cooperatives*, and also Zamagni and Zamagni, *La cooperazione*. It must be noted that, being Italian enterprises in general very small (the average size in 2001 was 3.6 employees per firm!), the “largest” enterprises are defined as those with more than five hundred employees, of which in 2001 only 1344 were in existence in the whole of the country. The average size of co-ops in 2001 was 17.5 employees and the percentage of workers in co-ops with more than five hundred employees was 9 percent (as against a share of 5.8 percent of total employees).

23. Sapelli, ed., *Il movimento cooperativo in Italia*; Fornasari and Zamagni, *Il movimento cooperativo in Italia*.

Table 6 Italy's Largest Co-operatives in 2004 (>500 Employees^a)

	Number of co-ops	Turnover (in millions of Euros)	Employees	Number of members ^b
Manufacturing	20	6,738	27,453	75,480
Food & Drink	17	5,201	20,606	75,000
Construction industry	15	5,189	16,661	8,000
Large-scale retailing:	27	23,807	94,128	5,500,404
Co-op	11	11,011	49,394	5,507,000
Conad	9	6,300	26,259	3,527
Others	7	6,496	18,475	3,877
Services:	43	3,453	120,024	826,072
Integrated services	27	1,973	55,913	18,605
Catering	4	1,082	21,849	20,806
Logistics	5	159	3,712	2,010
Other Services	4	239	2,450	10,427
Finance ^c	3	–	36,100	774,224
Total	105	33,998	258,266	6,416,956

Source: From cooperatives' financial statements, covering around 90 percent of the universe of cooperatives with more than 500 employees. With the exception of a few co-ops belonging to the umbrella organization Concooperative, most of these larger co-ops are members of Legacoop.

^aTotal employment in the largest cooperatives is 9 percent of all the employment in the Italian largest (>500) corporations recorded in the 2001 census.

^bIn some cases, members are second-level cooperatives, and thus the figure is only indicative.

^cConsisting of two insurance companies, one of which (Unipol) is the third largest insurance company in Italy (itself a j.s.c. owned by cooperatives), and of the credit unions system composed of four hundred and forty cooperative banks with 3,499 branches (11.2 percent of the total number of bank branches in Italy), with deposits representing 8.4 percent of total savings in Italy. Credit Unions have a very large share of the market in the five thousand nine hundred Italian municipalities with more than five thousand inhabitants, in many of them being the only bank.

recent decades there has been a stronger growth of co-ops outside the North-East. We cannot here discuss the reasons for this unbalanced distribution of co-ops in Italy, which commands a vast literature. Just a brief reference can be made to the scarcity in the South of the basic conditions necessary for the creation of cooperatives: widespread trust and support by local authorities in terms of promotion. Indeed, the famous book by Robert Putnam,²⁴ which linked "civic virtues" to the level of development of the Italian regions, makes use of the number of co-ops as one measure of "civic virtues."

From the above, it can be concluded that in the areas where they have a stronger presence (Centre-North) and in the sectors where they concentrate (food and drink, construction, retailing, finance, and other services, particularly facility management and social services), co-ops represent a significant part of the Italian enterprise system. In the European context too, Italian co-ops are today well placed, just below the level of Nordic cooperation (Denmark, Finland, Norway, Sweden

24. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*.

Table 7 Trends in the Geographical Distribution of Cooperative Employees^a

	1971		2001		2001/ 1971	% 2001 population
	Total	Percentage	Total	Percentage		
North-West co-ops	49,323		122,214			
Local units	48,834	23.5	119,295		3.4	26.4
North-East co-ops	83,379		188,180			
Local units	82,634	39.8	184,416		1.9	19.0
Emilia-Romagna co-ops	53,780		111,097			
Local units	52,153	25.1	105,876		1.6	7.2
Center co-ops	34,477		100,272			
Local units	34,612	16.7	103,089		3.5	19.3
Tuscany co-ops	16,838		43,189			
Local units	17,563	8.5	42,660		2.0	6.2
Continental South co-ops	25,933		94,252			
Local units	26,953	13.0	96,504		3.4	23.9
Sicily & Sardinia co-ops	14,365		51,894			
Local units	14,444	7.0	53,508		2.8	11.4
Total	207,477	100	556,812	100	2.8	100.0

^aSee table 3, excluding social cooperatives.

are the most “cooperative” among the European countries), though it is difficult to document this in aggregate terms, given the lack of comparative statistics.²⁵ In a recent roster of the three hundred major world cooperative corporations, Italy presents twenty-three,²⁶ ranking fourth after the United States, France, and Germany in the number of co-ops included.²⁷ We are now in a position to use the typology developed in table 2 to analyze—in historical perspective—the motivations that have conditioned the development of the Italian cooperative networking and the implications stemming from it.

The Horizontal Networks

The first type of network to be commented upon is the *horizontal*, which is typical of the Italian cooperation’s pioneering periods, such as the origins in the nineteenth century, the beginning of the twentieth century, or the immediate post–World War II era, when cooperatives recovered from fascist control. This network’s privileged instrument is the consortium, i.e., a cooperative of cooperatives, with the task of rationalizing marketing and resources to reap some economies of scale and work out “symmetrical integrations,” which can be preludes to mergers. The most important cases are to be found in the agricultural and industrial sectors, with many provincial consortia developed between the postwar period and the 1970s. For example, the largest segment of the building consortia affiliated to the Legcoop, organized with the aim of securing public contracts, supplied their cooperative members with services, such as business projections, auction preparation, or managerial assistance. Agricultural consortia operated similarly, whatever their ideological stances. They carried out common functions, with accounting offices and technical departments servicing their members. The only difference was that agricultural consortia often performed a supply service as well—of seeds, fertilizers, pesticides, or machinery. This latter activity had been organized by cooperative consortia on a large scale since 1891 (*Consorzi agrari*), but the

25. The International Cooperative Alliance (ICA) in its website (www.ica.coop) has resorted to a variety of indicators to prove the importance of co-ops around the world: the number of co-op members over population; co-ops shares in the turnover and employment in specific sectors, but even for these indicators the most recent estimates refer to the late 1990s.

26. ICA, *Global 300 List 2007. The World’s Major Co-operatives and Mutual Business* (www.global300.coop). Data refer to 2004.

27. Only twenty-eight countries are present in the ranking and obviously the largest of them tend to have more enterprises listed, which explains why the Nordic countries, all very small, do not appear at the top of the ranking.

fascist regime nationalized them in the late 1920s, and only recently some of them have been returned to the cooperative movement.²⁸

Other horizontal networks include the retailing consortia of the post–World War II period, subsequently transformed into vertical networks. After liberation from fascism, the consumers' cooperatives organized themselves in a three-tier structure: retail cooperatives, provincial consortia, and a national consortium, called the Italian Alliance of the Consumers' Co-operatives (AICC). In theory, AICC should have centralized purchases, so as to supply goods to the provincial consortia that in turn were to supply the retail cooperatives. In practice, this chain had many functional problems, so cooperative stores purchased only 5 percent of their goods from AICC. In this way, before the optimization of this mechanism, the retail consortia were horizontal networks, offering services such as balance sheet auditing or communication strategies.²⁹

We can also consider the old rural credit unions as a horizontal network. In fact, these cooperative banks were tiny and needed to rationalize resources through securing collective services.³⁰ Other banks provided such services, up to the formation in 1963 of a specialized service institution—Iccrea—devoted solely to supporting credit unions. Iccrea's strategy to facilitate networking among rural credit unions (which later became credit unions *tout court*, extending credit beyond agriculture) was the first step in creating a thicker network with other national service institutions. By 2008, the four hundred and forty credit unions in existence handled 11 percent of Italian bank branches, collected 105 billion euros of savings (8.5 percent), had 90 billion in financial investments and 15 billion in assets, with eight hundred thousand members and twenty-seven thousand employees.³¹

More recently, there are a few cases of cooperative groups showing a horizontal network structure. All cases—the agricultural co-ops, the building co-ops, the consumers' co-ops, and the rural credit unions—were involved in a progressive consolidation process through mergers. Especially during the 1950s–1970s, the region with the highest cooperative density—i.e., Emilia-Romagna—experienced a continuous merger process, at the beginning at an inter-communal

28. Stupazzoni, *Cooperazione agricola*; Menzani, *La cooperazione in Emilia-Romagna*.

29. Casali, *I consorzi cooperativi*; Battilani, *La creazione di un moderno sistema di imprese*.

30. Fornasari, *Il credito cooperativo in Emilia Romagna*.

31. Schraffl, "Banche cooperative a reti integrate," Cafaro, *La solidarietà efficiente*.

level, then at the provincial³² one, and lastly at the regional or interregional level. Unification is the natural trajectory for a horizontal network, joining once-autonomous co-ops into completely integrated units.³³

These changes affected the horizontal networks too, and in several cases the old consortia were absorbed or substituted by other more complex organizations, often with a national structure, such as Iccrea—the credit unions national institute—and Coop Italia—the consumer cooperatives national wholesale society—or Ccc—the Italian building cooperatives' national consortium.³⁴ This means that, within the cooperative movement, the weight of the horizontal networks has decreased over time, with the important exception of social cooperation, born more recently.³⁵ Overall, the traditional consortium, the typical instrument of the horizontal network, was a historical strongpoint of cooperation, because it had a simple structure and performed a role of promoting the affiliated firms. In the last decades of the twentieth century, this simplicity became a weak point, and the horizontal consortium has been largely replaced by other types of networks or has witnessed the mergers of co-ops previously operating within consortia.

The Vertical Networks

Vertical networks also began long ago. The idea of integration between supplying cooperatives and purchasing ones originates with early cooperative theories. In Italy, retail cooperatives selling the produce from agricultural cooperatives had been advocated by generations of cooperators; as was the construction of houses by the bricklayers cooperatives on demand from housing cooperatives.³⁶ Sometimes these aims were achieved, with the creation of vertical networks, sometimes they remained utopian. In general, vertical integration concerns only a specific segment, such as agriculture/food or retail, without many intersectoral links, as was hoped for at the beginning. After World

32. The “province” in Italy is an administrative unit linking a number of smaller towns to a larger one. The “region” in turn groups a number of provinces.

33. Menzani, *La cooperazione in Emilia-Romagna*.

34. Cafaro, *La solidarietà efficiente*; Fabbri, *Da birocciai a imprenditori*; Zamagni, Battilani and Casali, *La cooperazione di consumo in Italia*.

35. Pasquinelli, “La cooperazione sociale nella rete del welfare locale” and Zandonai, “La cooperazione sociale in Italia,” both in *Beni comuni*, ed. Centro studi Cgm; Malucelli, *Lavori di cura*.

36. Battilani, “I mille volti della cooperazione italiana,” in *Verso una nuova teoria*, eds. Mazzoli and Zamagni.

War II, the cooperative movement increased efforts to develop vertical networks, especially in agriculture. On one side, this sector's evolution attracted substantial investments for the first time; on the other, agro-industrial opportunities looked very promising. Cooperative federations invested to create new agri-food processing plants, such as wine-centers, dairies, mills, or slaughterhouses. The cooperators' aim was to challenge the local monopsonies exercised by capitalists, which yielded low prices for farmers.³⁷ On the same principle, farm cooperators created purchasing co-ops in horticulture, in order not to depend on a single capitalist buyer. In this way, thousands of farmers conveyed their produce to common warehouses, where it was sold directly to the retail network. Thus it was possible to cut transaction costs, and defend farmers' profits.³⁸

After the Italian economic miracle, which enlarged agricultural markets, new cooperative agencies operated at a second or third level, such as the consortia among horticultural co-ops. These vertical networks carried on the same type of integration—from the producer to the customer—on a larger scale, exporting produce all over Europe, or transforming part of it in a controlled agri-food factory (often a joint stock company). In the 1960s and 1970s agricultural cooperatives were numerous and highly specialized, such as in potato or cherry purchasing.³⁹ Meanwhile, a multiproduct consortium coordinated the sale or processing of individual co-ops' produce. For example, a Sicilian farmer turned over his oranges to the local fruit purchasing cooperative, which in turn conveyed the oranges to an interregional agri-food consortium, which distributed them (together with other fruits) through the retail chains, and/or—if it was considered profitable—transformed part of the oranges into juice in a consortium-owned factory.⁴⁰ If the consortium was the typical organization of the horizontal network, we cannot say the same of the vertical network, which could include purchasing cooperatives and second-level consortia, and can organize itself as an integrated group with a tight structure in the form of a holding company.⁴¹ The logic that governs this kind of network aims to encourage each element of

37. Bertolini and Giovannetti, "Il processo innovativo nell'agroalimentare"; Degl'Innocenti, "La cooperazione Agricola," in *La cooperazione ravennate*, ed. Ravaioli.

38. Nava, *Vivere in cooperativa*; Capitello, "Cooperative ortofrutticole e reti d'impresa"; Giovannetti, "Le virtù dei commons."

39. Menzani, *La cooperazione in Emilia-Romagna*.

40. Giovannetti, "Evoluzione delle imprese cooperative"; Bertagnoni, ed., *Una storia di qualità*; Poma, *Le grandi cooperative in Italia*; Zuppiroli and Vecchio, *L'Utilità distintiva misurata*.

41. Often the holding is a co-op but not all the companies of the group are co-ops, depending on the amount of capital needed and the servicing role of some

the chain to reach optimum efficiency, within overall coordination. In the agricultural sector, the vertical network has recorded important successes, mostly coming from reaping economies of scope.⁴²

Retailing cooperatives have created vertical networks, too. Both consumer co-ops and retailer co-ops have built integrated chains, based on a national wholesale consortium. If we consider the example of Coop, the most important Italian grocery chain, we have CoopItalia (the former AICC), which centralizes all purchases and directs them to the local co-op shops. This network is similar to the agricultural one, because goods are handed over from the supplier to the customer/buyer.⁴³ Only here the direction is inverted; retail network goods start from the center (warehouses) and reach the periphery (points of sale), while in the agricultural network they come from the periphery (farmers) and arrive at the center (warehouses). However, the wholesale consortium of the consumer cooperatives is more complex because not only does it incentivize some producers, who often are cooperative firms, but it also role of also incentivizes other types of producers to produce Coop-branded products (amounting in 2008 to 20 percent of total turnover). So, CoopItalia is a very strong center that on one side provides the product strategy of the retailing cooperatives and on the other side coordinates manufacturing firms.

After World War II, Italy hosted more than five thousand consumer cooperatives, mostly with a socialist or communist identity. They were located principally in the North, but also in the central provinces, but the largest part of Southern and insular regions proved incapable of supporting the few cooperative shops in existence and they failed. Beginning in the 1950s, a series of mergers reduced the number of these societies, leading to a high degree of concentration, with nine immense enterprises covering more than 90 percent of consumer cooperatives' turnover.⁴⁴ This merger process was accompanied by the modernization of the distribution network, to supersede the traditional stores by creating supermarkets.⁴⁵ Today the retailing network has many giant hypermarkets too, each one satisfying the

business units. The best account of co-operative groups is to be found in Bitossi, *I gruppi cooperativi*.

42. Giovannetti, "Organizzazione e contratti nell'agroindustria."

43. Ferrucci, ed., *Coop Centro Italia*; Idem., "La cooperazione di consumo," in *Lezioni cooperative*, ed. Salani; Tognarini, ed., *Dalla Proletaria a Unicoop Tirreno*; Viviani and Dessi, eds., *Conad*.

44. Novacoop, Coop Liguria, Coop Lombardia, Coop Consumatori Nordest, Coop Estense, Coop Adriatica, Unicoop Firenze, Unicoop Tirreno, Coop Centro Italia. Overall, consumer co-operatives are today less than two hundred, all connected to the unique wholesaler CoopItalia.

45. Baravelli, *Il giusto prezzo*.

needs of thousands of customers every day. These transformations were managed and governed by a strong center, CoopItalia, which invested in efficiency through adopting scale and scope economies. In 2004, Coop's network was the largest Italian agent in retailing, with an 18 percent market share, fifty-four thousand employees, and 6.5 million members. More than one thousand three hundred points of sales in fifteen regions commanded 1,516,000 m² of sales surface and delivered 11.8 billion euros of turnover.⁴⁶ Moreover, CoopItalia has extended its influence as a wholesaler over smaller capitalist chains and it manages one quarter of the Italian retailing market. If to this we add the cooperatives organized by retailers themselves (Conad), we can conclude that co-ops manage over one-third of the Italian retailing market. From a historical perspective, the cooperative movement has preferred vertical networks. Promoted since the very beginning of the movement, they found some application in the first half of the twentieth century, but were developed fully only after World War II. While in the agriculture, these vertical networks were created from scratch, in retailing they were articulated by strengthening previously horizontal consortia.

The Complementary Networks

If horizontal and vertical networks are the cooperative movement's historical legacy, the *complementary* ones are a quite recent development. These networks allow their components to interact in order to search for synergies and integrations, while preserving each component's flexibility of organization, which is what makes networks so different from the hierarchical Chandlerian corporation. The beginning of these networks must be traced to the 1970s, when cooperatives increased their market power, raised the quality of their activity, and expanded the segments connected to their core business. We can examine the example of Ccc—the Italian national building cooperatives' consortium—derived from an earlier, smaller consortium that covered only the Bologna district. In the seventies, the Ccc became a “general contractor,” i.e., a company taking responsibility for large construction works, the actual implementation of which is seconded to co-op members. While in the 1950s and 1960s the consortium mostly shared work on an equal basis (horizontal network), from the 1970s onward Ccc opted for splitting work in accordance with the specific know-how of the co-op members. In this way each

46. Zamagni, Battilani, and Casali, *La cooperazione di consumo in Italia*.

affiliated firm developed a specialization, and overall efficiency was better guaranteed,⁴⁷ forming a complex of interrelated (but administratively autonomous) companies capable of covering the full range of modern construction works' complex needs, especially in the field of infrastructures. Lately, service cooperatives have created similar networks, managed by two different national consortia, the Cns, which is affiliated with Legacoop, and the Ciclat, which is connected to Confcooperative. These consortia offer their customers a whole package of services, labeled *facility management*, or *global service*. So the customer—for example, a local health agency—interacts with a single agent, the consortium, that in turn coordinates the affiliated co-ops: one co-op cleans the rooms, a second takes care of special wastes, a third runs routine maintenance, a fourth conducts the call center, a fifth supplies catering, and so on.⁴⁸

At the beginning of their history, consortia guaranteed some services to their associates, from participation in public tenders/contracts to technical assistance, while eventually they became the fulcrum of the system, with the aim of achieving complementary synergies. Devising a new way to manage contracts was the turning point. In fact, until the 1970s, large work orders were subdivided among the cooperatives on the basis of an equality principle, so each firm obtained a share proportional to its size. The decline of egalitarian ideologies allowed the adoption of other methods, implying a specialization of each cooperative in a segment of the total activity being delivered, promoting rationalization and a better efficiency of the entire system.

For example, in the 1970s, Ciclat and Cns secured some tenders in Ravenna's petrochemical plant, which included maintenance, portage, industrial cleaning, and so on. Each consortium had associates in Ravenna, asking for a share of the work. At the beginning, in the same factory five or six small service cooperatives worked alongside one another, but in a conflictual relationship, because they engaged in the same types of activity and the competition was very high. In this way, each cooperative was inclined to offer a large discount in the bidding, with a substantial drop in quality.⁴⁹ Service consortia learned later what the building cooperatives learned earlier on, namely, that it was more effective to distribute work across a coordinated pool of cooperatives, each one with its specific role. This approach allowed increased know-how in each cooperative and a net

47. Fabbri, *Da birocciai a imprenditori*.

48. Battilani and Bertagnoni, eds., *Competitività e valorizzazione del lavoro*.

49. Menzani, "Temì e problemi della rete," in *Competitività e valorizzazione del lavoro*, eds. Battilani and Bertagnoni.

gain of market shares, because the customer was interested in interacting with a single agent, i.e., the consortium, which took responsibility to organize its associates' work,⁵⁰ achieving higher profits.⁵¹

Today, Ciclat, Cns, and their associates, are capable of offering a global service to their customers, thanks to their accumulated experience and to developing excellent know-how. These changes were neither easy nor simple, and the process was not as straightforward as presented here. Long discussions and unsuccessful trials were the order of the day; although the final result is positive, this does not mean that the path was linear.

Many cooperative *groups* share the same aims as consortia, but employ different means. A group is generally born when some business activities are outsourced from the main cooperative to one or more joint stock companies controlled by the same cooperative. This evolution has been adopted by an increasing number of important cooperatives, in a variety of solutions. Like the consortium, the group can develop and strengthen horizontal, vertical, or complementary connections. The main difference between these two instruments is their governance: the consortium typically has a democratic governance while the group relies more on hierarchical relations, due to the different structures of their ownership.⁵² In spite of this difference, we do not think that the cooperative groups represent a special type of network, because they are organized to serve different purposes and can be enlisted in the different categories of networks, in accordance with their specific features.⁵³ In essence, the complementary network is an instrument used to enlarge co-ops' presence in a market segment, to rationalize operations and cut risks. At the same time, the synergies that can be developed enhance the innovation process and better satisfy stakeholders.

The Financial Networks

The fourth type of cooperative network is made up of those agencies that have a *financial* function toward their members—single members or co-ops—but also work for other clients. For a long time, Catholic

50. Felice, "Il Consorzio Nazionale dei Servizi," in *Competitività e valorizzazione del lavoro*, eds. Battilani and Bertagnoni.

51. Rondeau, Brown, and Lapides, *Facility Management*; D'Egidio, *Il global service management*; Sciarelli, *L'outsourcing strategico*; Bombelli and Del Gatto, *Strutture sanitarie, mercato immobiliare e facility management*.

52. Schiano di Pepe, ed., *Cooperative, consorzi, raggruppamenti*; Sapelli, *Cooperazione, proprietà, management*.

53. Cafaggi, ed., *Reti di imprese tra regolazione e norme sociali*.

co-ops tended to remain small and were quite satisfied by their links with credit unions. Socialist cooperatives, instead, when they decided to increase their size in the 1970s, soon realized the need for stronger financial support⁵⁴ and acted collectively. In 1969 Fincooper was launched, becoming really effective in 1977 with manifold functions: holding equities, supplying loans, acting as a clearinghouse for co-op credits and debts. In 2001, Fincooper merged with another similar agency, the Ccfr—born in 1904, but which had developed its financial function only after 1975—to create the Ccfs (Financial Cooperative consortium for development).⁵⁵ Furthermore, in 1986 Banec (cooperative economic bank) commenced operations, but later merged into Unipol, Legacoop's most important financial institution. Unipol is an insurance company Legacoop created in 1963 as a joint stock company, now number three in Italy. Unipol steadily expanded, becoming the first joint stock company controlled by cooperatives to be quoted on the Italian stock exchange (1986). With the aim of producing a solid bank–insurance pole, Unipol absorbed Banec in 1998 to form Unipol Bank. In 2005, Unipol tried to enlarge its banking activity further, through acquiring one of the largest Italian capitalist banks, the BNL (National labour bank),⁵⁶ but this project did not succeed, ending with a major scandal. Apparently, Unipol's chairman and CEO Giovanni Consorte used less than ethical means to achieve his ends, colluding with financiers who tried to enrich themselves through mergers and acquisitions and who were found guilty of various illegal practices.⁵⁷ Unipol changed its leadership in early 2006 and withdrew from BNL, selling its shares, but it still remains Legacoop's most important financial pillar. The role Unipol has played in financing retail co-ops when they opened up supermarkets and hypermarkets is known, but not well studied. Also, the role played by Unipol in strengthening the building co-ops is established, but has not yet been closely analyzed.

Another financial network run by the three most important cooperative umbrella organizations (Legacoop, Confcooperative, and Agci) is Cfi—Co-operation, finance, enterprise—an institutional investor created in 1986 to handle the so-called Marcora fund, which provided financial support for the conversion of bankrupt capitalist

54. Zamagni and Felice, *Oltre il secolo*.

55. Dondi and Utili, eds., *Fincooper 1969–1999*; Basenghi and Motta, *Uomini, cooperative, finanza*.

56. This bank, created in 1913 as a bank for the co-ops, was turned in the late 1920s into a bank for the corporative economy by Mussolini. Fornasari and Zamagni, *Il movimento cooperativo in Italia*.

57. Zamagni and Felice, *Oltre il secolo*. At the time of writing, Consorte has been found guilty only of having been paid for “private” advice offered to some of his partners, outside his formal engagement with Unipol, but trials are still open.

firms into employee-owned cooperatives.⁵⁸ Cfi has taken up shares in newly formed co-ops, has supported investments, and guaranteed managerial assistance. In 2006 it had 100 million euros in assets and fifty-five cooperatives in its portfolio.⁵⁹ In 1992, a new law on cooperatives introduced the compulsory creation of mutual funds to support the existing cooperatives' consolidation and to promote start-up projects, with three percent of the cooperatives' profits. The umbrella organizations were to manage these funds. Thus, Coopfond was constituted by Legacoop, Fondosviluppo by Confcooperative, Generalfond by Agci, and Promocoop by Unci. If we consider just Coopfond, we can say that it generally finances plans for networking, to increase the number of groups and consortia, which are recognized as the strongpoints of the movement.⁶⁰ This has been done by promoting new co-ops, helping to build new groups and sustaining the already existing ones. In particular, an effort is being made to strengthen Southern co-ops, traditionally quite isolated, weak, and economically marginal, putting them together in networks led by some of the much more solid Northern co-ops. The conclusion that can be provisionally offered with reference to the financial networks is that they have generally accomplished much more than merely granting credit, having helped the co-ops they have financed to strengthen their organization and market position strategically.

The Network of Networks

The last type of network is the most typical of the cooperative movement, but is not easily defined. We refer to the cooperative umbrella, peak, or apex organizations, i.e., those organizations—called in Italy *Centrali*—that play fundamental roles within the cooperative system. They have numerous territorial agencies—the regional federations of Legacoop, Agci, and Unci; the Provincial unions of Confcooperative; and the Departments of Unicoop—which are interwoven with many national sectoral agencies. The complexity of these grids has generally made their analysis quite difficult, and so we have few valuable studies to draw on.⁶¹ In our view, the umbrella organizations are a crucial strategic element within the cooperative movement, although

58. Fornasari and Zamagni, *Il movimento cooperativo in Italia*.

59. Zamagni and Felice, *Oltre il secolo*.

60. Fabiani and Iacobelli, "Reti, internazionalizzazione e innovazione," in *La promozione cooperativa*, eds. Bulgarelli and Viviani.

61. Zan, *La cooperazione in Italia*; Sangalli, *Lo sviluppo delle organizzazioni di rappresentanza*.

they configure a very different type of network than the previous four. They cover a middle ground between a purely representative function and system governance. Their tasks are manifold: new cooperative development, strategic marketing, ethical control of the affiliated firms, circulation of know-how and human resources information, internal conflict resolution and coordination of the major strategic decisions, new legislative proposals, and lobbying at the local, national, and European Union level.⁶²

Here we find a network interwoven with the other previously discussed networks, capable of producing a more comprehensive vision of the cooperative galaxy—therefore understanding common problems better and suggesting adequate solutions and strategies for the whole movement. From a historical perspective, we can consider the peak organizations as dynamic networks adapting themselves to the changing economic and institutional context, with a governance based on a mix of participation from below and decisions from above.⁶³ In this essay, we cannot discuss in depth their features and roles, but we believe that they are the glue among the many elements of the cooperative universe, linking co-ops, consortia, groups, federations, agencies, and co-op-controlled joint stock companies.

This network of networks is not only the driving force of identity inside the cooperative movement, but historically it has offered the rest of society the core image of cooperation. Yet, in this connection, we want to argue here that today the existence of five different umbrella organizations results in large overlaps, with a waste of opportunities and resources. After the collapse of the Iron Curtain, ideologies and cultures have moved closer together, and it is time for the apex cooperative organizations to project unification, if they want to further strengthen the cooperative movement in the Italian economic system. This is demonstrated also by the increasing tendency of the cooperatives to register with more than one umbrella organization, to make sure that they can reap all the possible benefits of belonging to a vast array of cooperatives.

Conclusions

It is by now well established that there is a space between market and hierarchy that is occupied by networks, made up of autonomous firms

62. Zangheri, Galasso, and Castronovo, *Storia del movimento cooperativo*; Zaninelli, ed., *Mezzo secolo di ricerca storica*; Casadio, *Cinquant'anni dell'Associazione Generale*.

63. Poma, "La governance della conoscenza," in *Lezioni cooperative*, ed. Salani.

with many links among them.⁶⁴ While Chandler considered the stand-alone integrated corporation as optimal in a teleological development of business forms toward more efficient organization, we think that the business system is at all times made up of many types of firms, each resulting form being more or less efficient in a historical context according to the evolution of culture, technology, consumption patterns, and legislation. So, we regard it as impossible to produce a definition of the “optimal firm,” because no business form is optimal under every cultural, political, and historical context.⁶⁵ In a world of plural forms of enterprise, there is room for the cooperative enterprise, which can be perfectly efficient in specific circumstances, and should not be considered an inferior form of business organization *a priori*. Obviously, cooperative enterprises, as all other forms of enterprise, must show their advantages in practice and have to be capable of competing in the market.

A second conclusion of this work is that co-op networking—previously considered typical of cooperative enterprises only because they were seen as too weak to operate as single, large units within the market system—can be inscribed, with some adjustments, in a general typology of networks. There have been many advantages reaped by co-ops through networking, as the Italian case demonstrates: (1) achievement of a “critical mass” in the market, often paving the way to mergers and the growth of stronger corporations, a process that has been more marked in Italy among cooperatives than among traditional owner-operated small businesses. In the retail sector, for example, the Italian consumer cooperatives were the first to overcome the single-shop tradition in order to build modern chains of super- and hyper-markets; (2) capability to put in place economies of scope especially through the complementary networks, allowing co-ops to offer complex packages of services or complex construction technologies; (3) exploitation of a common brand and of a coordinated presence in the market, as in the case of agri-food co-ops. In the age of Bauman’s “liquid modernity,”⁶⁶ it is imperative, as Philip Scranton has recently written, to avoid “constructing dense and durable structures, physically or organizationally.”⁶⁷ Networks are much more adaptive than gigantic corporate structures and can be shaped and reshaped more easily according to markets’ needs.

A third conclusion concerns the thickness of cooperative networking, which is widely encompassing and more stratified than in

64. Lamoreaux, Raff, and Temin, “Beyond Markets and Hierarchies.”

65. Langlois, “Vanishing Hand.”

66. Bauman, *Liquid Modernity*.

67. Scranton, *Beyond Chandler?*

capitalist business. For cooperatives, networking is not one opportunity among many others, but rather it is the *normal* way of operating as a result of their solidaristic dimension, as has been lately recognized also by the International Co-operative Alliance (Ica), which has included this as the seventh working principle of cooperative enterprises. National legislation tends to recognize this and normally accommodate co-ops networking (especially consortia) explicitly. Co-ops can use many types of networks at the same time and in so doing they stratify their economic and social relations; they can build up a dedicated, situated financial capability, which in a world experiencing a detachment of finance from business activity, is a first-rate asset. They can develop an overall strategy encompassing many different sectors through the *Centrali*. If this is usually an advantage, it can occasionally cause interference and/or duplication, so the cooperative network system continuously searches for better efficiency among countless possibilities. This is why the unification of the five cooperative apex organizations existing in Italy would simplify and rationalize matters substantially.

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