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*A Critical Analysis of Italian Community Co-operatives: a Qualitative Research through
Social Capital Theories for Investigating Territorial Connections and Community
Development Processes*

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Introduction

Since 2014, I have studied and conducted research on community enterprises and community development. My interest began with my master's thesis, a research on a community interest company based in the East End of London, the Hackney Co-operative Development. After that work, I decided to continue my research on this topic and improve my knowledge of a similar experience in my home country, Italy. Thanks to Professor Carlo Borzaga, I have discovered a new trend in the Italian co-operative movement, namely the community co-operatives. My curiosity has pushed me to deeply study this new model, and to question how the sociological analysis has investigated these co-operatives and similar organizations over the years. Alongside this dissertation thesis, I have developed other works that examine community co-operatives and community enterprises in general; these are quoted in this analysis as a supplement to the understanding of this phenomenon. This research aims to significantly contribute to the fields of both community development and community enterprises, by providing an innovative view of these phenomena.

In order to complete my Ph.D., I have carried out this research with a specific focus on the Italian co-operative movement and its most recent form of application, the community co-operative. The interest is mainly exploratory, because this phenomenon has increased in recent years, as the analysis proves. Moreover, I have decided to expand my analytical aim beyond the formal boundaries of co-operatives, as both a social aggregation and an entrepreneurial structure, to the relations these initiatives have with their territories. The idea behind the thesis is the intent to deconstruct the concept of "active community", showing the partiality of this concept, which encompasses specific shares of the local population with determined characteristics. By moving from the assumption that only certain citizens activate their networks for the community wellbeing, it is possible to see the community co-operative phenomenon in a different light. Consequently, it is necessary to consider how these social groups derive their ideas of "community", and the ways in which they gather resources and aggregate people. This new vision can improve the understanding of this social phenomenon.

As previously mentioned, Italian community co-operatives are a recent model in the long tradition of co-operatives. In 2010, a significant meeting was held between the former president of Legacoop, Giuliano Poletti, and the members of the Valle dei Cavalieri co-operative in Succiso Nuova (Emilia Romagna region). This appeared to be an ordinary presidential visit to a member co-operative of the national organization for co-operative promotion; however, it became the origin of a new model for collaboration and local development: the community co-operative. Mr Poletti saw an innovative application of the co-operative structure within a territory that was deeply affected by depopulation, services scarcity and economic fragility. In 1990, young residents of Succiso Nuova decided to create this co-operative to rescue their village from abandonment. After the closure of the last grocery and bakery, there were no other businesses left in Succiso Nuova, and it had almost reached the end of its history. These young residents saw the co-operative firm as the only model for generating new job positions, business opportunities and services, which would allow people to remain in the village. In 2010, Mr Poletti witnessed Valle dei Cavalieri's success: the co-operative runs a grocery store, a bar, a restaurant, a B&B, and a tourist office inside its hub, hosted in Succiso Nuova's former primary school. Alongside this, the co-operative has started up a dairy in partnership with local farmers, and a collaborative network with other local tourist operators. Despite this great work and effort, Valle dei Cavalieri members had never regarded their work as something innovative or different from an ordinary co-operative; but the encounter with President Poletti changed the story of this co-operative and gave a significant turn to the evolution of the co-operative model. Mr Poletti looked at this co-

operative and did not see a traditional collective firm, but rather a co-operative village that gathered together for its safety and interest.

Since that moment, the two main national bodies for co-operatives in Italy, Legacoop and Confcooperative, have invested substantial resources in promoting this new model throughout the country. Italy has suffered a deep economic and political crisis, which has left critical conditions in both rural and urban areas. Public authorities have faced increasing difficulties and restrictions in operating directly in territories, due to the pressure of the spending review. In addition, the economic crisis has deeply compromised the productive system and left thousands of people unemployed. In this scenario, territories and communities have experienced the necessity to transform and convert their micro-economies, and to face social changes with a new sense of social aggregation. Valle dei Cavalieri has been a benchmark for many co-operators who have proposed new co-operatives for community development, from North to South Italy. After many years, the co-operative movement's promotion of community co-operatives has produced important results, seeing the growth rate of new community co-operatives rise every year. In every region, there are new experiments for applying the co-operative model to meet communities' needs, and potentialities for generating interesting and significant outcomes, which must be examined through the lens of sociological analysis.

On this topic, the co-operative studies field can find a promising area for new research: community co-operatives expand the applicability of this model to a new perspective, namely, community development (Lang & Roessl, 2011b; Majee & Hoyt, 2011; Vieta & Lionais, 2015; Mori & Sforzi, 2018; Bianchi, 2019). As the analysis shows, during the 19th century, the first co-operatives used to have a stronger bond with local communities and vitally supported them. During the long evolution of this model, the co-operatives have achieved significant results in terms of business performance, but they have lost the essence of organizations for the mutual benefit of their members and the development of their community. Thus, community co-operatives are more a rediscovery of the model's origins, rather than a futuristic innovation. As the dissertation shows, the main innovation is the expansion of benefits derived from the mutuality system to other citizens who are not members of the co-operative.

This research proposes a critical analysis of these organizations; in recent years, the Italian academic debate has focused attention on this phenomenon, and has elaborated a first interpretation and theoretical definition. The aim is to gain a deeper perspective on the community co-operatives' functioning, and on the community development processes behind these organizations. Analysing the relations between co-operators, their communities, and territories, can expand the understanding of this phenomenon and reveal aspects that may have been underestimated. In order to provide an appropriate examination, the analysis adopts a framework based on social capital theories. In particular, it focuses attention on two of the main authors who have contributed to developing the social capital concept: Pierre Bourdieu and Robert Putnam.

The findings show complex social dynamics underlying these co-operatives; their intentions to revitalize the sense of community, regenerate local assets, and rescue local economies engage various local subjects, both public and private. Although the academic literature refers to these organizations as successful initiatives carried out by active communities, the results present a different scenario. Community co-operatives express the intentions of certain parts of the local population that are linked by a similar vision, backgrounds and values; however, despite their altruistic objectives, these co-operatives are not participated in by the whole community and do not represent all of citizens. Social capital theories provide a useful framework for reading these social realities, allowing the research to

extrapolate valuable results and draw new conclusions on both community co-operatives and community development processes in the Italian context.

The dissertation presents a broad analysis of the co-operative phenomenon in Italy, by considering how it has evolved over the centuries, and the reasons why today it has assumed the community co-operative form to respond to new needs and opportunities. Moreover, the research aims to propose a new vision of civic participation for community development, and how this activism develops its actions and strategies according to particularities in the social composition of each community.

Chapter 1 illustrates the history of the Italian co-operative movement; this historical examination explains the roots of co-operatives in the Italian socio-economic system (Degl'Innocenti, 1977; Briganti, 1982; Earle, 1986; Zangheri et al., 1986; Zamagni & Zamagni, 2008). The chapter proposes an interpretation of the role of co-operatives as a compensatory response to market failures, as well as a way to integrate a large share of the population into the economic system. This dual application has allowed co-operatives to support the socio-economic development of many communities, and alleviate their tragic conditions (Fornasari & Zamagni, 1997; Jossa, 2008; Bressan, 2011). Over the centuries, co-operatives have become key parts of the capitalist system and have gained a significant position within it. Despite this success, co-operatives have lost their primary characteristic of internal mutuality; rather, due to their permeability to external social, economic and political conditions, these collective firms have adapted to the continuous social, economic, and political changes. Nevertheless, in recent years, the community development issue has reinvigorated the co-operatives' attitude to achieving mutuality benefits and community service (Mori, 2014).

Chapter 2 more deeply explores the features of the research object. Firstly, it defines the general field where community co-operatives take action: community development (Kretzmann & McNight, 1993; Mathie & Cunningham, 2003; Phillips & Pittman, 2009; Craig et al., 2008, 2011; Henderson & Vercseg, 2010). The scarcity of Italian literature on this topic drives the research to enlarge the vision on the international debate, to grasp elements useful for examining the Italian phenomenon, and to relate the topic to the wider scenario. The literature review provides the research with key elements for understanding the processes behind the co-operatives' formation, and to individuate the fundamental parts of these dynamics (Wilkinson & Quarter, 1996; Peredo & Chrisman, 2006; Somerville & McElwee, 2011; Lang & Roessl, 2011a, 2011b; Bailey, 2012; Majee & Hoyt, 2011; Mori, 2014; Mori & Sforzi, 2018). Secondly, the analysis contextualizes this debate in the Italian setting and defines the state of art of the Italian community co-operatives. By having a clear idea of the research subject, it is possible to develop the research structure, through pinpointing relevant gaps in the phenomenon's comprehension and translating them into research questions. Consequently, this chapter directs the research towards the main gaps in the sociological analysis of the community co-operative phenomenon. As can be understood from the international literature on community development, the analysis in this field has scarcely considered social conflict (DeFilippis, 2001). Moreover, the examination of the co-operatives' governance of both the processes and the organizations lacks a major contextualization of these dynamics (Lang & Roessl, 2011b). Finally, the view of social relations between co-operatives is expanded by considering them as an aggregation of local citizens with the same interest and needs, and territories, as a complex structure of both subjects and resources. As a result, it is possible to see new features and dynamics behind the co-operatives' formation and functioning (Bianchi & Vieta, 2018).

Chapter 3 defines the research framework, based on social capital theories. It begins from the assumption that social capital theories need to be narrowed, and the examination must identify which idea of social capital should be adopted for the research. After a general overview of this topic, the

analysis develops a comparison between two of the main authors in this field, Pierre Bourdieu (1977; 1979; 1989; 1994; 2005) and Robert Putnam (1993; 2000). They represent opposing points of view on this topic; for this reason, the interrelation between them can provide a framework that can capture the complexity that underlies the empirical reality.

Chapter 4 illustrates the research objectives, questions and methodologies. This research is primary qualitative, it aims to explore a new topic that has gained little attention in the scientific debate (Yin, 2009). Moreover, it is necessary to discover how subjects interpret their realities and their social actions. The analysis does not limit the vision to internal dynamics inside co-operatives, but expands the examination to their networks with local communities and territories. The research uses two main methods: a cross-case study analysis and an online questionnaire. The chapter explains the criteria for the case studies selection, and the main features and delivery system of the online questionnaire.

Chapter 5 presents each of the five case studies selected for the first part of the research. In this chapter, the analysis describes each case by introducing local socio-economic contexts, the main issues, the history of founder groups, and how they have developed the co-operative idea and local networks with both public and private partners. This information is fundamental for the general analysis, because it allows an understanding of the socio-economic situation that leads specific groups of citizens to act in a certain way. Socio-economic issues and potentialities are deeply implanted within the context where co-operatives operate (Lang & Roessl, 2011a, 2011b; Somerville & McElwee, 2011; Vieta, 2014); therefore, these organizations have to be considered in relation to their territories. This part focuses the analysis on singularities that arise in each case, and gives consideration to the peculiarities of each studied co-operative and its socio-economic context. Understanding the previous conditions which have led to the co-operative's formation can enhance the examination of organizations' main features, and their decisions to orientate the business in a specific direction.

Chapter 6 continues the examination of the case studies, proceeding through the cross-case analysis and discussing their main similarities and differences. Results show the main features of the processes behind the co-operatives' formation, and how local subjects have aggregated people around the idea of revitalizing communities through co-operatives. This chapter mainly considers how community development objectives, local networks, the assets of community values, and local communities' shared issues and potentialities, work as nodes that interconnect people in the same place. Moreover, the analysis involves the theories of different social capitals, to understand how projects' promoters use both their structural and cognitive social capital for improving the community co-operatives and elaborating their missions according to their habitus. The same elements will then play a key role in the expansion of the co-operatives' action areas and their network which will be tools for improving the community development objectives.

Chapter 7 presents the results of the online questionnaire, which gathers data from 29 co-operatives. The objective is to enlarge the view to include other community co-operatives, and grasp key information regarding their history, businesses and local partners, in order to understand how other initiatives work. The sample is based on a self-selection process; it represents co-operatives from various geographical areas, which operate in different economic sectors, and vary in terms of their size and cycle-life stage. The online questionnaire also provides the research with other valuable information and data regarding the community co-operatives' formation, their business areas, and interpretation of local socio-economic issues which co-operatives' members want to tackle through the collective action. Moreover, the online questionnaire illustrates co-operators' assessment of their local networks with strategic partners.

Chapter 8 states the main conclusions drawn from the research findings. The analysis points out a wider interpretation of the community co-operative phenomenon, proposing a new view that also encompasses relations with territories; it involves both the micro and meso levels, interrelating individuals' experiences with organizations' characteristics. It emerges that behind the concept of "community" there are particularistic visions which aggregate those subjects who believe in them. These social networks provide legitimacy to the community co-operative projects, and resources for their growth. Co-operators' theorizations of their efforts are key elements for fostering ideas on how the communities can develop themselves; in addition, the co-operatives' mission shapes the main characteristics of these networks, thus generating a mutual influence.

Chapter 1: The Co-operative in Italy

1.1 A General View

The research field on co-operative is a vast area of interest that passes through different disciplines such as economics, sociology, historiography, anthropology or psychology. To examine the community co-operative model it is necessary to define the origins and socio-economic contexts inside which these firms have evolved. The aim of this chapter is to present an analysis of the historical, economic and political elements that have enabled the creation of co-operatives and shaped its features. It is relevant to understand these aspects; otherwise, the risk could be the underestimation of community co-operative importance in current debate.

First, the theoretical analysis of this economic firm opens the debate on co-operatives' role in the economic field. The sociological examination can benefit from this cross-over into a different academic field because it can work as framework to read the evolution of co-operatives in the economy from "reactive" model to a "integrate" model. The debate has involved Italian and international academics, demonstrating the significant relevance of co-operatives in the world. Since the 19th century, economists have had disputations above the co-operative's nature and its position in the economic system. These theories have also influenced the development of co-operative movements' strategies, defining an inclination forward the firm efficiency and production or forward the strength of internal mutuality. The alternation between these two models has determined profits and problems for co-operatives over the decades; nowadays, it is possible to see a return to the original "reactive" model and community co-operatives are definitely one of the main proofs.

Secondly, the historical analysis is strategic for examination because it can show how the community co-operatives are the result of wider evolution processes. Considering the Italian co-operatives' history is a key element because it underlines how these firms have achieved a fundamental role in the national economic. In particular, the role of co-operative national bodies, the "*Centrali Cooperative*" is significant; they are active parts in fostering the community co-operative model and their role is also relevant in the negotiation with regional and national governments for the legal recognition of these new organisations. Only considering the co-operative, it is possible to understand how these national bodies operate and the consequent implications in the current debate.

In the end, the recent events that have characterised Italian co-operatives and the emergence of new models, can show many reasons why the community co-operatives are affirming their role in the new socio-economic development of territories. Social and anti-mafia co-operatives are precursors of this new model because they have demonstrated the co-operative model's potential for the engagement of local stakeholders and structuration of services with a strong social impact.

The analysis in this chapter allows understanding the socio-economic-political reasons that are supporting the diffusion of community co-operatives in Italy. It is not a case that co-operatives are playing a key role in the definition of a new sustainable and grass-rooted approach to local socio-economic development; the economic and historical analysis engaged the work of many Italian scholars who have spent years studying the co-operatives' history and evolution. Prof. Zamagni is recognised as one of the main Italian expert in co-operatives, as well as Prof. Ianes historical analysis supports the examination of co-operatives' role in the Italian economy. Prof. Borzaga's contribution is relevant in the analysis of Harsmann's multistakeholders theory; he shows how the multistakeholdership can improve firms' work and the concern for communities can open the door to more considerations on the inclusiveness of co-operatives. Moreover, other authors are here considered for their contribution in economic theories about co-operatives or their historical analysis

of the Italian co-operative movement. The entire chapter presents a continuous debate between these sociological and economic elements that allows a deeper understanding of co-operative. The approach adopted to examine co-operatives is new institutional; organisations are designed to solve permanent conflicts between collective problems and individuals' wills; they can achieve a balance between these two poles guaranteeing social order and personal freedom. Organisations can perpetuate collective goals through the institutionalisation of social bonds and subjective needs adopting decision-making processes and formal administration of their activities and functions. Organisations overcome the inherent conflict between individual and society (Reed, 1999).

This chapter presents a general overview of co-operative model from an economic perspective; this is strategic in the general analysis on co-operatives because it can show how the model has affirmed its relevance in the economic field as both an innovative firm structure and as a practical solution for local development. The analysis considers different points of views in order to present the complex debate about co-operatives. This theoretical examination can contribute in the assessment of community co-operatives as innovative model for the implementation of community empowerment. Co-operatives have affirmed their role engaging specific social classes and fostering a new production system; community co-operatives are expanding this model involving new stakeholders and moving the co-operative's role from the pure economic production to a more relevant position in social field. In order to understand this shift, it is necessary to begin with general consideration on co-operatives' role in economic theories and Italian history.

The thesis here presented refers to the new institutional studies on organisations as a theoretical approach to the object of research. The focus is on the organisation structure, evolution, function and role in managing collective actions. The Thesis focuses its attention on relevant contribution such as Hansmann (1996), Ward (1956), Ostrom (1973, 1990, 2008, 2012), Sen (1970), to understand the role of co-operative organisations in collective actions management. Despite Peters (2012) points out the origins of a new institutional approach in political studies on public institutions, it is as well as crucial the evolution these theories have had in the organisational studies field.

1.2 The Conceptual Model of the Co-operative Enterprise

The co-operative model has had a huge diffusion in the world; it is possible to find co-operatives in all continents, serving different purposes. Each co-operative is an autonomous organisation that operates for its own interest managing its assets. The simply adopting of an economic prospective on this object is reductive; the co-operative phenomenon is explainable when the prospective is wider and incorporates a sociological and political framework. The co-operative is an open organisation connected with the outside world; as the Italian case shows. The co-operative movement embedding collaboration among its member as a key strategy for its development. The international Co-operative Alliance is the proof of this on a global scale. Founded in 1895, it represents the entire co-operative movement and promotes values and collaboration among members. In 1995, the Alliance reviewed the Statement on the Co-operative Identity; this international list of values defines the main pillars of the co-operative model, the base upon which all the co-operatives are shaped. The analysis on the theoretical model can move the first step for these values.

1. ***Voluntary and Open Membership.*** *Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.*

2. **Democratic Member Control.** *Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.*
3. **Member Economic Participation.** *Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.*
4. **Autonomy and Independence.** *Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.*
5. **Education, Training and Information.** *Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.*
6. **Co-operation among Co-operatives.** *Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.*
7. **Concern for Community.** *Co-operatives work for the sustainable development of their communities through policies approved by their members.¹*

The international values that the Alliance states delineate the structure of the co-operative organisation. Co-operative is a democratic firm; it cannot exclude people from membership. Obviously, the co-operative can accept new members when it needs for an increase in resources. Moreover, the decision-making process mainly expresses the democratic nature of co-operation; members elect managers and take key decisions on the organisation through the system “one person one vote”. This is a key difference from traditional businesses, which give control on the base of investments. This firm structure introduces co-operative values such as reciprocal trustworthy and collaboration and drastically redefines ownership and management concepts; it has represented a major innovation in the economic field. Furthermore, the members’ economic participation straightening this structure; people invest resources in the co-operative first for the benefits deriving from the activities not for the interests on the capitals. This peculiarity is one of the reasons of co-operatives’ success because they can aggregate various interests and resources, creating a common solution for the stakeholders. This explicates why the co-operation achieved a great proliferation in the 19th century, when masses of workers owned small amounts of resources and through the co-operation, they could increase their conditions. The first three principles constitute a mix of ethical and economic intentions for the co-operatives. The involvement in a co-operative requires a set of

¹ ‘Co-operative Principles.’ International Co-operative Alliance. Manchester 1995.

internal values and economic reasons; the inclination for one or another varies from member to member but a set of democratic roles can regulate the decision among the various interests involved in the business. As a consequence, the fourth principle states the independence of each co-operative. This confirms the inherent spirit of self-organisation that inscribe the co-operative's nature. The structure of self-government makes it possible to avoid external influences that can damage the peculiarity of this model; only members can attend annual general meetings, elect general board and vote for strategic choices. The co-operative independence is the freedom to choose, collectively, the business strategy. The Italian Co-operative Movement history shows a clear example, under Fascism; the dictatorship interferences annihilated the co-operation nature. The regime did not eliminate this form but submitted co-operatives to leader's orders annihilating their independence and values. Despite the independence of each organisation, the International Alliance states the "*Co-operation among Co-operatives*" as a sixth value. The principles for the co-operation want to preserve the autonomy of each organisation, it is necessary for the success of them, as explained before. It does not mean that co-operation among co-operatives is not possible; on the contrary, as the Italian case shows, it is the base for the creation of the co-operative movement. The aggregation of many co-operatives creates the right critical mass for the structuration of national bodies able to represent the sector's interest. Moreover, collaboration among co-operatives means economies of scale as the long tradition of consortia demonstrates. Voluntarily, the analysis takes into consideration the fifth value after the sixth in order to show the coexistence of the two spheres, autonomy and collaboration, inside the co-operative world. The fifth states a value as important as the others are; it points out an objective for the entire co-operative world, "*Education, Training and Information*". Each co-operative and each member have the task of spreading the co-operation values as an alternative solution to socio-economic problems in the different parts of the world.

1.2.1 Reaction or Integration? Two Interpretation of the Co-operatives' Economic Role

It is possible to interpret the co-operative genesis and role in society from two different points of view, one "reactive" and one "integrative" (Sapelli et al., 1981; Zamagni, 2005); the first assumes that the co-operative is the answer to the multiple failures of the traditional market, a compensation to what it cannot achieve. The Marxist approach represents the most radical interpretation of this position,

"The co-operative factories of the labourers themselves represent within the old form the first sprouts of the new, although they naturally reproduce, and must reproduce, everywhere in their actual organisation all the shortcomings of the prevailing system. But the antithesis between capital and labour is overcome within them, if at first only by way of making the associated labourers into their own capitalist, i.e., by enabling them to use the means of production for the employment of their own labour. They show how a new mode of production naturally grows out of an old one, when the development of the material forces of production and of the corresponding forms of social production have reached a particular stage. Without the factory system arising out of the capitalist mode of production there could have been no co-operative factories." (Marx, 2013, p.371)

Marxism has represented the antithesis of capitalism for decades; it has been the first step in the proletarian fight against the bourgeoisie power, therefore the first socialist experiences of workers' self-management were co-operatives. Although important in the history of co-operation, the communist interpretation of the co-operation was only part of the spectrum of this model application. Moreover, Ward (1958) and Hansmann (1996) recognise the role of the co-operatives inside the capitalist society. Their position is milder compared with Marx; the authors theorise co-operatives as

organisations able to operate only in market niches, outside logics of traditional businesses. Despite the marginal economic role, both authors recognise that co-operatives can respond to needs that are consequences of the market failures. Ward defines the co-operative as a “*different and inferior*” enterprise. It is different from the traditional business because persecutes the maximisation of the members’ average incomes and not the maximum profits of capital. Two elements determines the maximisation of members’ average incomes, the smaller dimensions of co-operatives, which permits a major share of profits, and the under-investment in the firm, due to the shorter economic horizon of each member. If the median member permanence in the firm is inferior to the time for take back profits on the investment, the worker will not put more money in the co-operative. In the capitalist firm, the median member can sell the shares and has an immediate earning. Hansmann (1996) points out the peculiarity of the co-operatives in the capability to manage transaction costs and minimise them. The firm has around its owner(s) and stakeholders (workers, suppliers, consumers, savers). The owners pay cost of monitoring, deriving from the division between ownership and management, and governance, the decision-making process. The co-operatives have higher costs of governance and less costs of monitoring because there is not a separation between ownership and management otherwise, it increases the subjects involved in the decision-making process. The co-operative form is the best choice when the reduction in monitoring costs surpasses the major cost in governance due to the homogeneity of interest inside the organisation. Both Ward and Hansmann formulate the same conclusion: the co-operative can operate only in imperfect markets, inside the niche of the market’s failures. During the second half of the 19th century, the nascent socialist movement influenced the development of co-operatives ascribing the collective firms into the general political movement for better workers’ conditions. The Italian Socialist Andrea Costa dedicated huge commitment to support new workers and consumers’ co-operatives in order to imprint a strong socialist spirit in these new initiatives. According to his idea, co-operatives can emancipate workers from capitalists’ exploitation, foster solidarity and educate new generations to the resistance against the capitalism power (Zangheri et al., 1987). This position has constituted the main ideological link between the Marxist parties and co-operatives in Italian history even if during the second half of 20th century the political forces reformed their approach, as explained in paragraph 3.4. This position clearly represents the “reactive” model’s core; co-operatives are not simply firm but they can represent even a political instrument for the self-organisation and empowerment of the lowest classes in society.

The second approach looks at the co-operative as the forefront of the models of production, which reflects the advancement of societies. This theories view the co-operatives integrated in the capitalistic system for the self-realisation of the members, not simply for the good production. They consider the co-operatives as firms able to stay in the market not only in the residual spaces of the failures. J.S. Mill in *Principles of Political Economy* (1852) sustains that a society where a chief commands and employees silently submit should no longer exist. The new model of production promotes the collective ownership of workers and a board of elected managers. It is possible to embed in this prospective the Mazzini’s theories on co-operation . He was the most influent theorist of Italian Republican Movement in the nineteenth century. During his permanence in England (1837-1868) Mazzini was close to the First International but his ideas were too distant from those of Marx’s. He believed in the collaboration between classes and the coexistence of labour and capital. For Mazzini, the creation of co-operatives was a part of a broader reform of society where people collaborate in a non-antagonistic spirit (Earle, 1986). At the end of the 19th century, Luigi Luzzatti, considered as one of the fathers of the Italian co-operatives with Mazzini, pointed out the role of social mitigation of co-operative firms. He did not agree with the vision of co-operatives as means for social class struggles; on the contrary, he considered co-operatives as the perfect instrument to maximise the few

resources in small bourgeois people's hand creating an alliance between workforces and capitals fostering social peace (Luzzatti, ed. 1957).

Sapelli et al. (1981) consider the "integrative" co-operation as the means for the middle bourgeoisie to mitigate the competition with the big firms and integrate their small businesses in the system. In Italy, Jossa (2005, 2008) and Zamagni and Zamagni (2008) see the mutuality as the core of co-operation. It realises not only the members' condition improvement but also the achievement of non-material elements, such as the control on their own work and the democratic governance. For these reasons, e.g. the spreading of democratic values, the authors see a social value to the co-operatives, independently from the market's failure that can be compensated by state financial support (Magliulo, 2010).

Table 1.1. "Reactive" and "Integrate" Models

| Model | Reactive | Integrate |
|----------------------------|--|---|
| Authors | Marx, Costa, Ward & Hansmann. | J.S. Mill, Luzzatti, Mazzini, Sapelli et al. |
| Period | Middle 19 th & Recent Years. | 20 th Century. |
| Co-operative's role | Marginal in economic niches. | Central as other traditional firms. |
| Social Class | Working class. | Middle class. |
| Aim | Produce goods and services for needs' satisfaction, not for profit maximisation. | Mitigate competition with big firms, industrial growth. |

Both the prospective are valid frameworks for socio-historical interpretation; the contextualisation of these facts in specific moments and places allows understanding co-operative experiences forward one model or the opposite. This framework is useful to read the history of Italian co-operative movement, co-operatives have been useful on many occasions to contrast the market failures but socio-economic-political factors have determined the evolution into a more integrated sector. The success of social co-operatives and the new experiences of community co-operatives are demonstrating a return to the reactive model, shaping a "new co-operativism" (Vieta, 2010) more focused on local communities and social needs. Other examples, which can prove the re-affirmation of the reactive model, are the energy production co-operatives Alps valleys. Nevertheless, the co-operative model is not applicable to all the economic fields, as Degl'Innocenti (1977) argues; many fields require a firms' capacity to attract huge capitals for investment, such as iron and steel production. This confirms the need of a balance between co-operative economy and traditional capitalism. As argued in Chapter 2 about the community co-operatives, they work in order to provide people with services that in other cases, the state cannot operate and the market has no interest to run. The community co-operatives are in this area, serving communities when the market fails or using the market dynamics to earn income and finance local projects due to the absence of the state. Historically, co-operatives' members aggregate themselves for common needs deriving from similar social conditions such as under-paid workers, weak consumers or small producers. Community co-operatives enlarge this perspective to citizenship social category because they respond to needs in self-organised initiatives for socio-economic development. The degeneration into a massive

production model has led co-operatives to lose their original spirit as “*reactive*” organisations for a more structured and vertical system that has decreased the members’ affiliation, the connections with territories and, in many cases, even the internal mutuality. The more complex structure due to the massive industrialisation has enlarged the membership and weakened the loyalty to co-operatives allowing more free-riding behaviours (Svendsen & Svendsen 2000; Diamantopoulos 2012, 2013; Lang & Novy 2011b; Nilsson et al., 2009, 2012; Vieta 2014; Vieta & Lionais 2014; Feng et al., 2016)

These two antithetic models represent two opposite economic doctrines that took place during the last century, capitalism and socialism; the core of the debate was the nature of the property, private or public. The dissolution of the Soviet Union marked the victory of the liberal theories but an inquiry on the nature of enterprise remains. In XXI century, the debate is on the management of the enterprise, Zamagni (2005) sustains that the main opposition is between the capital holders and the workforce holders, for the decisions on the productivity.

The origins of the co-operative model are rooted in the social and philosophical opposition to the capitalist society. Jossa (2008) delineates three stages at the beginnings of the co-operative movement, in the XIX century. The first phase was the total opposition to the capitalism and market logics. Robert Owen (1771-1858) theorised a new more communitarian society and he saw in the co-operatives the way to reform it. Pierre-Joseph Proudhon (1809-1865), one of the main fathers of the co-operative movement, points out the formula *destruam et aedificabo* to indicate the two faces of the co-operative movement. The private property must be destroyed in order to build a socialist society more accessible for everyone. The private property of the means of production generates only a conflict between bourgeois and workers. Co-operatives can realise the “*mutual society*” that is a mediation between the economic liberalism and the state socialism. The producer is no more individual but the collective and reciprocity is the base for the exchanges. Obviously, also Marx gave his contribution in this way. The second phase began in 1844 with the foundation of the Rochdale Society of Equitable Pioneers. This first model of consumers’ co-operative conciliated the co-operative principles with the market dynamics. The main innovations they developed were the redistribution of profits among the members and the democratic management based on the role “one head one vote”. Nevertheless, the Rochdale pioneers never approved the profit as an aim for the co-operative. The third phase is the full conciliation with the market and J.S. Mill was the main author. He condemned the capitalist society for the evident inequalities it generated and sustained the idea of the self-realisation of each individual through the co-operatives.

During the XX century, the co-operatives achieved important positions in different economic fields confirming the complexity of its nature. This model was born to support the social struggle for the improvement of the conditions of working class and small entrepreneurs (reactive approach) but during the decades the co-operative system has become a part of the capitalistic system, able to invest millions in the production of goods and services (integrative approach).

1.2.2 The Theoretical Definition

“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.” (International Co-operative Alliance Definition)

The ICA definition completely expresses the main features of co-operatives. First, co-operatives are firms that produce goods and services but the internal structure and the nature of this model have had deeply modified the history of economics. One of the first main authors on co-operatives, Robert Owen, defined this model in order to educate men for a more equal world. Owen had a pessimistic

view of men as being unable to aspire to freedom; thus, the co-operative is the tool that can shape the existence of human beings and imprint equality values in people (Zamagni, 2005). This interpretation opens interesting issues on co-operative's nature because it is possible to see a tension between the selfish nature of human beings and the overall benefits deriving from collaboration and mutuality inside co-operatives.

The co-operative is an organisation based on capitals provided by the members and/or external sources (Ward 1958; Vanek, 1970). Consequently, the ownership is fragmented and a government system is necessary. Self-management is the peculiarity of the co-operative model, which aims to foster the value of democracy. The co-operative is a democratic organisation based on the role "*one head one vote*", this system prevents the free-riding of individuals and allows everyone to participate in the decision-making process with the same voting power (Jossa, 2008). This point reaffirms the tension already highlighted above between the individualism and the collectivism inside the same organisation. The co-operative is a subjects' coalition who provide the organisation with inputs that generate output sell on market. The contracts between these subjects and the co-operatives are "imperfect", a management is necessary; in ordinary firms, the control is in the owners' hands who provide the capitals but in co-operatives, the workers are both the controllers and the controlled (Zamagni, 2005). This can explain Owen's interpretation of co-operative as an educative organisation because the status of self-management determines the workers' autonomously determination.

This is the main difference with the traditional capitalist firm where the amount of capital determines the power of decision, therefore, it can be in one hand (entrepreneur) or more (shareholders). The pluralist organisation pursues the interest of its members; this represents another key difference from the capitalist model that chases the maximisation of profits. The co-operative overturns the classic business model, profit is no more the core of activities, and members' needs are the main aim of the organisation (Sapelli et al., 1981). The elements provided allow defining co-operative as: a multi-ownership democratic organisation, whose aim is the members' benefit.

The co-operative model has a proper social value. The Italian history of the co-operative movement (§ 2) shows how this economic model has promoted the socio-economic development of societies during several decades. From the beginnings, when co-operatives represented a complete opposite model to bourgeois capitalism and improved the dramatic conditions of the working class, then as democratic model for the management of the means of production and now with the affirmation of new co-operative models. The Italian legislation recognises the peculiarities of the co-operative model and preserves these values with a specific regulation. The redistribution of profits has to respect a triple limitation: the act of constitution of a co-operative establish the maximum amount allowed for the redistribution, one fifth of the total of annual income for the reserved fund (equity) and 3% to the national mutualistic fund for the promotion and development of co-operation (Casale, 2005). The co-operative system can guarantee the employment and the workers' wellness because it does not reduce the work cost for the increase of the owner's profits. The main principle is the maximisation of members' general interests in terms of stable job positions, adequate wages, wellness and cost reduction for the means of production purchase. This principle is mutuality.

1.3 With the Members, for the Members and not for Profit. The Mutuality in Co-operation

As Casale (2005) shows in his jurisprudential analysis on the mutuality, co-operatives were first recognised for their peculiar non-profit nature, they do not aim to maximise the profit generated by

capitals. The for-profit nature allocates ownership to whom provides the capitals. As known, the capitalism bases its function on the maximisation of resources through business. The co-operative has re-written this structure, capitals providers are no more the only owners of the business; in co-operatives, workers are not merely employees, they bring work force and resources for the company. The revolutionary impact of co-operatives has been the overturn of the traditional firm structure; the co-operatives redefine the meaning of “*worker*” and the social function of capital. This social function is present in all the different co-operative forms, such as consumers” co-operatives that provide members with affordable goods; even this model does not present the traditional setting of the capitalistic firm. The business is not set up for the maximisations of investors” interests; it supports the lower income classes to afford better goods and resources through the co-operation .

Although the economic examination of co-operatives is crucial in this analysis, it does not underline their real nature, which is the mutualism (Briganti, 1982; Casale, 2005; Mori 2008). Members” co-operatives do not work for another stakeholder’s interest; they operate to improve their own benefits such as better job positions or higher quality of goods and services provided by the co-operative. The mutualism appears when beneficiaries of co-operative’s activities are the members who play a role in the organisation rather than investors.

This configuration is the “*internal*” mutuality, which substantially operates for the members” benefit and has “*secondary externalities*” that are indirect effects on the context around the organisation. The “*external*” mutuality is the interest for the collectiveness outside the organisations; it is the extension of benefits to people who are not official members but are recognised people in need. A clear example in this sense are the social co-operatives in Italy; the beneficiaries are not always co-operative’s members, nevertheless, they take advantage from co-operative’s activities because they are entitled for them. The “*external*” mutuality can explain the necessity to engage new stakeholders in the government of co-operatives. This enlargement of stakeholders in co-operatives activities requires new decision-making processes able to understand every participant’s point of view. Particularly, this emerges in Community Co-operatives where the interest for territories and local communities can bring the organisations to elaborate new channels for the involvement of local actors.

The benefit extension delineates the co-operative’s social function (Magliulo, 2010). Co-operatives work to reduce social and economic disadvantage because it makes affordable goods and services that improve people’s life quality, thus mutuality enlargement straightens this social function. When the model is distorted, as in case of many workers and social co-operatives in recent years (§ 3.2), the social function disappears and the consequences are dramatic. The extension of the mutuality to non-members is another proof of co-operatives” social role in society. As explained, people co-operate to find a solution to common problems and the co-operative model operates in this direction, the maximisation of each member’s effort for a major benefit. The traditional co-operation, which is structure on the internal mutuality, realises this scope; differently, the Community Co-operatives extend mutuality to non-members and this can compromise the organisations function because official members can complain about the lack of economic participation by other people. Van Vugt et al. (2000) argue, in their social – psychological study on co-operation, that the reason why people collaborate is reciprocal interdependency; it means a mutual exchange that allows members to help other and, contemporary, themselves. This implication marks the major difference between co-operatives and voluntarism, which does not imply a return to the person who offers help to others.

The Italian legislation recognises the value of “*external*” mutuality in the Law N°381/1991 that establishes social co-operatives. The Civil Code Reform (2003) traces a clear distinction between “*prevalent mutuality co-operative*”, which is a firm that works only for its own members’ interest, and “*non-prevalent mutuality co-operative*” that extends the interest to other subjects. The social co-operatives are “*non-prevalent*” but the Italian legislator decided to accord them the same fiscal benefits of the “*prevalent mutuality co-operative*” due to their social mission.

1.4 Political Representation

The Italian co-operative history (§ 2) presents an important element for the theoretical investigation of the co-operative model, the connection with the political system. The fight for the elevation of working and small bourgeoisie classes’ conditions were part of a political vision that characterised the co-operative movement and the political forces. Co-operatives can mitigate revolutionary forces in working class and empower capabilities of small businesses; nevertheless it continues to be a representative of the members’ interests (Sapelli et al., 1981). The dualism between “*reactive*” and “*integrative*” model is also present in the political analysis on co-operative history. As explained above, co-operation can react to the exploited capitalist system overturning the traditional structure capital-above-labour; this is the way followed by the Marxist parties. Differently, in Italy, the co-operative system has also preserved and integrated small businesses, which have found a political representation in Democratic Christians; on the contrary, left-wing co-operatives have supported Marxist parties in social-political struggles. Political forces can promote a legal recognition in the parliament and public support for co-operative movement. This support can help to create more co-operatives, thus the working class can achieve better conditions and manage means of production, as in the case of workers co-operatives. Alongside, right-wing co-operatives are not interested in fostering tensions between social classes, in accordance with political representors; they work to protect the small bourgeoisie’s interest, as in the case of local credit unions. As Sapelli et al. (1981) point out, the Italian rural saving banks supported the credit to small enterprises but their efforts never achieved a radical mutation of beneficiaries’ class conditions. The combination of economic, social and political fields leads the “*reactive*” model to foster resistance against market forces and develops a different management of means of production; meanwhile, the “*integrative*” model protects small enterprises from monopolistic powers, help their adaptation to the system, and competition inside this (Sapelli et al., 1981).

In parliament, political forces have acted to structure an adequate environment for businesses and decide on financial resources allocation for economic development. The businesses’ growth is correlated with the achievement of the right amount of profits but it is also based on the conditions determined by public institutions and political governments. Farneti (1993) examines the dependence of political parties to different sub-cultures; he argues that political sustain to a specific party is correlated to the representation it has within a sub-culture. In this case, co-operatives have been an important electoral pool for many parties because they foster a “*mechanic solidarity*” and promote social mobilisation. Pizzorno (1977) sustains that political parties and co-operatives can have a mutual benefit; political forces subdivide resources through the public administration and co-operatives can guarantee electoral support to parties. Co-operative and their national bodies, which represent them, are an important economic sector in Italy. This is why, as another economic sector, they have a profitable connection with parties that can bring in the parliament and in front of the government the main issues regarding the sector. This structure of power shows the importance of these organisations and their role enhancing their own interests.

1.5 History of the Italian Co-operative Movement

This paragraph presents the historical evolution of the Italian co-operative movement; the analysis is not merely explicative, it shows the evolution and transformation of Italian co-operatives over two centuries, how they have fostered their socio-economic power in the Italian society and have had strategic bonds with political forces. The historical analysis can point out peculiar elements for the community co-operatives' investigation because it can define the roots of co-operatives' community work. The "reactive" and "integrative" framework can interpret how the movement has transformed over the course of several decades and re-positioned its role in the society. The hypothesis is that community co-operatives are emerging as valuable form for a new community empowerment due to their heritage as alternative firm model for fragile social groups and low-income classes. Moreover, the degeneration of "integrative" model has led to the disappearance of internal bonds with members and democratic management in many co-operatives, which have achieved huge production volume and basically are run as ordinary firms. Thus projects for community development can resume the "reactive" co-operatives' spirit and re-shape the public image of co-operatives after several years characterised by scandals and inappropriate management.

1.5.1 From the Origins to the First World War

The beginnings of Italian co-operatives, when Italy was not a nation yet, were in the second half of the nineteenth century in the northwest part of the country. The unification, operated by the royal family of Savoy, led the Kingdom of Sardinia to conquer and annex all the other regions and declare the birth of the Kingdom of Italy in 1861. The northwest of Italy was also the first industrial area; between Turin, Genoa and Milan there was the highest concentration of factories. This can explain why the Kingdom of Sardinia was the incubator of the first co-operatives in Italy. The Italian co-operation movement was born to tackle the same social problems that affected the working class in the rest of Europe and North America: poverty, food scarcity and high costs, critical sanitary conditions and the need of basic social insurances (Ianes, 2013). The mutual-societies were the base for the growth of co-operatives as a new model to respond to social needs. These worked for the basic social assistance of their members funding the first embryo of mutuality (Fornasari & Zamagni, 1997; Bressan, 2011). The birth of co-operatives was an attempt to create organisations for the achievement of economic purposes (affordable goods prices or job positions) and not only for social assistance; therefore, the first co-operatives were an attempt to move over the mutual society scheme (Ianes, 2013). Moreover, the political conditions in the Kingdom of Italy shaped the breeding ground for the self-help workers societies and subsequently for the co-operatives (Earle, 1986). In 1848, the King Charles Albert in Turin granted the state with a statute that allowed the freedom of association. This new possibility allowed the workers in Turin to establish the first co-operative in the history of Italy, the *magazzino di previdenza* (store) under the management of the *Società degli Operai di Torino* (Workers' Society of Turin) this is considered the first retail co-operative in Italy (Zangheri et al., 1979; Earle, 1986; Ianes, 2013). The Rochdale formula had great diffusion in this area for the management of the food stores. The core business was the selling of goods at market prices and the redistribution of earnings to the members in the form of dividends proportionated to the amount of each customer purchase (Earle, 1986; Ianes, 2013). In 1856, in the small Ligurian village Altare, the population had to face a terrible epidemic of cholera. 86 workers, under the supervision of the local doctor, Giuseppe Censio, decided to fund a glass blowers' co-operative in order to preserve the local know-how of glass producing and to pool their efforts to sustain the members with pensions and social insurances (Zangheri et al., 1979; Earle, 1986; Ianes, 2013). The main critique to the first form of producer co-operative in Italy was the impossibility for people outside the community to join in.

Altare was a very small village in the mountain and the members tended to privilege only the locals. In 1889, the members were 199 of whom 42 had the same surname and it is possible to find only 12 different surnames in the list of members. This experience did not follow the rules of Rochdale (Earle, 1986).

The northeast part of Italy, that was under the control of the Austro-Hungarian Empire for decades, was more influenced by the German-speaking world. The German model of the credit co-operation *Schulze-Delitzsch* had a great success in this part of Italy. Luigi Luzzatti, a Venetian economist, founded the first *Banca Popolare* (People's bank) in Lodi, near Milan, in 1864. The bank sold shares to locals who can obtain a loan in proportion to their shareholding. This system suffered many critiques because it did not support an equal redistribution of the wealth; who already owns more can have more benefits (Earle, 1986; Ianes, 2013). Indeed, the 1876 statistics on the membership composition show that the largest category of members in people's banks were "small industrials" (32%), followed by "small farmers" (16.8%), "professional and employed people" (16.6%) and only a 7.2% of "day labourers and farm hands" (Earle, 1986). On a different way were the *Casse Rurali* (rural credit unions or rural saving banks). Leone Wollemborg founded the first one in Loreggia a small village in the province of Venice in 1883. Even this credit system took inspiration from the German culture, the *Raiffesen* system was the precursor of the *Casse Rurali*. The rural credit unions provided local people with loans for farming purposes on the base of their moral character. The first rural credit unions were essentially non-clerical but the involvement of the local parishes was later important because only the priests could assess the morality and creditworthiness of each citizen (Earle, 1986; Ianes, 2013). In 1892, Don Luigi Cerutti founded the first Catholic *cassa rurale* in Gambarate, province of Venice. The Catholic rural credit banks had great success in many regions in the northeast of Italy such as Lombardy, Trentino also in Sicily. Today these credit institutions are generally characterised by this Catholic spirit and they are the backbone of the National Co-operative Confederation, one of the co-operative national bodies, which has roots in the democratic-catholic ideology (Earle, 1986).

The influence of other experiences from Europe was very important for the Italian co-operative movement. Nevertheless, the Italian co-operators contributed to the implementation of the different forms of co-operatives with a peculiar experience from the Emilia-Romagna region, one of the most co-operative area in Italy. During the 1880s, an economic crisis due to the lower prices of imported wheat from the USA caused high rates of unemployment and consequent social problems. It was during this period that the co-operative movement formulated an innovative solution, the agricultural day labourers' co-operatives. In 1883, in Ravenna, Nullo Baldini, one the socialist father of the co-operative movement, founded the *Associazione Generale degli Operai Braccianti* (General association of day labourers) that employed 303 people. The main difference with the producers co-operatives was the members' social status who were not small farmers or employees but day labourers who were the weakest category in the job market. These co-operatives operated in land reclamation and building infrastructure (Ianes, 2013). The 1880s, represented the first moment of strong connection between workers movement, which organised many protests and riots in Italy, and the co-operative movement. This shifted the mobilisation from the negotiation for better working conditions to the creation of new co-operatives for the acquisition of assets and land (Sapelli, 1998). This was the first bond between the working class and the socialist party (Ianes, 2013).

Except for the first decade, the Italian co-operative movement has always had marked political implications. Four main forces shaped the co-operative movement in Italy (Earle, 1986; Fabbri, 1995; Ianes, 2013). The conservative, steered by the bourgeois class for the promotion of co-operatives to channel the energies of potential subversive poor people. The liberal theorised by Mazzini who

believed in the coexistence of capital and labour in collaboration between classes. Conversely, the Socialist-Marxist approach promoted the co-operatives as a tool for the workers' appropriation of the means of production. Has already said, the Catholics played an important role in the spread of the co-operative values due to *Rerum Novarum* encyclical issued by Pope Leo XIII (1891) and for the strong opposition to the Marxist organisations (Ianes, 2013).

During the 1880s, the co-operative movement grew in all the regions of the new Kingdom of Italy. In October 1886, in Milan, 248 co-operatives representing 74,000 members founded the first Italian Federation of Co-operatives. This first national body embedded in particular consumers, producers and workers co-operatives (Ianes, 2013). The name changed during the 1893 congress to *Lega Nazionale* (National League) and remains this until nowadays (Earle, 1986; Fabbri, 1995; Ianes, 2013). During the first decade of the twentieth century, the National League became more close to the socialist party theories that were oriented to a reformist approach for the gradual conversion of the society. This mild position, compared with the maximalist that proposed an expropriation of the private means of production and a redistribution of general wealth, was the base for a strong bond between the National League and the socialist party. In 1906, this national body formed the "triple alliance" with the Federation of Mutual Aid Societies and the trade unions for a successful lobby movement for social legislation (Earle, 1986; Ianes, 2013). On the 9th of February 1920, the General Board of *Lega* approved a proposal from Angiolo Cabrini, for the definitely consolidation of the relations with the Socialist Party. The *Lega* recognised the socialists as the only political force able to fight the predominant classes (Sapelli et al., 1981). The steady presence and straightening of socialist ideology in the co-operative movement and trade unions steered the Catholics to respond with their own organisations to avoid the monopoly of Marxist forces in social questions. The popular party was the first Catholic political organisation, founded in January 1919, followed by the first Cristian trade union confederation in March of that year and by the *Confederazione Nazionale delle Co-operative* or *Confcooperative* (National Confederation of Co-operatives) in July. The Confederation had 7,950 member co-operatives where the majority were rural saving banks (2,220) compared to the National League's 8,000 member co-operatives (Ammirato, 1996; Ianes, 2013). The Catholic co-operatives were present in particular in the rural areas of north Italy (Ianes, 2013). These two will be the major *Centrali Co-operative* (head co-operative organisations) in the Italian history. The Italian legislator did not underestimate the phenomenon of co-operation. Under Giolitti's premiership (1903-1914), there was a great support to the development of co-operatives. The aim was to simplify the participation of co-operatives in public contracts. The legislation facilitated the formation of consortiums, formed by many co-operatives. Their tasks were to prepare the applications for the public contracts, give fiscal and legal assistance to their associates and manage the works.

The conquest of Libya and the First World War were two important steps in the growth of the Italian co-operative movement. The government delegated to many co-operative and consortiums the supply for the army. Uniforms, light equipment and artillery shells were produced by co-operative and the League sustained the distribution of food to civil population and armed forces. These activities strengthened the movement but this collaboration with the national government and the capitalist forces raised many doubts.

"The [League's] leadership was given a reminder that it was a working class movement and not a natural ally of a capitalist government at the League's 18th Congress, four months before the end of the war. The majority vote to reaffirming that the aims of the co-operative movement, at home and abroad, were the socialisation of the means of production and exchange. This laid the basis for close collaboration in the post-war years with the Socialist Party." (Earle, 1986, p.19)

In this first stage, the co-operative movement began its history; it is possible to recognise the embryos of the main elements such as the opposite interpretation of co-operatives' role in the economy. As explained in the previous paragraph, since the beginnings, theorists saw a different mission for co-operatives. On the one hand, the more radical the interpretation of a new productive unit, the more able it is to foster better conditions and socio-political education for a new non-capitalist world; on the other side, conservatives adopted this form in order to mitigate social tensions and allow more and more bourgeois to deal versus big companies. This challenge marked a relevant debate in the 20th century, in particular since the 1950s. Before that moment, co-operatives suffered the tragic consequences of dictatorship.

1.5.2 Fascism and Second World War

Despite the League's ideological withdrawal, the public contracts steered an important growth of the co-operatives. In 1918, there were 8,764 that compared with the 7,429 in 1915 can explain the impact of the war orders (Ianes, 2013). After the end of the First World War, the huge public debt, the high level of unemployment and the fragile political situation led Italy into a critical period. Nevertheless, the co-operation movement was able to respond to the increasing social needs. The consumers' co-operatives played an important role in controlling the food prices taking these on an affordable level. The producers' co-operatives were engaged in the reconstruction of the cities and infrastructures, creating hundreds of job positions (*Ibidem*).

This was not sufficient to mitigate the deep critical situation in the cities and rural areas, the deflation and the decrease of the national currency caused many strikes and riots. A series of events led to this period (1919-1920) being referred to as *Biennio Rosso* (Red Biennial). Factory sit-ins, land squatting and a state of incipient civil war characterised these years. The culmination was the birth of the Italian Communist Party in 1921. The left-wing of the Italian Socialism left the party for its mild position and because they saw in the historical conjunction of the event the right moment for following the Bolshevik way and create a proletarian state (Earle, 1986). Moreover, the "Triple alliance", which included in these years League, Trade Unions and Socialist party, had achieved important political power. This union has resulted in two consequences: the co-operative movement played a role in the control of prices and preserved a huge part of the population from the speculation of big companies. Secondly, the trade unions and the socialist party fought for the implementation of the social legislation and the negotiation of better conditions for the workers in the capitalist businesses. This alliance gave mutual benefit to each component; the co-operatives had a political representative in parliament as well as the trade union. Meanwhile, the socialist party could rely on the electoral and financial support of all the other organisations members. Alongside, the Democratic Christian co-operation worked for the empowerment of the small bourgeoisie class, in particular the farmers who owned small properties. The combined work of producers' co-operative and rural saving banks helped this social class to fight the monopolistic power of the big firms for the purchase of fertilisers, anti-parasitic and tractors (Sapelli, 1998).

The "Red fear" and the growing power of small entrepreneurs brought the capitalist leaders to search a strong solution for the repression of the working class instances. The answer to these problems was Benito Mussolini and his *fasci di combattimento* the embryo of the future fascist party. After Mussolini's takeover (1922), the state became totalitarian that meant the beginning of a dark period for the co-operative movement. Fascism never banned the co-operative as a model for production and management of the workforces but it took the control over the *Centrali Co-operative* in order to monopolise every intermediate body between the state and the citizens (Earle, 1986). In 1927, the *Ente Nazionale della Co-operativeerazione* (Italian National Institution for the Co-

operation) a fascist organisation, centralised the management of all Italian co-operatives. In 1925, the Ministry for Internal Affairs dissolved the National League and it did the same with the Confederation in 1927. The presence of the co-operation did not decrease but it was the nature of the co-operatives that changed. The democratic management and the free membership were deleted and every single organisations had to respond to the national directives (Ianes, 2013). The impossibility to self-determine the economic objectives represented for the co-operation the death of its nature. Under the general directives from the central government, the co-operative were mere organisations for the production of goods and services without all their own characteristics (Sapelli et al., 1981).

In 1927, after the closure of many organisations linked to the socialist and popular parties, the National Institution for the Co-operation gathered only 7,106 co-operatives. Under Fascism there was a significant use of the co-operation, indeed, in 1942 the National Institution for Co-operation controlled 14,576 co-operative (Earle, 1986). Consumers' co-operatives were able to control the food price during the economic crisis in 1929 and of the workers' co-operatives signed many public contracts for the building of new infrastructures. The agricultural co-operatives experienced a great development during these years with the introduction of new industrial mechanisms (Ianes, 2013).

The clandestine political groups, communists, socialists, democratic Christians and republicans, operated for the resistance against the dictatorship and theorised a new institutional structure for the future of Italy. The National Committee for the Liberation, which embodied all the anti-fascist forces, worked also on the role of the co-operation in the future nation. They created specific plans for the reconstruction of the co-operative movement that Mussolini downsized and disempowered. After the war, the National Committee for the Liberation re-established not only the co-operation but in general the social and democratic structure of Italy (Zangheri et al., 1987).

1.5.3 The Renaissance after the Darkness

“The Republic recognizes the social function of co-operation, with its mutually beneficial character, and without aims of private speculation. The law favour its increase by the most suitable means and ensures its character and objectives through the appropriate controls.”
(Article 45, Italian Constitution)

At the end of the war, the democratic forces joined for the physical and moral reconstruction of Italy. After the long fighting against Nazi-Fascists, the democratic parties had to lead the nation on a new way. Communists, Christian Democrats, Republicans and Socialists were the creators of the new Constitution. As presented in the above, these forces represents also the different political approaches to the co-operative form. Article 45 was a success for the co-operative movement because it recognised the co-operative not only for its economic value but, above all, for its social nature, which is able to empower lower classes through the structuration of new economic relations and a strong sense of solidarity (Zangheri et al., 1987). The social value of work and the possibilities to elevate the social conditions of each citizen are the main pillars of the Italian Constitution. The legislators saw in the co-operatives a plain way for the concretisation of the constitutional values.

The actuation of the constitutional address was the law passed on the 14th of December 1947 N°1577, named the “*Basevi Law*” after its creator Alberto Basevi's liberal party. It established a special fund for financing the development of new co-operatives at the National Bank for Work. Another important support was the fiscal facilitations for the co-operative due to their mutualistic nature. The “*Basevi Law*” also introduced a special monitoring on the co-operatives in order to evaluate which operated mainly in a mutualistic way and which did not satisfy the requirements and were not eligible for the fiscal facilitations (FMC, 2013). This reform was limited in its intentions by

the difficulty to delineate an adequate juridical definition of mutualism. The co-operatives could share part of the profits with the members, giving possibilities to economic speculation. The assessment of “pure” and “spurious” co-operatives was one of the main tasks of the *Centrali Co-operative*, in charge to monitoring the constitution of the new co-operatives during the years (Zangheri et al., 1987). This legal weakness would remain until the Civic Code Reform operated in 2003.

On the 15th of May 1945, the Catholic co-operatives re-established the Confederation. Few months later, on 1st September 1945, also the National League took life again. There was a tentative to join the different democratic forces in the co-operative movement together on the base of the anti-fascism values and the war experience but the Catholics decided to decline this opportunity (Earle, 1986. Zangheri et al., 1987; Ianes, 2013). Immediately after the Second World War, the Cold War began. In Italy, this period will be characterised by a strong and cruel opposition between the Christian Democrats (CDs), Socialists and Communists. The League reflected the Marxist approach on the co-operation and the socialist led it for many decade. The communist involvement was not preeminent until the 1946 national congress when the party leaders decided to increase the influence on the League. The scission inside the socialist party in January 1947, which weakened the socialist control of the organisation, favoured the communist takeover. The communists saw in the co-operation a fundamental way to build a new alliance with the working class and the small bourgeoisie (Zangheri et al., 1987). A proof of the tight bond between the League and the two main Marxist parties was noticeable in the choice of the President and Vice-President during the years. Normally, the communist party indicated the first and the socialist party the second. The same selection happened for the *Confcoopertive* and CD party (Earle, 1986; Ianes, 2013). It is not a case that many leaders from the moderate wing of the National League (republicans and social democrats), decided to leave the *centrale* for its communist connotation. They founded in 1952 the third central, AGCI, *Associazione Generale delle Cooperative Italiane* (Italian General Association of Co-operatives).

Despite this harsh ideological division, the co-operative, as model for the socio-economic development of the country, gathered a wide agreement in the new Italian parliament. Between August 1944 and September 1946, 9,000 co-operatives had been set up. In 1949, the first after-war co-operative census estimated 11,000 (Ianes, 2013). This huge presence in the Italian economy can explain the creation of the lobby composed by 108 pro-co-operation MPs from different parties in 1946. This group was the author of the Article 45 in the Italian Constitution, which recognises the relevance of the co-operatives in the democratic development of the new republic.

Immediately after the war, as Ianes (2013) explains, the *Centrali Cooperative* had elaborated a strategy for the structuration of a strong and wide networking system on the national territory. This articulation had to guarantee both a local self-organisation (horizontal aspect) and a national structure for the general representation (vertical aspect). This system is still working because it can integrate the necessity to deal with specific local and national issues. The horizontal level requires the formation of a local unit that embedded all the different co-operatives in a certain zone. The National League opted for both a provincial and regional level, Confederation only for a provincial level. The second level is organised in economic sector, which means that every co-operatives can refer to a national federation regarding its own business. The two major fields are credit and consumers on the one hand and agriculture and construction on the other. The confederation created the national federation and the National League associations, which have played an important role in terms of lobby and national representation. During the decades, the vertical structure have allowed to straighten the political legitimation of the two *Centrali*. This dense network, both horizontal and vertical, steered the leaderships and the academics to do not consider the co-operatives as single phenomenon disconnected by the others but as an integrated system with strong inter-relations.

During the Annual General Meeting of *Confcooperative* (1976) the President Enzo Badioli expressed clearly the concept of “coordinated autonomy” that can explain the configuration of the Italian co-operative movement:

“The qualitative mutation we have operated is to pass from a multitude of single organisations to a system of co-operatives, federations, consortiums and service societies. The coordinated autonomy is the necessity to steer our growth preserving and exalting the self-management of each part of this system. Without autonomy - which means also participation, responsibility and consensus – we cannot have a qualitative progress in our structures. At the same time, we must affirm the necessity of the activities coordination, rational planning of the roles and the setting of intermedium objectives that can be reached only through the centralization of many powers on a higher level.” (Author’s own translation, Badioli, 1976, p.24).

Ianes (2013) explains this configuration as an “enterprise network” that manages the *Centrali Cooperative*, which delineate the ideological framework for their co-operatives. This system leaves the right amount of local autonomy and guarantees a higher management that can define the national strategies and control on the each part. The national bodies can offer technical assistance, financial support, start up programs, increasing the know-how, research and management of the conflicts. It is not a case that from 1948, the Ministry of Works and Development delegated the control role on the co-operatives to the national associations, which already did this by themselves.

During the first years after the conflicts, the single co-operatives played a strategic role in the reconstruction of the country. The workers’ co-operatives were engaged in the building of infrastructures, the consumers’ co-operatives operated in the regulation of the food prices under the inflation and the housing co-operatives implemented the availability of new dwellings. In the South of Italy, the co-operation steered the fight for land acquisition by farmers. The end of the latifundium society triggered vast land occupation by the people exploited by the aristocratic class during the century (Zangheri et al., 1987). During the 1950s, the different strategies adopted by the farmers’ co-operatives showed the deep ideological difference between DC and Marxist forces. The catholic association of farmers promoted many consortia for the advantage of the business conditions of their members. They replicated the same model developed before the war, join many small entrepreneurs and support them in the purchase of means and equipment for their fields. On the other side, the League promoted a different model where the workers are united for the collective cultivation of the lands but no one is the direct owner of this, every member is an employee of the co-operative. These models revealed that the opposite ideological approach of the two main *Centrali* were still rooted in the political view of the two blocks (Menzani, 2015).

1.5.4 From the Calmness in the 1950s to the Reform in the 1970s

Degl’Innocenti (1981) delineates the evolution of the co-operative movement in different periods. After the Second World War, the “euphoria for co-operatives” spread the co-operatives’ values in the whole country. In 1951, the first general census counted 13,658 co-operatives. After this date, the intense growth of the movement had a steady decrease. Many co-operatives and consortia benefited from the post-war reconstruction; nevertheless, the subsequent economic boom that characterised the period 1950s-1970s saw the success of the hard industry such as chemistry, car production, iron and steel production. These are economic sectors based on the huge capitals attraction, which is not a peculiarity of the co-operative movement. Briganti (1982) analyses the main issues that the co-operative movement had to face during the 1950s, trying to extend its influence on all the national

territory, in particular in south Italy; extend its presence in the new economic sectors; strengthening the internal economic structure and the intern-business bonds. The co-operators had these problems in mind but they could not achieve adequate results. These factors led to a decrease of the co-operative from 13,658 in 1951 to 10,744 organisation in 1971².

Moreover, the political interest in the co-operation was very lacking during the 1950s. Scelba's government, which expressed the right-wing of DC party, fought the co-operative movement as a possible threat for its strong implication with Marxist ideology (Zangheri et al., 1987; Ianes, 2013). The communist party, which more than other probably could have interest in a strong bond with the co-operative, stated the need of a "full autonomy" of the co-operation in the 1956 General Congress. On the opposite side, the DC party, which governed Italy for many decades, had the same estrangement for the co-operative movement in the 1950s. The *Confederazione* leaders were not directly chose by the party. Until the DC General Congress in 1962, the Christian party had no official contact with the co-operative world (Briganti, 1982).

Despite this official position, the parties had a direct influence on the *Centrali*, the statements for an autonomous management were only a diversion. It is a fact that the communist and socialist parties selected the leadership of the National League; many managers in the League were loyal to the Marxist parties but they had an adequate autonomy as representors of the co-operative movement in Parliament. From the 1960s, the Communist party was more willing toward the movement, it theorised a new role for the co-operation, from the collectivism to the development of the small entrepreneurship. The aim was to support the working class and the small bourgeoisie against the power of the big monopolies and provide them with an adequate support in the development of their own means of productions and consumers force. The outsiders saw this turning in strategy as a short-term tactic but the long-term results gave reason to the communist leaders and helped the League to break the isolation that suffered after the Second World War (Zangheri et al., 1987).

The 1960s were characterised by two processes, one economic and another more political. The industrial evolution of the western societies affected also the co-operative movement. During these years, the various co-operative sectors began a process for the technical renewal with a substantial growth that brought the co-operation to be more central in the Italian economic life. Modernisation permeated every economic field, from the introduction of new production chases in agriculture and manufacture to the beginning of the supermarket era for consumers" co-operatives (Zangheri et al., 1987). In 1963, the president of *Legacoop* Giulio Cerreti and the main leaders of the organisation, decided to create a specific company for the management of all the co-operatives" insurance. The occasion was the acquisition of a small insurance company the Unica Polizza (Unipol) from the car company Lancia. This step in the evolution of the Legacoop is fundamental. It is a further element in the recalibration of the left-wing co-operation forward a more integrated approach to the capitalistic economic. In the 2000s, Unipol would be part of a terrific scandal for the co-operative movement, as explained in (§ 2.6).

This intense work of modernisation and growth was parallel to a gradual process of emancipation from the political system. It led the *Centrali* to have direct relations with the governments although the strong bonds with the parties. It did not imply a separation from them but a definition of self-consciousness that would bring the *Centrali* to define strategy by themselves. This process was useful for the movement because led, in particular by the League, it developed a new strategy, from an approach of "resistance" to another more "integrative".

² Istat (Italian Institute for Statistics) census 1971.

Table 1.2. Evolution of the co-operative movement in different economic fields.

| | Agriculture | Building | Manufacture | Commerce | Third Sector Activities | Social Co-operative | Total |
|--------------------|-------------|----------|-------------|----------|-------------------------|---------------------|-----------|
| Co-operatives 1971 | 994 | 768 | 3,558 | 2,718 | 2,706 | / | 10,744 |
| Workers 1971 | 32,660 | 32,168 | 44,213 | 25,386 | 73,050 | / | 207,477 |
| Co-operatives 1981 | 1,662 | 2,138 | 6,170 | 3,475 | 6,455 | / | 19,900 |
| Workers 1981 | 33,795 | 58,811 | 90,355 | 44,078 | 135,396 | / | 362,435 |
| Co-operatives 1991 | 3,411 | 10,878 | 6,183 | 3,553 | 25,874 | / | 49,899 |
| Workers 1991 | 36,136 | 67,798 | 85,369 | 74,047 | 604,117 | / | 867,467 |
| Co-operatives 2001 | 3,116 | 10,878 | 5,319 | 3,553 | 25,853 | 5,511 | 47,719 |
| Workers 2001 | 36,917 | 57,796 | 85,815 | 74,047 | 531,517 | 173,012 | 959,104 |
| Co-operatives 2011 | 3,932 | 9,245 | 3,809 | 3,369 | 26,464 | 11,264 | 58,083 |
| Workers 2011 | 22,956 | 39,088 | 57,796 | 88,173 | 220,221 | 320,513 | 1,123,762 |

The political climate was also useful for the growth of the co-operation. During the second half of the 1970s, all the major parties worked together to bring Italy out of a dramatic economic crisis aggravated by the cruel political fighting between far left and far right, for which many militants died. The name of that period (1973-1980) is “Historical Compromise”; it represented the external collaboration of the communist party to the DC governments that already had the socialist support. This intense work and the closeness of communist to the government area was very helpful for the intensification of the dialogue between the *Centrali Co-operative* (Sapelli, 1998). This decade witnessed an important trend in the co-operative growth as Table 1.2 shows.

The consistent growth of these sectors was associated with pressure of the co-operative movement on the parliament for a reform of the legislation on the co-operation. The Basevi law was not able to define clearly many aspects of the co-operative and left the legal form under the risk of speculations due to the possibility to elude the prohibition of profits redistribution with rebates to the members (Sapelli, 1998). The 1971 reform (Law n° 127/71) was not able to fix these legal vacuums, and for this reason it was called the “*mini-reform*” due to the incapability to avoid the “*spurious*” co-operatives” speculation. These “*fake co-operatives*” benefited of many fiscal facilities because formally they respected the law prescription. The law did not restrict the repartition of rebates and did not increase the vigilant system that was insufficient according to many co-operators” thoughts (Zangheri et al., 1987; Sapelli, 1998).

In the late 1980s, the fiscal crisis exploded having terrific repercussions on the Italian social system. The state was no more able to respond at the emerging new social needs. The industrial restructuration caused a decrease in the tax profits; this compromised the public budget and the policies of wealth redistribution, which was the base of the Italian welfare system. In front of this critical scenario, the Italian state called the civil society for a further involvement in the management of social policies. The conjunction of fiscal incomes reduction and the rise of new social problems, due to the deep changes of Italian culture and society, opened possibilities for a further affirmation of co-operatives as key socio-economic developers. These years witnessed the birth of social co-operatives. Paragraph 3.2 presents a more accurate analysis of this form.

1.5.5 “*Mani Pulite*” - *The Crisis of the Political System and Berlusconi’s Governments (1990s – 2000s)*

The 1990s were dramatic years for Italy. After the discovery of a wide system of corruption that involved all the parties, a pool of public attorneys began the most important juridical investigation against the political system. The parties funded their power on an illegal redistribution of public contracts to firms forced to pay bribes. *Mani Pulite*, the name of this investigation, destroyed all the traditional parties accused to finance their activities with bribes in order to select only specific “friends” firms for public contracts. *Mani Pulite* is the watershed between the First and Second Italian republic; the politic and society would not be the same after this juridical “heart quake”. This historical change required a drastic reform of parties. In 1991, the Italian Communist party was the first to declare its melting. The dissolution of the Soviet Union, the Marxist ideology coming over and the necessity to renew the political image in front the angry electors led Achille Occhetto, the last leader of the communist party, to convert it into the *Partito dei Democratici di Sinistra* (Party of Left Democrats). In 1994, the same destiny affected the Christian Democratic Party and the Socialist Party, the two most damaged by *Mani Pulite*. The leaders dissolved the traditional structures of the parties and created new small entities such as *Socialisti Italiani* and the *Partito Socialista Reformista* (Italian Socialist and Reformist Socialist Party) on the left side; the *Partito Popolare Italiano* (Italian Popular Party) on the Democratic Christian side.

Despite the deep political crisis, the last DC governments were able to approve an important law for the co-operative movement. In 1992, Law N°59 introduced three financial tools for the co-operative business development. The first and most important innovation is the “*Financing Member*”, who supports the social value of the co-operative buying shares. This member participates in the business risk but does not benefit from the mutual exchange. It can receive annual profits for its capitals but only 2% more than the other members can. The financing members can be only one third of the total amount of members. The second innovation is the constitution of mutualistic funds; the national bodies can manage, through dedicated societies or associations, these funds. The co-

operatives, members of these funds, finance them with an annual 3% of their incomes or with the whole value of assets in case of dissolution. These funds promote new co-operatives and sustain the members in a temporary state of need. This structure increases the mutualism among the co-operative members, guaranteeing resources for many purposes. The last tool are the “*Participative Stocks*”, which allow increasing the capital of investment of each co-operative. The shareholders do not have the right to vote in the general assembly; the total value of the participative stocks cannot be more than the co-operative asset value. The 50% or more of the stocks have to be offered to the co-operative members in the first instance; the shareholders not members of the co-operative can receive a 2% higher earning than the members. This innovation allowed modernising the institutional structure of the co-operative model. These elements can attract more funds to the co-operatives and strengthen the business model.

After the worst political scandal in the republican history of Italy, a new class distant from the old political system arose from the demolition of the traditional parties. The desire for a new and honest politic and the overwhelming victory of the neoliberal ideology in other countries, the USA and the UK, led to the affirmation of Silvio Berlusconi who governed Italy for 20 years (1994-1995; 2001-2005; 2005-2006; 2008-2011). This new political ideology and the declared Berlusconi’s hostility for the co-operative movement left the *Centrali* in a difficult position, with no more support from the traditional parties. The first round of this match, between Berlusconi’s party, Forza Italia, and the co-operative movement was in 2001 when the Minister of Economy, Giulio Tremonti, abolished the fiscal exemption on incomes for the co-operatives. The Civic Code reform (2003) divides the co-operatives in two categories “prevalent mutuality” and “not-prevalent mutuality”. Minister Tremonti required for the first category a 30% contribution and for the second a 70% contribution on the IRES (Imposta sul Reddito delle Società – Tax on Society Income). The taxation exempted only the social co-operatives. Attacks to the co-operation also arrived from Berlusconi’s supporters. Well-known is the fight between Bernanrdo Caprotti, leader of Supermarkets Company Esselunga s.r.l., a strong Berlusconi supporter and the main competitor of Co-operative Italia, the largest group of supermarkets affiliated to Legacoop. In 2007, Caprotti accused the “*Red Co-operatives*” of collusion with the left-wing parties, unfair competition on the market and a systematic exclusion of his company from the traditional “*red area*” where stronger is the power of Co-operative Italia. In 2008, the right-wing government decided an increase of the tax for the loan by co-operative members, from 12.5% to 20%. Law 14 September 2011 N°148 (Economic Measures against the Crisis) established a further increase in taxation for the co-operation, due to the Italian general crisis. The leader of the co-operative movement was outrageous for the Berlusconi’s choice to tighten up the tax on co-operatives and did not approve a “*Solidarity Tax*” that could take more resources from the big patrimonies. These political facts showed how the co-operative movement needed more unity and autonomy from the political forces that were not able to represent its interests yet.

During the years, the improvement for the co-operatives has been remarkable. Nevertheless, the co-operative model still needed a clear definition of its legal framework, a problem that the *Centrali* claimed many times during the years. The Italian government fulfilled this request with the reform of the Civic Code in 2003. This legislative intervention (D. Lgs. 17 January 2003 N°6) redefines the main features of the co-operatives, trying to make this legal form of business more competitive avoiding a distortion of the mutualism element. The main innovation is the differentiation between “*Prevalent Mutuality co-operatives*” and “*other type co-operatives*”. Article 2511 defines the co-operatives as “*society with variable capital for mutuality aims*”; the mutuality is the key element of this legal form than otherwise is “only” traditional company limited by shares. Art. 2512 specifies

the nature of the mutualist exchange between the “prevalent mutuality co-operative” and the members:

1. The co-operative activities are in favour of the members, consumers or service users.
2. The workers of the co-operative are mainly members.
3. Members mainly provide the co-operative with goods and/or.

The reform uses the term “mainly” in the definition of the members’ involvement. Art. 2513 identifies the concept of “mainly” in this way:

1. More than the 50% of the incomes must be from good selling or service provision to members.
2. More than the 50% of the workforce cost must be worker members’ wages.
3. More than the 50% of the goods and services purchased by the co-operative must be from members.

These requisites can delineate the “prevalent mutuality co-operatives”; it does not mean that every co-operative must satisfy them all. If a co-operative operates for a third part’s interest and it does not fulfil the criteria above, it is a “not-prevalent mutuality co-operative”. The prevalent mutuality requirements can affect all the co-operative forms, such as social co-operatives, consumers’ co-operatives, workers’ co-operatives or producers’ co-operatives. The fundamental element is the remuneration of the mutualistic contribution of each member (Bonfante, 2004; Venturi, 2007). The Civic Code reform allows this redistribution of wealth but also establishes many limitations in order to prevent the inappropriate use of the prevalent mutuality form.

The 2003 reform delineates the principle of the “open door” that is another key element of the co-operatives compared with the other legal forms. Before the reform, the Italian legislation did not codify this co-operative principle. The variation of the number and legal nature of the members does not imply a variation in the act of constitution of the co-operative (art. 2524). This marks another difference with the company limited by shares and allows the co-operatives to increase the plethora of members for gather new equity. The reform also introduce the obligation for the management board to justify the eventual negation of acceptant of new members.

1.5.6 Co-operation and Scandals. When the Power is Amoral

“Have we a bank?”

This sentence became famous in 2005 as the symbol of the main scandal that involved the co-operative world. Piero Fassino, former leader of the Left Democratic Party, told this during a phone call with Giovanni Consorte, President of Unipol, the insurance agency of co-operatives founded by Legacoop in 1960s. The Unipol’s attempt to acquire the Banca Nazionale del Lavoro (BNL - National bank of Work) through an illegal acquisition of shares was the cause of this scandal. In 2005, the public prosecutor’s office in Rome, began an investigation on the illegal acquisition of BNL by Unipol, the accusations are insider trading, market manipulation and obstacle to the activities of the vigilant authority. The plan was the purchase of the bank in order to create a strong and powerful social-economic entity that embodied co-operatives, the insurance agency, the political party and, as last part, a bank. Consorte explains this in the journalistic investigation “Co-operative Connection” by Antonio Amorosi. *“We had an ambitious project. Unit the party, the massive distribution, the insurance agency and an important bank. We could have 12 million clients able to move from a sector to another”* (Amorosi, own translation, 2016, p. 116). A wide network of co-operative members, left-

wing supporters, Unipol clients and account holders. Consorte is a manager of Unipol from the 1979 and has always had a strong connection with the Communist party before and the Left Democrats Party after. These net had allowed him to be a protagonist in these illegal events. He already saved many co-operatives from *Mani Pulite* (Amorosi, 2016) and in the middle of 2000s, he thought a system to protect the co-operative movement from the future real estate bubble. Three are the economic fields that can guarantee economic stability: supermarket distribution, insurances and bank services, they are the pillar of the Italian system so they cannot fail. Unit these powers with a political party enable to create an incredible social-economic-political force. The Italian law forces to open a tender offer over the 30% of shares. Consorte established a wide net of relations with other companies, Italians and foreign, for the acquisition of the majority without a proper transparent process. The authorities stopped the purchase and the investigation discovered the fraudulent system. Never before a part of the co-operative system was involved in a scandal. These juridical investigations showed how the immense system of co-operatives still had tight bonds with the political power. This event had considerable political repercussions; during the electoral campaign 2006, Berlusconi used the “Unipol affair” as the main critique against the co-operative world and the left-wing forces. This political dispute damaged the co-operation, the accusations reinforced the idea of co-operation as a branch of left-wing parties that aims only to maximise profits, which it is clearly in conflict with the general idea of co-operation. Nevertheless, the “Unipol affair” marked a change in the public perception of co-operation; from that moment, it has been definitely seen as a capitalistic system without proper values.

The second investigation that shake up the co-operative world was the *Mafia Capitale* (Mafia in Capital). From 2015 to 2017, the investigation *Mondo di mezzo* (Middle World) discovered a criminal association positioned between the legal and illegal world in Rome. The main director of this was Massimo Carminati, former fascist terrorist, able to connect businesses and illegal activities in the Italian capital. The work of the investigators reveals a criminal use of the social co-operatives for the acquisition of huge amount of public funds in the sector of refugees hosting. *Mafia Capitale* is the name of this complex system that embodies political powers, business and social economy. Carminati managed a wide network of relationships with important elements of the political and economic powers in Rome in order to obtain public contracts for the refugees hosting and other services for the social co-operatives under his control. His main collaborator was Salvatore Buzzi, former prisoner, he funded the social co-operative “29 Giugno” (29th June). This is one of the biggest social co-operatives in Rome with an annual income of 60 million €. This huge business manages roman camps, centres for the refugees hosting, centres for under-age immigrants, shelters for homeless, centres for asylum-seekers, hostels, house for women under protection, emergency social houses. A galaxy of social economy able to collect many public contracts through the hidden directors Massimo Carminati and the favours of many local politicians. “Have you an idea of how much we can earn with immigrants? The drug selling ensures less money.” Police intercepted this sentence during a Buzzi’s phone call; this is the idea of social business for him. The “29 Giugno” co-operative took money from public institutions declaring that it used for the social services listed above but through a complex system of budget irregularities, it spends less than the 10% providing low quality services.

The damage for the entire third sector was enormous. This scandal raised the idea of the impossibility to control the hosting system of immigrants and refugees, which can constitute a real business where everyone can steal money. Moreover, all the social economy has been considered as a sector without control raising critiques that many co-operators thought anachronistic such as the immense fiscal facilitation and the monopoly of many social services. In August 2017, the first sentence on *Mafia Capitale* condemned Carminati to 20 years and Buzzi to 19 years of prison. The

court did not recognise for this organisation the characteristic of Mafia but 50 co-operatives are sequestered and 1,500 workers can lose their job. This scandal opened a deep fracture between co-operative world, society and political power. The public opinion has now a wrong idea of co-operation and look at this as a part of a corrupted system. As Anna Vettigli (Legacoop Lazio Social Co-operatives) explains:

“Mafia Capitale represents an enormous damage for the social co-operatives sector. Probably we need years to fix this. Nevertheless, it has always been a liberation for many honest co-operatives because this investigation cleaned up the social economy sector from illegal and unfair competition.”³

Despite the campaign for a renovation of the co-operative movement imagine, many shadows persist on it. Amorosi (2016) describes in his journalistic investigation the dark side of the co-operatives, where this legal form is used for the exploitation of the workers. It could sound strange due to the glorious past of the movement roots in the social-class fight for a more equal society. Although this heritage, union trades and public opinion are critical on the management of many co-operatives. The co-operatives for the intermediation of workforces are the galaxy where the injustice is stronger. These operate on behalf of other companies that need temporary workers. The co-operatives normally obtain the contracts because can offer lower prices due to the inconsistency wages for the workers. The economic fields where they operate are cleaning services, restoration, health services, food industry and storage, moving or logistic delivery. The client companies can save money and the law cannot punish because the workers are formally members, so they are self-employed. The co-operative life in these organisations does not exist; the workers are mainly immigrants with a small knowledge of the Italian language and law. The co-operatives managers who are mainly responsible for this situation take advantage from this and do not involve the members in the decision process. It is an unfair use of the co-operative model but is legal, so the tribunal of work cannot condemn the managers for the miserable wages (a worker in logistic sector can earn 3€ per hour) because the workers are members. Moreover, Renzi's government (Democratic Party, successor of the Left Democratic Party) in the 2015 Job Act abolished the fraudulent providing of workforce crime; it means that the co-operatives can intermediate the exchange of workforce with the companies without restrictions.

These elements can give a general idea of the current complex world of the co-operatives in Italy. On the one hand, the co-operatives still represent a valid alternative to the extreme capitalism and a possibility for the workers to manage the businesses by themselves. On the other hand, the co-operative system is a massive part of the Italian economy that represent the 8% of the GDP and it acts as an ordinary economic stakeholders asking more possibilities to the government and managing a proper economic power on the politicians, in particular the left-wing. Under the same definition, it is possible to find different organisations that operate in different ways, from the social co-operatives that regularly fight against the mafia or integrate disadvantage people in the labour market to the intermediate co-operatives that exploit workers as the capitalists usually do. The *Centrali* that are investing huge amount of resources in the stock exchange and many co-operatives that are suffering the economic crisis. A dichromic world able to generate social innovation and economic exploitation; it is this, probably, one of the reason for the emergence of the community co-operatives model, a way to rebuild the human face of the co-operatives.

³ <http://www.Legacooplazio.it/la-co-operazione-sociale-dopo-mafia-capitale/> own translation.

1.5.7 The Italian Co-operation Nowadays: The Economic Crisis and a New Alliance

From 2008, Italy, as many other countries, has been experiencing a deep economic crisis. This unfortunate historical period has been another test for the co-operative movement and their members. Although the drastic reduction in public and private investment, the co-operatives have incredibly reacted to the crisis. The Third Report on the Italian Co-operation, edited by the European Research Institute on Co-operative and Social Enterprise (EURICSE), analyses the economic trends of 28,000 co-operatives during the crisis years. From 2008 to 2013, the sample showed a countertrend rate of growth, compared with the rest of the Italian economy; during these years, the co-operatives grew 14% more in terms of production. The sectorial analysis shows a major trend for the health and social service co-operatives (31.1%), followed by agriculture and food (22.6%), commerce (16.4%) and “other services” (14.6%). The worst result is the building sector (-11.1%) that suffered the general crisis of the real estate market. The co-operatives opted for a total opposite strategy compared with the traditional businesses, they invested the major share of the income in the workforce, saving the job positions, and increasing the wages with a consequent reduction of the general results of the activities. The co-operatives increased the distribution of incomes to workers from 18.8% in 2008 to 20% in 2013 decreasing the saving for the social capital of the businesses from 0.6% to 0.1%. This means a significant choice in terms of strategy, deciding to protect the workforce, improve the productivity rather than fire workers, and keep the savings. In the period 2009-2013, the employment of stable workers saw a +10% for co-operatives compared with the -5% of traditional business sample. Delbono and Reggiani (2013) conducted an empirical research on a sample of Italian productive co-operatives during the economic crisis. This presents interesting statistical evidence that confirms the trend, the productive co-operatives used their financial resources to protect the workforce and the job position. Even Carini and Carpita (2014) confirm the resilience of co-operatives; their research shows the stable employment level in industrial and business co-operatives during the years 2008-2010. Despite the tremendous impact of the economic regression on the co-operative sector, with a decrease in the total number of co-operatives, the job positions in the survived firms were saved. A trend that is totally opposite to the traditional businesses. It reinforces the thesis about co-operatives as a different organisation compared with traditional firms.

This time of crisis has been for the co-operatives another important moment of reflection on their mission forward the members and the country. The long history of this economic sector leads the co-operatives to a further step in the independence process from the politic. The strengthening of the co-operative movement was re-affirmed in January 2011 when the three main *Centrali* Legacoop, Confcooperative and AGCI funded the *Alleanza della Co-operative Italiane* (Alliance of Italian Co-operative). This new organisation aims to definitely go over the ideological differences between the three organisations and create a unit body for the co-operatives’ interests representation. The Alliance embodies 90% of the entire Italian co-operative world, more than 39,000 enterprises and 12 million members and 140 billion € of incomes, which means that 8% of the Italian GDP. Maurizio Gardini is the current president elected in 2017. In his inauguration speech, he delineated the address for the Alliance’s work during these years, straightening the collaboration among co-operatives from different backgrounds; enforce the common assets inside the Alliance such as the mutual funds (that helped 14,000 co-operatives and 630,000 workers during the crisis) and the pension schemes.

The Italian state recognises the value of this economic sector and the supports to the co-operative movement is part of the active work policies. They encompass a wide range of schemes for the co-operatives straightening such as fiscal facilitations, professional support, advantaged rates on loans, and direct contributions to the budget.

1.6 New Co-operative Models

Co-operation is never static, it is in continue evolution and it still confirms to be an interesting model for tackling social problems and building valuable alternatives to the traditional capitalism. The recent evolution of this model can explain the reasons why the collaboration among different stakeholders is still playing an important role in the Italian economy. As shown in the historical analysis, the co-operative model is successful because is flexible and adaptable to different context. This paragraph illustrates three recent experiences that have had great success during the last years, they have shaped the co-operatives structures and main features to new social issues emerged in Italy. The aim is to analyse how the co-operative model is facing the cultural, economic and social changes in Italy. The three models, Worker Buyouts (WBOs), Social and Anti-Mafia co-operatives, are the result of the mutation of the society and the renaissance of the concern around the social value of the co-operation . These new models introduce, in this analysis, various cultural elements that can explain the raise of the community co-operative model. The complex panorama of the Italian co-operation embedded a wide range of businesses; many of them are complex organisations or ordinary businesses that scarcely can represent the values of co-operation and the effort for the social benefits. These three models are spreading a new faith in the co-operatives and in their possibility to forge a different meaning of socio-economic development.

1.6.1 Workers” Buyouts Co-operatives

Law N°49/1985, named “Legge Marcora” from the creator Giovanni Marcora, Minister of Industry (1981-1982), is the legal framework for the co-operatives that aim to save firms through the workers” acquisition and self-management of the business. This law supports the conversion of firms into workers co-operatives.

The employees can form a workers” co-operative and begin the process of acquisition of the firm because the legislator recognises their major interest in maintain the business and save their job positions. The law establishes a *right-of-first refusal* in buy out the firm before the bankruptcy or the selling to another owner. The new co-operatives can collect the share capital from the worker members who can contribute with personal savings, severance pay, or from their personal unemployment insurance benefits fund, an important innovation that Law Marcona has introduced (Vieta, 2017). The Law has established two funds for a further support for these initiatives, the “*Fondo di rotazione per la promozione e lo sviluppo della co-operativeerazione*” that provides co-operatives with soft loans, and “*Fondo speciale per gli interventi a salvaguardia dei livelli di occupazione*” dedicated to finance the risk-capital of new workers” co-operatives.

Vieta et al. (2017) analyse the impact of this phenomenon, the peculiar socio-economic structure of Italy has favoured the appearance of this new model. The first worker-led occupations and recuperations of firms happened in the *Biennio Rosso* (1919-1920). They re-emerged after the WWII and during the 1960s and 1970s when the economic struggles were very cruel. During the 1980s, the consequences of the economic crisis and the restructuring of the Italian economy, which moved forward a model of SMEs, convinced the DC government to support these acquisition processes for the saving of job positions. The researchers identify various factors that have determined the success of this model: (a) the decline of SMEs consequently (b) high rates of unemployment. (c) The support of the local union trade chapters is a common element, which confirm the historical Italian tradition of bottom-up experiences for social struggles; (d) workers can rely on social networks with local communities, authorities, associations, religious chapters and co-operative federations. (e) These

connections reinforce the co-operative traditions for the local development; (f) a well-established federal co-operative and the WBOs legislation with financial mechanisms.

The research carried out (Vieta et al. 2017, Vieta, 2016a, 2016b) describes the main features of this phenomenon. The WBOs tend to emerge in labour-intensive sectors rather than capital-intensive due to the nature of the businesses, which size allows managing the artisan production. The workforce profile of the WBOs shows that the workers with a geographic and sectoral immobility tend to form these new co-operatives due to the difficulties to move in other places or fields of production. The result are organisations able to establish intra-firm and inter-firm social networks. These factors explain the higher concentration of WBOs in well-known areas of Made in Italy, where the artisan production is strongly correlated with local traditions and social structure and the loss of the know-how can determine the death of the local economy.

1.6.2 Social Co-operatives

In the late 1960s, the workers co-operatives and labour-managed firms entered in the interest of the neo-classical economists; this focus on the new organisations triggered an intense corpus of studies and theories on these enterprises that do not work for the maximisation of profits and are not part of the public sector. In the 1970s, in all the western countries, these organisations achieved a great success, also due to the impetus of the new social movements. This structure allowed promoting new independent organisations for the promotion of new instances, outside the public sphere or the traditional bodies of representation such as trade unions and parties. The economic crisis and the consolidated limits of public institutions and private markets led many groups to create by themselves new solutions for social needs. Moreover, many people have seen in the third sector a possibility for a political-free public space outside the dichotomy capitalism-communism. The combination of economic, social and political factors created the so-called “third sector” (Borzaga & Defourny, 2001).

Over the years, the third sector has steadily grown and has contributed to the improvement of many forms of organisations, one of the most successful has been the social enterprise. The EMES International research Network is the most important academic institution for the study of social enterprise in Europe. The general definition elaborated during the years delineates the main features of the social enterprise, which encompass characteristics from different cultural and national backgrounds. The social enterprise is (a) directly involved in the production of goods and/or services on a continuous base. These economic activities represent the main source of income for the organisations. (b) This income allows the social enterprise to be independent entities not depending on public subsidies or private donations. As enterprises, they need (c) a significant level of economic risk that the members take to start up the business. There are not only members but also (d) paid workers. These organisations have (e) a clear mission toward the community and social objectives; (f) citizens fund them to share a certain need or aim and (g) they adopt a democratic decision-making process not based on capital ownership. The social enterprises are (h) multistakeholders organisations that (i) limit the redistribution of profits for the re-investment in the services or the accumulation of shared capital (EMES 1999).

In Italy, the main configuration of the social enterprise is the social co-operative. From 2006, the Italian legislation has recognised the definition of “social enterprise”, which also embodied other legal forms. Nevertheless, the social co-operatives alone constitute an important sector able to provide people in disadvantage with different services. During the “golden age” of the public welfare system (1950s – 1970s) the Italian state operated a monetary redistribution in order to support families, which

are the main core of the Italian system, except for the provision of the education and health system operated on a universal base (Migliavacca, 2008). The appearance of new social needs, such as the child-care, elder people assistance or the social inclusion of former patients of asylums (closed in 1978) or former prisoners led the civil society to use the co-operative, thanks to their social and democratic features, as the key model for the creation of new services. As Putnam et al. (1993) argues, the favourable social and political capital and the co-operative values present in the Italian context make it possible to strengthen the solidarity among people. This is viewable in the distribution of social co-operatives in Italy that presents consistence differences among different regions. A possible explanation is the mix among inclination to co-operation, public spending in social policies and demographic composition with particular attention to disability. The result confirms the Putnam's theories on the uneven distribution of the social capital in Italy (Picciotti et al., 2014).

The Italian Constitution assigns to co-operative a social value but it does not specify the precise application. This imperfection allows the social co-operatives to defend their activities for disadvantaged people and extend the mutuality from the members to other categories such as the volunteers and the beneficiaries of the services. The broadening of the mutuality to non-members was an important innovation for the co-operative model, it created the concept of "*external mutuality*" (Borzaga & Santuari, 2001); the enlargement of co-operative benefits represents the social function of these organisations. In the late 1980s, the conjunction of many factors, fiscal incomes decrease and emergence of new social needs, led the Italian state to claim the civil society for a further involvement. The co-operatives played a strategic role in this.

After many years of activities, the Italian legislator decided to recognise this new form of co-operation. In 1991, the law n°381 established the definition of social co-operative. Its aim is to run activities for the "*general benefit of the community and for the social integration of citizens*"; this law adapts the general form of the co-operative to the field of social services. The legislator's prescription for the social co-operatives is to prevent the total distribution of profits; this can achieve 80% of the total where the rate of profits for each share cannot be higher than 2 per cent of the rate applicable to the bonds issued by the Italian Post Service. The law defines the categories of members:

- Worker member, who earns a wage for the activities in the co-operative.
- Beneficiary member, who benefits directly from the services.
- Voluntary member, who spontaneously supports the activities for free. Law n°381 established a maximum of 50% of the total workforce as volunteers, in order to prevent the abuse of this possibility and an equal competition among co-operatives.
- Financial supporter member, people or organisations that invest in the co-operative for its social value.

The law pays particular attention defining the "disadvantaged groups" that will benefit from the services. Are eligible for the support people who suffer physical invalidity, mental or sensorial diseases, people affected by drug or alcohol addiction, minor in working life (16-18 years old) in familiar difficulties, inmates eligible for alternative sentences. The law divides the social co-operatives in two types, type-A for the provision of social, health and educational services and type-B for the work integration of disadvantaged people in labour market.

Table 1.3. The social co-operatives in Italy. Differentiation for Type (2017)⁴.

| Type-A | Type-AB | Type-B | Total |
|--------|---------|--------|-------|
| 11255 | 3738 | 6413 | 21406 |

From the beginning, the social co-operation has showed an inclination for the collaboration with local authorities. The public investment in the provision of social services through the co-operatives has led to the growth of these in the years. The increase of the organisations and the progressive reduction of investment in the welfare state, due to the neoliberal approach and the spending review adopted by the Italian governments, has changed the relations between local authorities and social co-operatives. There has been a shift from collaboration to contracting (Borzga & Fazzi, 2011).

The watershed of this evolution was Law n° 328 approved in 2000. The law designates the municipalities as the coordinators of the local social services plan, elaborate in partnership with the third sector. Local stakeholders and public authorities have to screen and assess the social needs and delineate the adequate interventions for them. Before, the town halls distributed public funds to all the organisations that requested them. The new approach, the public management, has required a collaborative planning with local stakeholders and the selection of service providers through competitive procedures. The cost effectiveness criteria have shaped the new social services system.

“This increased power of direction and influence acquired by the public authorities was strengthened by the endeavour to curb public spending. The financial resources transferred to local authorities by the central government stopped growing; indeed, in the recent years they were even reduced. As a consequence, local authorities were obliged to adopt cost-cutting strategies [...] In particular, greater use was made of competitive procedures for service contract awards, the intention being to select the cheapest suppliers. Although law 328/00 prohibited out-sourcing practices whereby the choice of contractor was made only by considering the minimum cost, financial pressures induced many public authorities to use these practices to curb expenditures on services.” (Borzaga & Fazzi, 2011, p. 417)

The consequences have been a decrease in the workers’ wages and marginal profits of the co-operative. Subsequently, many social co-operatives have reconverted their businesses, from a total dependence to public funds to a more flexible model able to generate incomes from other sources. Borzaga and Fazzi (2011) explain the evolution of socio co-operatives using the categories elaborated by Osborne (2008). This development is understandable partly for an “evolutionary innovation” (working with the same client group, but providing new services) and partly for an “incremental development” (working with the same client group and providing the same services, but incrementally improving them). The new services, addressed to private demand, are mainly those where the public supply is most deficient, such as day nurseries and certain health services. Osborne (2008) calls this “expansionary innovation” (working with a new client group, but using the organization’s existing services/work methods). Borzaga and Fazzi (2011) add another element of innovation the “total innovation” (i.e. a type of innovation which involves working with a new client group and providing new services or methods of work). This is the combination of local resources with the experience of social co-operatives, the result is not the provision of traditional social services

⁴ National register of social co-ops. Ministry of Economic Development. 1 Dec 2017.

but the formulation of new economic activities forwards the general interest of the whole community (Borzaga et al., 2016).

“These new activities involve, for example, the creation of partnerships with farmers or agricultural co-operatives for the production or marketing of organic products. Collaboration with local administrations and associations on projects for the recovery of idle rural land for social purposes, social housing projects, the marketing of organic or ethical products in collaboration with fair trade co-operatives and local producers, social tourism, and so on” (Borzaga & Fazzi, 2011, p.421).

Empirical research shows that many social co-operatives, especially those engaged in work integration, have important bonds with their community thanks to the governance models that involve a plurality of stakeholders, including volunteers (Fazzi, 2012; Borzaga & Depedri 2015). The combination of all these factors is shaping a new generation of social co-operatives in innovative fields outside the traditional social service sector, such as the anti-mafia co-operatives or the community co-operatives, the main topic of this thesis.

1.6.3 Anti-mafia Co-operatives

The anti-mafia co-operatives are an exception in this paragraph because they are not a legal form as the workers buyout or the social co-operatives. In reality, the main legal form adopted by the anti-mafia co-operative are the social co-operatives due to the clear social mission of these organisations. Nevertheless, it is important for this analysis investigate the genesis and evolution of this form because it represents an important application of the co-operative model in the Italian context. It can support the main thesis of this chapter, namely the extensive applicability of the co-operative model to those situations where a business characterised by social values, a democratic structure and community mission is required.

In the 1980s is the background of anti-mafia co-operatives, when law n° 646/1982 or “Rognoni-La Torre Law”, from the names of the two creators, was adopted. The mafia phenomenon was still mainly unknown and the public concern was very few compared with nowadays. Nevertheless, Pio La Torre, communist PM, and Virginio Rognoni, Minister of Justice in DC government, elaborated this new approach for the fight against mafia. The law is important because it introduces the “criminal association for mafia purposes”. This was an innovative interpretation of the criminal phenomenon because the legislator recognises the structural and cultural characterisation of the mafia association that is not an ordinary act of illegality. Moreover, law n° 646/1982 has introduced the sequestration of all the goods and means in possession of a sentenced person. These assets are transferred to the *Agenzia nazionale per l’amministrazione e destinazione dei beni sequestrati e confiscati alle organizzazioni mafiose* (National Agency for the Destination of Sequestered and Confiscated Goods to Criminal organisations). This agency is in charge to sell these properties or assign them to non-profit organisations. The law n° 109/1996 has the next step on the anti-mafia co-operatives path because it has introduced the re-use of confiscated goods and assets for social purposes. It has established a clear idea of what the legislator requests, a new concept of anti-mafia fight that is able to give back assets and wealth to the local communities for a compensation of the mafia damages.

The anti-mafia co-operatives are organisations that regenerate these assets and promote a social work on their territories for the reestablishment of legality. *Libera* is a national second-level association that embodied other associations, co-operatives, businesses and municipalities (1600

organisation and more than 20.000 single members⁵). It is the main organisation for the cultural and social resistance against the mafias and it provides people with support for new co-operatives or association that want to manage a confiscated asset. In Italy, 650⁶ co-operatives and associations are using a confiscated asset for their social activities such as work integration for disadvantaged people, cultural promotion, social services and education on anti-mafia fight.

Martone (2015) gives an interesting interpretation of the anti-mafia co-operatives' work on the territories. The mafia power is not only built on the economic force but also on a wide and strong social net that fosters consensus in the community forward the mafia. The mafia's control of territories bases its power on the ownership of many firms, support to local politicians and consequent approval of public contracts to businesses indicated as affiliated with the mafia organisation, involvement in local communities as respectable members. This social capital, as Coleman describes in his works, leads to the structuration of a general acceptance of the mafia dominion. There is a drastic decrease in moral cost due to the absence of a public counterpart able to condemn this system. Martone proposes the anti-mafia co-operatives as the key elements for the reconstruction of the positive social capital able to foster trust and civic values in the communities. He presents in his research (2015) an anti-mafia co-operative in the North of Naples region that is working in this way to achieve important results unthinkable years before.

According to recent data, there are 12,168 buildings and 1,863 firms under the control of the National Agency for Confiscated Assets⁷. These represent a great potential for the expansion of the anti-mafia social co-operatives that the Italian state must use to foster a social economy in the territories that more suffer the illegal dominance.

1.7 Conclusion

The Italian co-operative movement has proved its own value. Its evolution has been prosperous in terms of economic power and social impact on the Italian economy. The greatness of the co-operative as a business model emerges comparing the current co-operative system with the pioneering organisation in the 19th century. At the beginning, co-operatives took place in the niches of capitalist economy as a way to elevate the tragic conditions of lower classes. During the decades, the movement has acquired more and more space in the political-economic panorama. A key watershed were the 1960s and 1970s when the movement took consciousness of its proper role in the system and began a slow but steady process of independence from the party system. This process of empowerment corresponded with a drastic change in the co-operation approach to the economic development. A terrific shift from the "reactive" to the "integrative" economic model, in other words, from a residual role in the economic system for the compensation of market failures to the integration of many social stratus in the economy. Paragraph 1.1 explains of the differences between these two opposite considerations on the co-operatives' role in society. The co-operative system has always moved between these two poles, trying to define itself.

The current configuration of the Italian co-operative system is clearly direct toward the "integrative" approach. This economic sector has a strategic position in the country and controls a significant share of the economy. The national consortia are investing in finance markets, such as

⁵ Libera Annual Report 2016.

⁶ *Ibidem*.

⁷ Last update 31/12/16. Data from the OpenRegio database. www.beniconfiscati.it

Alleanza Co-operativa 3.0, they operate as proper big firms for a maximization of their profits competing on global markets.

Nowadays, the co-operation is facing new issues correlated to the position it has assumed. The most important of these issues is the preservation of its own specific nature. An enlargement of the business and a wider structuration of the firms can conflict with the peculiar nature of the co-operative model that states a democratic governance and the members' interest over the profits maximisation. This more complex structuration is distancing the managerial class from the members; the risk for the co-operation is that the definitely affirmation in the economy could destroy its nature. Over the years, the scandals and the unfair use of the job agreements have degraded the image of co-operation because also it has posed itself under the roles of the extreme capitalism despising the long history of values such as solidarity and service of people's interests. Diamanti (2008) well expresses this dichotomy. He argues that the co-operation is on the tiny line between market and ethic, the co-operation is the solidarity inside the market. According to the Observatory on the Social Capital Demos, the Co-operative (consumers' co-operative in Legacoop) is the most trusted economic operator by people. Nevertheless, Diamanti underlines how the co-operative system still has to resolve many problems correlated to its image in front of the public audience. Paragraph 2.6 presents the main scandals occurred during the last several years. These have heavily damaged the co-operative prestige. Moreover, the steady trend in of aversion toward the political world and the co-operative's connection with the parties do not help the movement to present itself.

Despite these failures and regressions, many alternatives are emerging during the last years. These new models are a proof that the co-operative movement is able to reform itself and develops room for a return to the original values and functions. These new co-operatives (workers buyout, social, anti-mafia and community co-operatives) are re-positioning the meaning of "co-operation" into a more original and "reactive" sphere. The contemporary society is presenting new challenges and issues that require an innovative approach. The deep reform of the welfare state and the re-formulation of the citizenship concept are contributing to the definition of these new forms. The values of co-operation are well known and the history can show what the co-operatives can do for local communities and people who experience critical conditions.

Chapter 2. Italian Community Co-operatives: Overview and Discussion of the Theoretical Model and Academic Debate

2.1 Framing the National Experiences with the International Literature

This chapter aims to present major topics in the field of community development, and to position Italian experiences in local community co-operation within this domain. It is important to understand general trends in local community development theories; various activities take place within this theoretical framework, one of which are Italian community co-operatives. Understanding the main features of community development is necessary in order to define those dynamics and processes behind the community co-operatives; these features lead local community members to view community co-operatives as solutions for their issues and projects. This chapter presents a theoretical analysis of economic, jurisprudential and sociological debate on commons, local services, community initiatives, and organisations that collectively manage them.

It is necessary to identify the theoretical field that encompasses issues and topics related to Italian community co-operatives. The international literature on community development provides key concepts, theories and arguments for debating the role of co-operatives in local socio-economic development. In this chapter, the dissertation provides debate on co-operatives' structure and their capability to fit into the community development model. It has been explained how co-operatives can support a member-focused business that has an indirect benefit for local communities; however, here it is argued how the structure can serve a collective objective and improve businesses and services for people's interest.

This chapter introduces many topics in order to address relevant aspects for the scientific treatise; principally, a literature review on community development introduces the debate, with the aim of highlighting the main features and issues regarding the theorisation of local development, community involvement, and resources. The Italian community co-operative movement can develop an awareness of its own role in society, based on the international literature, which has examined experiences all over the world.

The literature review and discussion on the main topics related to community development help this research to highlight the potential features of Italian community co-operatives. The research aims to explore this new trend in the Italian co-operative movement. As Chapter 1 explained, the co-operative model has evolved in various ways; thus, it is necessary to investigate reasons for this ultimate form that collective firms have assumed. The debate on community development is useful for this dissertation, because it introduces key arguments that provide a general understanding of this phenomenon. The chapter works towards an explanation of the main features of community development in the international literature; mainly, it extrapolates those topics that can lead to understanding Italian community co-operatives as a tool for participatory local development. Community development theories can support this dissertation in various ways: they point out relevant issues in this field, such as "What is community?", "Who should be considered for managing organisations?", and "Should the resources used by community co-operatives only be internal to the community, or also external?" As the dissertation illustrates, Italian community co-operatives are the most remarkable contemporary phenomena which address community development in Italy; thus, there is currently no proper national literature on Italian community development that can lead the relevant discussion. Therefore, the analysis draws on the international academic debate, in order to

illustrate community development main features, and highlight those aspects upon which the analysis will be built, to enable further examination.

The first part presents key topics related to community development from an overall perspective; the discussion proceeds through the debate on “community” as an entity, the historical evolution of community development, and different models that have emerged over the years. This explanation can support the positioning of Italian phenomena in the international context, and can provide a useful framework for interpreting community co-operatives and their work. Going further, the debate discusses how bottom-up initiatives, which spontaneously emerge to solve local problems, can be structured to work as more formal organisations. This topic involves a debate on the nature of organisations that are in charge of managing community issues and development. Over the decades, many authors have conducted a dialectical debate on possible solutions to resolve confrontation between general benefit, private interest, and negotiated outputs (Hardin, 1968; Sen, 1970; Ostrom, 2012; Sacconi & Ottone 2015). From the “Tragedy of Commons” to the recent wave of civic activism and social participations, the new institutional approach has investigated issues related to the role of organisations in supporting people’s social actions. In this analysis, a further step is necessary, because the latest form of community development involves a need for local-focused businesses; thus, the concern is now on how to achieve a balance among people’s involvement, community mission, and managing collective-owned firms.

The second part of this chapter discusses the Italian phenomenon according to its different aspects. Although community co-operatives and the emergence of community development themes in Italian debate have appeared only recently, it is possible to trace the roots of this phenomenon in Italian culture and previous events. It is argued that the debate on commons and local development began during the 1970s, and that it has evolved along with social changes. This part examines the Italian debate on community co-operatives, highlighting the main elements that fit into the general discourse on institutions that govern local community assets and commons. The aim is to show how the analysis of researchers and practitioners enacts a discourse on the nature of community co-operatives and their role in society. Italian community co-operatives can be examined through the framework of community development, as this allows a better understanding of this phenomenon. To conclude, the analysis points out the main inquiry in the research, which is the centrality of social relations, with territory as the key factor in enabling co-operative community development.

2.2 The Community Development Field

It is important to introduce theories and conceptions of community development, given that this field is complex, and it has developed different approaches over the years (Mayo & Craig, 1995; Phillips & Pittman, 2009; Craig et al., 2008, 2011). For these reasons, it is useful for the analysis to understand which elements are specific to the Italian approach. This analysis has dual aims: to examine the Italian community co-operative through the international literature, and to demonstrate that Italian community co-operatives are part of this international debate on the community development sector.

There are many steps in completing this task, and the wider application of community development in different contexts makes a precise definition difficult. The first step in analysing this topic is to consider its historical evolution. Secondly, the analysis examines the complex definition of community development: due to its history and wide application, the community development field has developed various theorisations regarding its work and aims in communities around the world.

To conclude, the analysis will extrapolate key issues related to development, such as the main actors in promoting initiatives, the resources involved, and the endogenous or exogenous nature of the process. It is not taken for granted that community development can involve only one idea of improvement. On the contrary, what emerges from the literature review are various theorisations of community development; either as a trajectory of the capitalist system, which promotes the regeneration of local economies, or as a critique of commons exploitation and re-appropriation of their territories and assets by indigenous (Westoby & Dowling, 2013). Although the idea of promoting community development is generally associated with tackling social marginality, fighting poverty, spreading democratic values and giving an effective voice to those who are rarely heard (Craig et al., 2008), understanding the process must include a critical analysis of the idea of development and intrinsic generation. This analysis works as a framework for understanding the Italian phenomenon of community co-operatives, extrapolating key issues regarding its understanding and highlighting aspects for major investigation.

2.2.1 What is Community?

This inquiry is no less important than the other topics; indeed, questioning the meaning of “community” is relevant for the whole discussion. Nowadays, community has assumed many different meanings, such as international community, national community, ethnic minorities’ community, virtual community, community of interest, etc. (Bauman, 2001; Henderson & Vercseg, 2009; Phillips & Pittman, 2009). For this reason, this section investigates the debate about the meaning of “community”, with the aim of identifying the right definition for the research, which refers to the community development work that co-operatives do every day. Alongside this, investigating the contemporary concept of community in local projects is relevant, in order to understand how social groups identify themselves in the global society. Repositioning community inside the fluid society is a sociological and psychological process that can reveal issues correlated to people’s conception of society (Bauman, 2001). Calling to action for the “community” implies not only a sense of solidarity, but also a reaction to globalisation and drastic social changes, with the aim of enclosure within a homogeneous community considered “safe”. The following analysis clarifies the concept of “community” used for the research, and points out key issues related to local development and the theorisation of what “community” means.

Why does the need for community emerge in today’s society? This question triggers numerous considerations regarding what is happening inside local social groups in various countries. The growing interest in the idea of “community” is symptomatic; it expresses a need for responses to many issues, such as social cohesion, identity, distinction and solidarity. It does not mean that all of these are combined in a general idea of community; rather, certain kinds of social groups promote solidarity and community among people with different cultural backgrounds and social identities; whereas others evoke the idea of old-fashioned community to combat the negative effects of globalisation. This conflict has made social scientists reflection on what they are looking for, in terms of what is the idea research should follow. Indeed, the discussion begins by assuming that “community” has entered social discussion when, paradoxically, it has disappeared from the social reality (Bauman, 2001; Blackshaw, 2010; Westoby & Dowling, 2013).

It is necessary to reflect on how the idea of community differs in modern and contemporary society due to social re-organization, and to consider how people understand community nowadays. Looking for a valid definition of “community” involves various aspects. It could imply a process of collective

perception as a whole entity: for instance, as the French philosopher Ernest Renan said in 1882⁸ about “nations”, it is not ethnic homogeneity, a common language, or a determined territory that establishes a nation, but the collective will to stay together. As Bauman (2001) explains, nowadays, community is an artificial concept elaborated by people inside the fluid society; the author traces the huge changes during the evolution from the old static society to the contemporary fluid state. The death of traditional community and the rise of modern society have deeply modified the social structure and bonds among people, bringing citizens to theorise a new community in the present day. According to Blackshaw (2010), contemporary communities are hermeneutic, which means that they arise from dialectical constructions among people who live in them and intend to re-significate them. Therefore, it is necessary to retrace the path of the sociological understanding of community and its contemporary interpretation.

The idea of community has evolved over the centuries; the first step in understanding the contemporary sociological meaning of community is Tönnies’ theorisation (1887). The rupture of traditional society and the consequent evolution into industrialisation have revolutionised not only the economic system, but even the social structure. New forms of power have determined the modern idea of society moving from the agricultural niche of villages and small communities. Evolving from the *Gemeinschaft* (community) to *Gesellschaft* (society), these two social models have been taking place over the centuries. Pre-modern communities were small and closed entities, marked by continuous struggles for survival through the agricultural economy. In Blackshaw’s view (2010), in these social aggregations, authenticity arises from identity: the group thinks of itself as authentic and others are excluded, and the church is the only spiritual institution which leads people’s morality and moral norms. Moreover, time conception is circular, regulated by the natural cycle: there is no future, only repetition of the same.

The industrial society overturned this system by introducing a new productive model, dismantling the lifestyle based on natural evolution. Industry continuously produces, and can ensure permanent work and incomes. Economic emigration brought millions of people from rural to urban areas, creating new enormous social conglomerations; such people would look for new interpretations of their life experience, as they were no longer part of an agrarian society. The industrial production had forged a new dominant class, the capitalists; power was not in the hands of those who had wielded it for dynasties, but of those that handled the means of production. As Bauman (2001) explains, in modern society, power reproduces itself and fosters control through mutual dependency. The working class was obligated to remain in a submissive position because they received better conditions than in rural life, and they uncritically ascribed hopes in future better situations to the economic system. Capitalists took advantage of the low-cost labour force in suburban areas and sited their factories there; this created a forced interdependency where each side was unable to escape from these conditions. Consequently, social forces began to fight for acceptable accommodations within this relationship, which resulted in social struggle and political structures. This was no longer the micro social reality, which Tönnies describes in his theories, but the *Gesellschaft* where economic relations determine the existence of social bonds; this shaped a new social stratification where social conditions were determined by economic means and by whoever could improve them, theoretically. The new entrepreneur spirit, as Weber (1905) identifies it, and the proletarians’ awareness of their conditions, which Marx (1864–68) points out, describe the structure of the social classes that compose the modern society. The labour division contributed to the social fragmentation (Plant, 2011); it broke the unity

⁸ *Qu’est-ce qu’une Nation?* (1882)

in rural communities, characterised by mechanical solidarity, and brought workers to further specialisation and a class relationship.

As Blackshaw (2010) proposes, modernity has had two phases, during which the “class consciousness” arose and shaped the understanding of society. As explained previously, firstly, the new economic structure designed a new social order based on production; these economic relations determined the spirit of class, which was untied from the specific small space of a community. Thus, classes are masses of people sharing same conditions. In the second phase, the consciousness of classes dominated the society; social hierarchies were defined by consumption and status criteria, social mobility was to some extent available, the idea of time was linear, and the future could be predicted. This clear understanding of social classes’ boundaries formed the solidity of modern society, which has been lost during the last decades, due to multiple factors.

What does community mean now? The loss of certainty regarding the “solidity” of society; the incapacity to deal with contemporary society, where it is impossible to govern every change that affects people’s life; and dark shadows concerning the future, have shaped contemporary society and the social understanding of our existence (Beck, 1992; Bauman, 2001, 2015). The fluid society dissolves solid certainties, roles and status; radical individualism replaces the consciousness of class, and consumerism is the new factor that determines the social order (Bauman, 2015). Extreme consequences are the devaluation of social bonds, and aggregation in favour of boundless individual freedom, which exonerates people from their responsibilities. Moreover, since the atomic danger has appeared in the forms of nuclear bombs and the Chernobyl disaster, contemporary society has been marked as a “risk society” (Beck, 1992). The perpetual threat of nuclear war and then environmental disaster has led society to reflect on its conditions and to restructure itself, in order to deal with these issues and fragile future perspectives. Thus, on one side, general fears regarding international and complex dynamics, and on the other, an extreme selfish individualism, are the main trends in contemporary society. States have decreased their functions and management capacity; such as in services management, which devolution reforms have been delegated to local authorities, or in substantial cuts to public spending. Therefore, other administrative scales, such as local, regional or urban, have become generative places for social, economic and political actions that foster a major sense of identity (Moulaert et al., 2010; Bombardelli, 2011). Furthermore, the idea of traditional community can offer a safe place where people can resolve their worries, find reasonable opportunities to see an effect on their contexts through their actions, and interact with people with the same social identity and behaviours (Bauman, 2001).

In this frame, it is possible to understand the current social need for community: society has evolved from local closed entities, where norms and social status were static, toward the *Gesellschaft*, where economic dynamics order social relations; and finally, into the unintelligible fluid society. Although Tönnies’ theorisation dates back to 1887, it is possible to read contemporary arguments as promoting a further sense of local responsibility and the facilitation of social bonds, rather than economic profits. Tönnies views the *Gemeinschaft* as a social realm related to a specific and recognisable geographic place, where tradition and a general sense of common interest guide people’s action. According to Plant (2011), Tönnies’ consideration of community is nostalgic, and proposes a retrograde solution for industrialisation problems. Other authors, such as Hegel and Schiller, accept the value that urban industrial society has realised, in terms of freedom to move and individuals no more being submitted to ancient powers; they propose a counterbalance between these achievements and community experiences. Moulaert et al. (2010) state that it is possible to create this balance in communities by ensuring individual rights and promoting social life through democratic participation and inclusion; if states’ reform has hollowed-out political participation and left citizens with few

possibilities for debating decisions on macro levels, community contains the nexus between civic rights and the reinvention of social life. Here, people can interrelate directly due to their common life in a shared space.

It is intelligible that the aim of community development is to work towards improving these aspects, by recovering the sense of community (Noto & Lavanco, 2000; Henderson & Vercseg, 2010), strengthening social bonds, and providing common objectives and shared perspectives (Wilkinson & Quarter, 1996; Craig et al., 2011; Phillips & Pittman, 2015). The recent proliferation of community development projects underlines the necessity to identify a new community identity. Phillips and Pittman (2015) emphasise that a community is, first of all, a *group of people and ties* that bind these individuals together; secondly, the *geographical area* where this network exists defines the physical boundaries of a community. Noto and Lavanco (2000) see the reference to a specific territory as fundamental, because it embodies the social bonds and the resources that would be useful for local development. Despite this relevance, the territorial aspect is not enough to define a community; Craig et al. (2011) observe that in reality, conflicts can be caused by the interests of specially defined communities, religions or ethnicities. Thus, the third key element is the *identity*, as within the same geographic area there could be various communities with different needs. A further categorisation of communities is the *issue-base*; a community can identify itself as a stakeholder with regard to a particular problem. Community development works to provide solutions to these issues and to strengthen social resources in the community (Phillips & Pittman 2009; Craig et al., 2011).

This discussion raises various concerns regarding the evolution of “community” as a concept generated by people’s interpretation. A difference between old and new communities emerges in how they are structured and maintained. As Tönnies (2012) explains, old communities were strongly rooted in specific areas and bonded to them for their subsistence; moreover, strong familial relations united people, and strong cultural institutions governed the society. Bauman (2001) points out that contemporary people identify themselves as individuals who interact with others, and then they build a sense of communality.

The new concept of communities refers to “imaginary communities” (Wegner, 2002). This concept has the ability to trigger people’s imagined view of an ideal world and their struggle regarding the loss of it; moreover, it is also a word for utopia, and trying to catch what is already gone. As Blackshaw (2010) underlines, imaginary communities transport liquid modern men and women into an idea of what they believe to be a possible future; however, the liquid society dissipates social bonds, which are the foundation of solidarity. This contemporary idea of community is affected by a perpetual tension between the permeant network that composes a community and people’s ambition for unbounded individual freedom. As Bauman (2001) points out, the difference between the dreamed community and real communities, collectives which pretend to be community incarnate, is found in “*the demand for unconditional loyalty and treating everything short of such loyalty as an act of unforgivable treason*” (Bauman, 2001, p.4). This can emerge as a severe critique of the structuring of new communities; but it is inevitable that this sentiment will appear during the building process. The balance between internal security and individual self-assertion characterises this dialogical process; the community development has to proceed on this unstable path. The risk is that people are forced into a social group without possibilities for self-realisation, to prevent them from breaking the internal network which provides benefits through strengthening social bonds. In the same manner, this drastically evolving reality could aggregate itself by homogeneously excluding social diversity (Bauman, 2001), in order to reorganise a social system based on similarity, and to reduce the social complexity that has determined the current unintelligible reality.

Nowadays, people call to action to support an idea of localism, closeness and social cohesion, with both positive and negative values. The next section explains how many community development initiatives have roots in progressive and left-wing social movements, which have promoted solidarity among people; thus, many community development projects adopt an idea of community as a local social network that spreads collaborative values of sharing resources and promoting people's empowerment. On the other hand, community can foster a sense of autarchy by restricting community-owned resources to closed communities, in order to protect their members from external threats and global society's complexity. For this reason, every community developer must wisely assess communities' understanding of their aims and actions, in order to avoid social exclusion.

To conclude, the analysis highlights an underlying need for new forms of aggregations; these might partially recall the old-fashioned idea of community, with people's sense of mutual collaboration in searching for self-reliant solutions (Wilkinson & Quarter, 1996; Craig et al., 2011; Phillips & Pittman, 2015). In addition, the contemporary individual struggles for his/her freedom and desires possibilities for self-realisation. Thus, the contemporary communities are imaginary, because this society changes continuously and quickly and although people want to feel part of something, they cannot give up their independence. Social groups cannot create real communities like those in the past, but they can forge an idea of their community through a connection to a determined geographical territory, which defines the nature and the name of these communities. Excluded from the analysis are the "communities of practices", the "virtual communities", and the "communities of interest"; these are also products of contemporary society, but are not linked to a real, specific area. Virtual communities are sited on the internet, while communities of interest gather together people from different places, who share common pursuits. Contemporary communities, which could be involved in a community development process, are a conscious conceptualisation of a determined social group that sees itself as a community and self-identifies with a territory. The network among people constitutes the basis for this process of identification; nonetheless, it could provoke fractures among local citizens, because the idea of community is always threatened by the tension between group unity and individuals' will. This contemporary trend can explain why community development has experienced significant diffusion in many countries, and this process faces daily challenges.

2.2.2 Community Wellbeing

Community development has evolved into various forms over the decades; in different historical moments, various societies have found it useful to apply these processes, with the aim of fostering community wellbeing. This ample diversity has been also caused by the complexity of the idea of "community wellbeing". Is this a synonym for economic growth, or are they in conflict? As Sugden and Wilson (2002) suggest, it is necessary to doubt the idea of development, because several corporations have undermined many communities' decision powers in order to take their resources. Thus, the idea of community wellbeing is fundamental, because it addresses the community's development mission.

Community development does not work towards improving the economic growth within a community; even if the outcomes of community development processes may be enterprises, community wellbeing is something different, which encompasses various aspects. Phillips and Pittman (2009) argue that economic growth implies the increase of jobs, construction of facilities, and general GDP enhancement; nevertheless, this might not represent community wellbeing. Private enterprises can generate economic growth, as they use local assets and resources to carry out productive processes and employ local workers. Nevertheless, there is not a consequent interest in

community wellbeing, because these firms do not work for the local population's wellbeing, but for investors' interests (Fulton & Ketilson, 1992; Vieta & Lionais, 2015).

As Anard and Sen (2000) point out, "development" needs to enlarge its meaning to other concepts and not be monothematic; "human development" includes various concerns, such as wellbeing and people's freedom. Translating this idea into community development, these processes have to pay attention to development by viewing it through a multi-dimensional lens, thus incorporating wellbeing into the community contexts. Community wellbeing is an umbrella concept (Phillips & Pittman, 2009); it encompasses various ideas such as environmental sustainability, social inclusion, happiness, and quality of life (Wilkinson & Quarter, 1996; Craig et al., 2008; Phillips & Pittman, 2009; Blackshaw, 2010; Vieta & Lionais, 2015). It does not exclude economic growth, but is primarily concerned with communities and people; thus, economic profit becomes a consequence of wider projects which involve local commons, culture preservation, sustainability, social assistance, and aggregation (Phillips & Pittman, 2009; Bianchi & Vieta, 2019).

2.2.3 Historical Evolution of Community Development

This section shows how different views of community development have evolved, pointing out new issues and problems over the decades. The historical evolution explains how this field's role in society has matured. This path has been parallel to the conceptualisation of the development and re-definition of public power through different political approaches; the new understanding of citizens' engagement, a focus on environmental issues, and the necessity to have a direct impact on the most proximal reality, have led people, organisations and institutions to promote the contemporary idea of community development.

At the beginning of 20th century, governments planned community development as a top-down practice. First World countries promoted these as tools for colonial development; interventions for adult education and rural extension were a means of controlling the local population and exploiting resources (Craig et al., 2011). In the UK, this colonial practice was converted and adopted in the urban context, to tackle strikes over house rents between the two World Wars, and setting up new council estates in new towns (Phillips & Pittman, 2009). In parallel, Saul Alinsky, a radical community organiser, utilised these practices for mobilising people to fight the poverty in Chicago's suburban areas (Wise, 1998). In the 1950s, thanks to Murray's work (1955), practices from the two sides of the ocean finally came together: governments adopted community development as a recovery tool after the tragedy of World War II; the UK needed radical reconstruction, and the USA had to eradicate poverty from marginal urban areas (Phillips & Pittman, 2009; Henderson & Vercseg, 2010). After World War II, a new wave of urbanisation moved masses of workers from rural to urban areas, devastating communities far away from new industrial centres. This social migration required the construction of new communities inside the urban areas. In this first phase, community development was mostly a top-down practice used by the state to intervene directly in difficult situations; this approach promoted an idea of vertical society, where public institutions were responsible for the general wellness of citizens (Mayo & Craig, 1995). However, despite its success, community development would remain mostly an Anglo-Saxon practice for many decades.

In the mid-1960s, following numerous initiatives in the voluntary sector, community development became a more bottom-up approach in many countries. The rise of social and political movements determined this mutation, by looking forward to a new participatory model for citizens in social struggles; moreover, civil society and social movements began to recognise community development as a practice and a profession (Phillips & Pittman, 2015). The increase of harsh conditions in suburban

areas triggered many self-managed projects for better living conditions and people's empowerment (Henderson & Vercseg, 2010). Moulaert et al. (2010) compare the huge political mobilisation, which characterised the 1960s and 1970s, with the social uprisings of mid-19th century; the analysis points out how the more recent social struggles has had a different impact on society, and they developed a diverse approach to social struggle. The mid-19th century movements had fought conditions of material hardship and social exploitation, and campaigned for basic living conditions by promoting uprisings and revolutions; this was a social class fight. By contrast, the 1960s and 1970s movements emerged in a post-Fordist society, and were led by new "post-material" theories (Bauman, 2015); they fought a cultural revolution, mostly trans-class, led by the young and women. Thus, individual emancipation was translated into the political struggle and social emancipation, by seeking new social participation, greater democracy, and broader cultural and ethnical changes (Inglehart, 1977). This was an extraordinary moment of change in people's awareness of their social conditions; it has reinforced the secularisation process within a society moving towards a more complex social context, and further away from the traditional idea of community, which was founded on ancient principles such as social immobility and a patriarchal structure. Despite this negative background, the process of community development assumed a key role in many political activities, which aimed to foster social justice in disadvantaged urban settings (Henderson & Vercseg, 2010). In the USA, community development became a practice for those groups that fought poverty and radical discrimination in the black community (Mansbridge, 1999); alongside this, community action became increasingly associated with community enterprise and local banks.

In the 1980s, community development witnessed a further improvement in its theorisation; neoliberalism promoted this approach as a new top-down way to engage citizens in services provision and public planning (Moulaert et al., 2010). The neoliberal politic aimed at decreasing state control over society and improving the private sphere's capacity to manage services, in order to foster general wellness and economic growth (Bailey, 2012). The general idea was that a stronger private sector could spread general wellness by increasing productivity, wealth, and partnerships between the public and private sectors; and civil society could plan more local-focused initiatives to tackle poverty. This seemed to put community development in a state of confusion, because neoliberalism promoted a market-oriented vision which enlarged possibilities for citizens' participation, while it also reduced resources and competencies for public welfare (Henderson & Vercseg, 2010).

Although the political spirit was declining in Western community development experiences, it showed a remarkable increase in South American countries; for instance, Paulo Freire's work, *Pedagogy of the Oppressed* (1968), had a huge impact on politicians and practitioners. Following the dictatorship period, South American countries needed a new democratic future, and community development had a strategic role in fostering social cohesion, capacity building and assets construction (Henderson & Vercseg, 2010).

According to Mayo and Craig (1995), community development achieved a dual evolution: two main perspectives have emerged in the theorisation of this field; one more top-down, and one bottom-up. The first is ascribable to international agencies such as the World Bank and International Monetary Fund; they have promoted community development projects for a real redistribution of benefits among the poorest people, in the most efficient, cost-effective and assessable way. This has become a popular approach in promoting basic services and resources in Third World projects managed by Western agencies. The top-down view also encompasses the governmental promotion of strategies to tackle social inequalities in the urban context of Western cities after the de-industrialisation process. It is possible to see the neo-liberal doctrine behind this approach of promoting economic growth, the roll-back of the state, and cost-sharing of services. Conversely,

NGOs, community organisations and social movements around the world have continued to support an alternative view, promoting grass-roots participation. This approach seeks the empowerment of disadvantaged people who suffer social exclusion. Clearly, this interpretation of community development involves a bottom-up structure for the design of local projects (Clarke, 1991). New social movements foster the idea of community development as an alternative to general global trends which exploit local resources and leave communities disempowered (Moulaert et al., 2010).

This local social action has evolved into more durable structures, which have created the background for a contemporary third sector in many countries. Nowadays, community development has a diversified nature which encompasses international programmes for the poorest areas, social work approaches in Western countries, autonomous initiatives in the third sector, the promotion of democracy in former authoritarian countries (particularly the former Soviet Union), or partnership between the public and private sectors (Henderson & Vercseg, 2010; Moulaert et al., 2010; Craig et al., 2011). This range shows how community development has evolved, and that this approach is able to tackle different issues in various contexts. Moreover, it has reached a high level of professionalization, due to the need to stabilise a permanent process in a critical context. This approach compensates for the huge structurality of contemporary society, which is more *Gesellschaft* rather than *Gemeinschaft*, and demands new social cohesion. Over the decades, community development has preserved its mission, although it has achieved new modalities and roles.

2.2.4 A Complex Definition

This analysis aims to identify a definition of community development, which can encompass the elements that constitute it; this examination is useful in order to assess the Italian community cooperative movement and position it in the international debate. The long history of community development (presented in section 2.2.3) explains why the analysis requires a long dissertation, which thoroughly explores various components of this concept. This approach has a polyvalent nature, due to fact that different social and political forces have adopted community development in various contexts all over the world, as both a top-down and bottom-up practice. Another element which contributes to the complex community development's definition is the wide plethora of actors involved in the process. The examination breaks down community development and analyses its components; this helps to understand the dynamics within the process, the actors involved, and its functioning. First, many authors see community development as a process (Wilkinson & Quarter, 1995; Craig et al., 2008, 2011; Henderson & Vercseg, 2010; Phillips & Pittman, 2015); it involves diverse actions and numerous actors on different levels, but there is general agreement that these practices are considered as a process. This means a starting point, a shared vision on objectives, and many steps that lead to results, which reinforce the procedure.

This process aims to change the social and economic conditions in the contexts where it is adopted (Craig et al., 2008; Henderson & Vercseg, 2010). The process strengthens the inherent forces inside a community through self-help and mutual support, in order to raise awareness of their capabilities and resources when facing common problems (Wilkinson & Quarter, 1996). Particularly, community development not only involves the economic sphere of a community, but also points out issues regarding social cohesion and the psychological sense of wholeness. This examination first considers the economic, social and psychological aspects of community development, then it focuses on the process-building; moreover, the analysis draws attention to key issues regarding resources and governance. Hence, this section proposes an inclusive definition for this general analysis, and caveats regarding community development analysis.

2.2.4.1 The economic aspect

Community development involves an assessment of the local resources, assets and work skills present in a community; these can be used to create new opportunities, job positions, and attract financial resources for improving people's conditions. This economic development requires a formal structure that can guarantee the permanent provision of services and goods for communities (Wilkinson & Quarter, 1995; Henderson & Vercseg, 2010). Community enterprises, social enterprises and community trusts work for the improvement of businesses and resources in disadvantaged areas that need economic regeneration; thus, they operate according to a social mission based on communities' needs rather than short-term profit maximisation. Phillips and Pittman (2015) underline an important connection between the Community Development and Economic Development. In their analysis, the authors examine interrelations between the two concepts; these considerations are not secondary, because they are necessary to clarify the nature of Community Development. How does one concept influence the other? The authors consider both as processes that produce outcomes. In the US context, economic development has been theorised as the increase of job opportunities and life quality (*ibidem*). The UK context offers another interpretation: during the Thatcher governments, the relief of the inner cities aimed to increase economic growth by preparing spaces that would accommodate new driving forces of the urban economies, and also by providing adequate infrastructures (Swyngedouw et al., 2012). In both cases, the idea of economic development is mainly seen as economic growth, which enriches the communities.

Despite the relevance of this concept, the sociological analysis must pay attention to the idea that underlies economic growth. The discussion has already underlined this issue in section 2.2.2, "Community Wellbeing", assuming this concept to be pivotal for the community development mission. The economic aspect is central to considerations of community development, but it must be treated carefully and integrated into a wider framework for assessing the real contribution of economic activities in communities.

As Blair (1995) points out, an increase in wages or wealth, in terms of more money, does not necessarily correspond with a better quality of local wealth. He suggests bringing the analysis to a higher level and adopting a different concept of economic development, which could imply an improvement in local welfare for a wide range of beneficiaries. Phillips and Pittman (2009) identify the community development as assets creation for community benefits, and the economic development as their mobilisation. In this sense, the two authors see the beginning of the process as a capacity-building intention; this is useful to enhance the social capital among citizens, public/private sectors, and other organisations such as the civil society. Social Capital is here regarded as the capacity of "*local members to work together effectively to develop and sustain strong relationships; solve problems and make group decisions; and collaborate effectively to plan, set goals, and get things done*" (*ibidem*, p.8). The reference here is clearly to Putnam's theories (1993, 2000) on Social Capital as the development of generalised trust, and the diffusion of social norms collaboration among individuals in a network. The outcomes of the process could be the strengthening of the community's capacity to act as a collective entity and the creation of local wealth in terms of jobs, economic opportunities and increasing the standard of living; this leads to the other key aspect in this analysis, the social objectives of community development.

2.2.4.2 Social Objectives

As underlined, community development has social objectives; promoters also see these processes as cogent tools for voluntarily planning social actions in communities. The process does not simply

aim to improve the economic conditions of a community, because this alone would not resolve inherent issues in communities, which cause economic marginalisation. As explained in section 2.2.2, economic growth does not imply community wellbeing; instead, it might also conflict with the concept of local interest.

Moreover, effective community development actions must address those factors that are sources of inequality and social marginality; these are not necessarily part of economic growth. For example, in Western societies, neoliberalism has pushed for market freedom, and huge shares of cities (in terms of physical spaces) have been privatised; however, this has not meant an increase in local population wellbeing, but rather a raising of prices and the expulsion of low-income classes from many areas (Moulaert et al. 2010; Bianchi, 2019).

Community development aims to reduce these disadvantaged conditions and provide people with resources for their sustainment, such as health, education, security, jobs, sustainable solutions, and commons preservation (Mayo & Craig, 1995; Phillips & Pittman, 2009; Blackshaw, 2010). These actions do not fall into the strict definition of economic activities, as they might not generate direct incomes for people and communities, but foster those elements that create community wellbeing. Furthermore, social objectives, which the process aims to foster inside communities, would promote a major sense of cohesion and help people to self-manage future issues (Kretzmann & McNight, 1993; Wilkinson & Quarter, 1995). The main points involve reducing poverty, social exclusion and economic marginalisation; people and organisations must be involved in the community development process, because it consists of formal and informal elements which build the social cohesion and networks (Henderson & Vercseg, 2010). Community development pursues people's empowerment, which involves social inclusion, capacity-building and assets improvement (Henderson, 2005; Henderson & Vercseg, 2010). Friedmann (1992) confirms the relevance of empowerment activities in community development processes; they place emphasis on self-autonomy, self-reliance, democracy and participation, as tools to overcome poverty by managing local assets and promoting a virtuous circulation of resources. To understand this empowerment, it is necessary to question the concept of "*power*". The most radical perspective on power is Marxism. According to Marx, power derives from the capitalists who fund society on an economic basis: those who own the means of production also have the power. Consequently, the powerless have no means to produce wealth, and they need to sell their labour. Weber's definition of power (1992) involves the capability of one or more people to realise their will, even if this contrasts with the others' intentions and a resistance appears. In the great debate on the meaning of power, Antonio Gramsci (1929–1932) points out how the power structures itself as an ideological hegemony that justifies and perpetuates its role. Lastly, Bourdieu's (1979) social class domain is replicated throughout the accumulation of various forms of capital, in order to achieve those power positions in society. This allows the holders to structure general significances of realities and societies, in order to justify their staying in charge.

The issue of power arises when there is a disproportion in its redistribution among people. Therefore, community development is considered to be a process of democratizing citizens, and of fostering values of collaboration and equal access to resources and the decision-making process (Friedmann, 1992; Noto & Lavanco, 2000; Henderson & Vercseg, 2010). This objective highlights the key political relevance of community development, and a sense of civic growth within economic development. Thus, incorporating social objectives into the community development process marks the difference between a plan for economic restoration and a precise action that aims to build what Gibson-Graham (2008) call a "diverse economy" for social wellbeing and environmental regeneration. Combining economic growth with a social vision to provide community benefit is the main objective (Wilkinson & Quarter, 1995); this fosters major self-reliance, in terms of

communities' capabilities to self-manage issues and resources. Although these points are relevant, what stands above these issues is the sharing and redistribution of power in the decision-making process and the control of assets, as this determines an effective community development process.

2.2.4.3 Psychological sense of community

Clearly, this intervention in local contexts does not remain at a superficial level; instead, it goes deeper and touches immaterial aspects of community life. Social networking among the actors involved in community development and people's engagement would strengthen the psychological "sense of community". Initially, the relationship with a specific place supports the formation of the human being's self-cognition regarding his/her identity; this increases the attachment that a person has with the place, thus creating an emotional investment (Noto & Lavanco, 2000).

This psychological involvement gives citizens a strong awareness of their problems; thus, improving people's conditions does not only concern the material aspects, but also means the creation of trust and confidence in their own potential (*ibidem*). The process can support people in recognising their social identity as a whole community, and in confronting the social institution and groups which prevent them from achieving better conditions (Henderson & Vercseg, 2010). As Wilkinson and Quarter (1995) underline in their analysis, the psychological side of community development, strengthened through the community consciousness, personal networks and relations among social organisations, contributes to energising the community process by connecting people with the general interest served by community projects. Olson (1965) suggests that personal involvement with other people in a community through social bonds can reduce the "free-riding" problem, because participants are engaged in these collective actions and are part of the social context that drives them. According to Phillips and Pittman's definition of community (2015), which involves the social ties among people in a specific geographical area, the psychological awareness of these ties constitutes the sense of community; thus, the community development process has to strengthen these ties and psychological understanding.

2.2.4.4 The process

In this section, the analysis explores the idea that community development can be defined as a process, and that community development organisations are possible outcomes of this process. As various authors (Chavis & Wandersman, 1990; Twelvetrees, 1991; Wilkinson & Quarter, 1996; Henderson & Vercseg, 2010) point out, community development can be considered as a process because it is a series of steps and actions carried out within a framework, in order to achieve scopes for fulfilling needs on the basis of people's will. Community development is not casual; it is deliberate and participants acknowledge their intentions in this process. Henderson and Vercseg (2010) confirm that community development, as a process which aims to spread democratic values and social cohesion, must be socialised among the people and institutions inside a community. This process can be conducted if there are formal or informal groups of citizens who aim to foster participation and improvement in their community.

Moreover, community development is a continuous task: the process begins with recognising a state of need, or a possibility for further improvement in the community's wellbeing (Noto & Lavanco, 2000; Moulaert et al., 2010). Participants recognise their needs and issues, identify resources, share objectives, and act co-ordinately in order to achieve them. This process does not necessarily have an end; it can perpetuate its objectives and reorganise its purposes, recalibrating them to achieve new visions (Mayo & Craig, 1995; Henderson & Vercseg, 2010).

This process requires leadership that must guide the actors involved in planning objectives and actions for local development (Noto & Lavanco, 2000). This leadership, which can be an individual or a group that is characterised by a tenacious commitment to the locality, builds a collaborative network in order to involve partners who will participate in the community development process. Social groups share critical situations and common solutions; thus, community development is a collective process, because it touches a range of social actors and stakeholders who cannot be excluded from this (Kretzmann & McNight, 1993; Noto & Lavanco, 2000).

The process can rescue the community from critical situations, or take advantage of possibilities that occur for economic conjunction. Kretzmann and McNight (1993) advise that community development should not adopt a need-driven approach to communities' problems, because this would never resolve inherent problems in social contexts. This approach promotes and implements policies and initiatives that are driven by the assumption that those contexts have deficiencies which could be addressed by transferring funds; this improves clientelism and does not eradicate social problems.

The networking among these actors allows the sharing of a common vision on social objectives and economic planning for communities (Henderson, 2005). Moreover, as Wilkinson and Quarter (1996) point out, a functioning network can facilitate free communication, which enhances confidence among participants. Conversely, if the community development project lacks a broad base in the social network, it is required to increase the likelihood of community loyalty. Consequently, the Chapter 3 illustrates how social capital elements play a role in fostering trust, collaboration and reciprocity in society, in order to spread the positive effects of civil engagement within these initiatives.

To conclude, community development processes can generate various outcomes, in terms of a stable structure for carrying out the process tasks. Different actors can be responsible for leading the processes, and they can collaborate. Furthermore, in many cases, communities can benefit from public programmes, public-private partnerships, or appropriate organisations that are set up for community development purposes (Kretzmann & McNight, 1993; Wilkinson & Quarter, 1996; Mathie & Cunningham, 2003; Lang & Roessl, 2011a, 2011b; Majee & Hoyt, 2011)

2.2.4.5 Internal and external resources, endogenous and exogenous development

As Phillips and Pittman (2015) suggest in their analysis of community development, this process involves internal and external resources, which can trigger endogenous or exogenous development respectively. Even if these topics are diverse, they are strictly correlated; this is because the origin of community development resources could influence or even determine their nature. According to Kretzmann and McNight (1993), a total dependency on external resources would reinforce a continuous state of need in communities; the authors argue that using public services to address needs will reinforce people's mind-set of being clients, and does not push them to escape this condition. Moreover, local organisation leaders, who receive financial support based on the local state of need, will not disclaim this status; otherwise, they will lose such incomes. Therefore, people need to develop and self-manage their own assets and generate resources for the local development, as by doing so they will bond with local services and improve self-reliant solutions for their problems. As Ostrom (2000) proposes, local community's direct action, throughout a co-operative governance, can guarantee the appropriate usage of common resources.

Despite this critical position, the community development field is considering other options; for instance, Wilkinson and Quarter (1996) suggest that communities need formal organisational structures in order to collect resources, both internal and external. The authors draw particular

attention to these formal structures, such as co-operatives or enterprises owned by local communities, because governmental agencies do not provide funds for informal groups. Despite the external origin of funds, the authors consider a community development process that is generated from inside the community. Similarly, Noto and Lavanco (2000) underline the importance of community awareness when beginning the process from the inside; although it also requires external support, in terms of the policy framework and means.

Table 2.1. Paths for Community Development

| | Endogenous Development | Exogenous Development |
|---------------------------|-----------------------------------|---|
| Internal Resources | Asset-based community development | Private investments for resources usage |
| External Resources | Community economic development | Humanitarian Aid |

In order to clarify the differences among the types of local development, which arise from the combination of resources and subjects who trigger the processes, the analysis proposes a distinction between these types. Table 1 shows how a combination of diverse solutions generates different community development types; these affect the nature of the process. The most relevant opposition is between “Asset-based community development” and “Humanitarian aid”; the asset-based approach theorises an endogenous development through local assets, in order to gain independence from external forces (Kretzmann & McNight, 1993; Mathie & Cunningham, 2003). The whole process takes place inside communities; developers assess problems and resources, and work for an endogenous solution that uses local strengths. The aim is to break a social work narrative based on needs, and to foster people’s confidence in their own capabilities and resources (Kretzmann & McNight, 1993). By contrast, humanitarian aid is an external intervention, when communities face a critical situation where it is impossible for them to take care of themselves.

Exogenous development occurs when local communities have insufficient possibilities for autonomous development. The private investments can have a strategic role in supporting local development; however, this means a trade exchange involving local resources, particularly natural ones. Many territories host key natural reserves such as fishing areas, fossil resources, land, or water supplies. This practice can also involve infrastructures (Vicari Haddock & Moulaert, 2009). As these communities do not have funds for taking advantage of these reserves, they can instead sell royalties and proceeds to support local development. This approach combines internal resources with exogenous development, but it increases the risk of exploitation and locals’ disempowerment regarding their assets; again, economic growth does not imply community wellbeing.

On the opposite side, community economic development, particularly as realised in the USA, brings resources and assets within a community, which makes it more “attractive” (Phillips & Pittman, 2009; Vicari Haddock & Moulaert, 2009). This means improving job skills, increasing infrastructures, and allowing tax cuts for new businesses; the main aim is to show how these communities can be perfect places for investors and new companies, which would create new job positions in such territories (Schaffer et al., 2004; Jones & Evans, 2008). The government could help communities to support their own development through public funds (Mathie & Cunningham, 2003);

this implies transferring funds from central government to local authorities, to support businesses and projects that people plan to develop in order to take advantage of local assets.

Boundaries between these models are blurred, because any category could be influenced by another. For this analysis, it is important to understand the origins of community development in terms of resources and promoters, because these profoundly determine the nature of these initiatives, as explained above.

2.2.4.6 Community participation vs. mission

In the community domain, this topic raises a debate that involves many issues, because ownership and control determine who enacts the decision-making process. As Sudgen and Wilson (2002) suggest, communities have to create their definition of development through a democratic process; in this way, local participation can avoid external exploitation. In addition, a certain amount of community development literature (Ilvento, 1996; Mansbridge, 1999; Henderson, 2005) underlines how external intervention can bring useful support, such as by adopting a neutral position in conflict resolutions. This section aims to disentangle the debate and identify a possible solution, as part of the research analysis.

Firstly, simple geographical belonging is not sufficient to resolve the problem. Peredo and Chrisman (2006) consider the community to be endogenous in community organisations; thus, these will work for local socio-economic development. Somerville and McElwee (2011) comment that this view assumes the community to be a unified whole; moreover, they point out that the communities analysed by Peredo and Chrisman are unusual because they have an inherent and extraordinary level of social participation, networking and ethnic endowment. Hence, Somerville and McElwee consider community control to be less important than the project's overall purposes and functions. Communities as a social basis for development projects are certainly a key factor; however, it is not sufficient to demonstrate the appropriate work for community development, as it is possible that the strict selection of community members could promote particular rather than general interests. In strong opposition to Peredo and Chrisman's position, Mori (2014) theorises that the community mission has greater relevance to community participation, as it shapes the community service. Thus, providing services for communities, based on their strict necessity, outweighs participation and establishes a precise hierarchy of importance.

On the contrary, Zeuli and Radel (2005) see community control over local development as the best solution, because this process has to avoid external influence. This is a key debate regarding community development, as it questions the nature of the process; on one side, the community presence in the process could guarantee the achievement of social objectives. Conversely, Craig et al. (2011) highlight the social divisions and cultural diversities that a community can embody; thus, community representation is a key point in the assessment of a community development project. In the same way, the process has to guarantee outcomes that can have a positive impact on the context. Therefore, a balance is required between these two issues, because favouring one of them could compromise the other.

2.2.4.7 Criticisms

Community development has been seen as a positive and constructive process that promotes key values such as democracy and participation; nevertheless, the process reveals some criticisms that the analysis has to consider. First, the use of community development can be driven by a top-down approach that promotes conformity and fosters moral prescription for local communities, rather than

promoting a democratic process for self-managed development (Craig et al., 2011). This could cause a collision between the government-sponsored objectives and the historical values of community development as a practice for self-determination. A strongly top-down perspective could also stoke a need-based approach that does not promote self-reliance in communities, but rather, a perpetual state of necessity and an incapacity to develop proper skills and problem-solving (Kretzmann & McKnight, 1993). The community development can take advantage of external resources, but it has to implement internal capacities in order to build new economies. One-directional top-down action cannot properly assess local skills and possibilities, and may consequently plan new activities that cannot be supported by locals, due to an absence of basic resources (Henderson & Vercseg, 2010). Moreover, the top-down approach could cause a sense of minority in those people who are marked as “poor” or “disadvantaged”, due to the fact that external forces work to support them (Henderson, 2005). This supports a more bottom-up approach, because the aim for change has to arise internally, and people have to realise their state of need that requires change.

On the other hand, an approach that merely focuses on local issues and assets could restrict how community forces manage them, and divert attention from more general issues. Project management involves a great amount of energy, time and resources; thus, this could result in a community being locked into pursuit these (Majee & Hoyt, 2011). Solidarity among social-group members and reciprocity can reduce the transaction costs of process management, but a problem arises when a community suffers a critical scarcity in this resource (Lang & Roessler, 2011a). Thus, it is reasonable to question the community development process as a promoter of social differences, because it can succeed in communities where there is a lack of material resources but strong social bonds. Emphasising social connections for local development could be a risk, because social relations are influenced by power structures, and these can reproduce a state of submission and exclusion; moreover, social relations, in the sense of social capital, alone are not enough to assist development unless there are concrete resources and investments for economic revitalisation (DeFilippis, 2001). Furthermore, community development cannot assume that all communities have the same amount of social capital and social connections; in many communities, the ethnical or traditional sense of belonging strengthens social capital and facilitates collaboration and solidarity (Somerville & McElwee, 2011).

A further criticism concerns the closeness that community development can bring to a social group (Henderson & Vercseg, 2010). Developing a strong sense of community attachment in relation to local assets and resources, in response to general economic and social trends, can generate a conservative position, which can promote the preservation of community values for a restricted group of people with strong social bonds. This strength is called “bonding social capital” (Putnam, 2000). Political implications can have critical effects on community development; as explained above, this process pursues aims that the participants determine. It is relevant to understand the degree of change that community development can bring within communities. For instance, this process can assume a political nature, from more radical criticism of capitalism to an integrative approach in the economic system, as neoliberalism proposes (Henderson & Vercseg, 2010; Craig et al., 2011). The issue relates to the political role that community development can have in the society, because one vision can prefer this process as a tool for delivering public services, giving people more independence in local planning, and reducing local authorities’ budget, according to the neoliberal view. On the other hand, radical ideas see community development as a way to structure bottom-up initiatives that determine autonomy through assets ownership and participatory democracy.

2.2.4.8 All features of community development

In conclusion, the analysis presents the complex aspects of community development. It is a collective process which involves various subjects that are differently engaged with the community. It moves from the recognition of a need, issue, or possibility, and then sets objectives for improving the community wellbeing. Table 2 reports all the main features of community development, illustrated in this first part of Chapter 2.

Table 2.2. Main Features of Community Development

| Feature | Explanation |
|---|---|
| Economic Side | Community development bases its actions on the achievement of economic goals that can support community wellbeing. Economic resources help both the process and community in resolving issues |
| Social Objectives | The main aim is to tackle social issues such as unemployment, low education level, resources scarcity, precarious health conditions, and absence of skills for self-reliant solutions |
| Psychological Sense of Community | Community development aims to create or restore a sense of community that can support the development of a stronger attitude towards collaboration and solidarity |
| Internal & External Resources Endogenous & Exogenous Development | These can be diverse sources for beginning the process; their combinations generate diverse types of community development |
| Community Participation vs. Mission | Both elements are relevant, and the balance between them can ensure the community development process |

2.3 Italian Community Co-operatives: Overview and Discussion of the Theoretical Model and Academic Debate

2.3.1 Embeddedness of Social Relations in Enterprises

This section aims to take a first step into the analysis of community co-operatives and social networks, along with their territories and social contexts. As the outcomes of community development processes, community co-operatives involve a multitude of local subjects and elements that interact with each other when these projects are implemented. This section presents those theories that compose the analytical approach; it is significant to clarify the way in which the analysis considers

the object, the community co-operative, because this theoretical passage can explain the vision for the entire research structure. Considering community co-operatives as outcomes of a collective process means that the objective has deep connections with those who generate the co-operative. Moreover, as this chapter explains, community co-operatives are deeply rooted in their communities and influenced by local culture. Therefore, this analysis considers these co-operatives as a product of local societies and cultures; thus, it is necessary to see these objects as embedded within the social realities that generated them. Furthermore, this section presents a discussion of this approach, and provides the argumentation with key elements that support the necessity of using a framework of social capital theories.

Societies design organisations to solve permanent conflicts between collective problems and individuals' desires; they must achieve a balance between these two poles, to guarantee social order and personal freedom. Organisations can perpetuate collective goals through the institutionalisation of social bonds and subjective needs, by adopting decision-making processes and formal administration of their activities and functions. Thus, organisations overcome the inherent conflict between the individual and society (Reed, 1999). For this reason, organisations responsible for administering commons and local assets have to embody principles and values for a fair and equal redistribution; they must also ensure stakeholders' participation in the decision-making process, due to the particular nature of the community's commons and assets (Lang & Roessl, 2011b; Ostrom, 2012). Reasons for this concern have emerged in the debate regarding different solutions for implementing collective actions, dealing with many stakeholders, and operating for the general wellness (Arena & Iaione, 2015; Sacconi & Ottone, 2015). A private structure can ensure efficiency and have a relevant impact on the society; however, what emerges from theoretical analysis is the non-objective nature of these organisations, because they are shaped by external agents, their own culture, social context, and historical conjunctures (Granovetter, 1985). This requires a reflection on the theoretical model that is employed in the field of welfare and local development. The following passages report elements in the theoretical debate that show how and why community co-operatives can affirm their role in this field.

The analysis considers the new institutional approach for examining community co-operatives, by reflecting on the economic, sociological and historical elements that shape this new organisational form. The complexity of theories requires an adequate farsightedness; as Granovetter (1985) states, the risk correlated with this approach is the failure to contemplate social structures when analysing organisations. Economic structures are embedded in social relations, and these determine the nature of the economic field; this idea can corroborate the sociological assumption that community co-operatives can be studied by adopting social capital theories as a framework, because they consider the value embedded in social relations. When examining issues about commons and possible solutions for managing local services and resources, Granovetter warns about the risk of under- or over-socialised agents. Thus, researchers must bear in mind the implication of social relations and contexts, because agents operate in relation to their social backgrounds, networks and moral values; all of which compose the wider meaning of social capital. As the next section shows, considering the embeddedness of social relations in these organisations is fundamental to understanding of co-operative work for local and community development. The management of commons, and the provision of support for local communities, requires a wider view of the local contexts and social actors involved in the community development process and the structure of organisations.

2.3.2 *The Management of Commons*

The discussion of local commons and related issues presents interesting insights for a wider debate on general wellness and the role of public institutions, the private sector, and civil society. This analysis contributes to the general debate on community co-operatives, because it shows the necessity of connecting territory, social context, community and enterprises in the local development and commons preservation.

This debate involves the notorious “*tragedy of commons*”: this issue concerns the usage and management of natural resources, and questions how it is possible to ensure access for everyone, while avoiding the maximum exploitation and consequent destruction of commons. Sacconi and Ottone (2015) agrees with Ostrom’s point of view (2012), that creating democratic institutions for the preservation and management of commons is a possible solution for the tragedy. The specific focus must be on enterprises as institutions that operate in the micro-economies. Sacconi and Ottone criticise the neo-liberal theorists who support the primacy of private property rights as providing an improvement for commons. These rights can rationally maximise the commons’ effects, thus achieving a Pareto efficiency; whereas in the natural state, all the agents operate for their egoistic interest, and this generates a conflict between all users of commons. Hobbes (2008) describes this as the “*Bellum omnium contra omnes*” (the war of all against all), in which everyone wants to exploit the maximum possible from the common-pool resources, defend themselves from competitors, and steal goods from the others. The Pareto efficiency, however, establishes a constitutional agreement that guarantees the perfect state of goods allocation among the agents. The private property and consequent improvements through post-agreement market exchanges can save the commons and satisfy agents. The agreement is more convenient than perpetuating conflictual situations, because private property, acquired by one agent, can preserve commons from the irrational speculation of other agents through price exclusion; nevertheless, this produces higher costs for the extraction and enjoyment of resources. Only those who can pay for the goods can use them, and the price barrier limits the use of resources, because each agent can exploit an amount correlated to their economic resources.

The Indian economist and Nobel Prize-winner Amartya Sen strongly criticises the Pareto efficiency; adopting Arrow’s paradox, Sen (1970) theorises the “*Impossibility of Paretian Liberal*”, in that there is no regulation of collective choice that can simultaneously ensure (a) a universal domain, (b) Pareto efficiency and (c) minimal freedom. Sacconi and Ottone (2015) underlines the risk of enclosing correlated to the Pareto efficiency on commons: the private expropriation brings a monopolistic management, and the utilisation under payment can exclude citizens who cannot afford the price; in addition, the private manager aims to maximise profits. The private property resolution could compensate the excluded beneficiaries with other forms of resources, such as a monetary compensation, but this can result in high expenditures for future private managers. Hardin (1968) presents an alternative solution, with a strong public authority that limits the access to commons and prevents the egoistic exploitation by single agents; this solution clearly criticises the neo-liberalist approach.

Ostrom (2012) presents a third solution to the opposition between private property and the authoritarian government of the commons: the possibility for the beneficiaries to self-organise a communitarian solution for the management of common-pool resources. This solution promotes self-regulation, co-operation among members, distribution of tasks and benefits, mutual monitoring, and sanctions for transgressions. This solution does not contemplate the intervention of external authorities or exclusion based on price discrimination; rather, members’ observance of internal rules

is a complex system of mutual interests and the accumulation of reputation. Sacconi and Ottone (2015) underline how the agreement on common rules for the governance of future organisations is also a key element in the complex system that co-ordinates agents for the usage of commons. The discussion on co-ordination creates a stronger motivation for collaboration rather than individualist interests; thus, an efficient and wise management of commons can guarantee the preservation of resources for collectivist interest in the future, rather than an immediate speculation in the present, which destroys the commons.

Therefore, Ostrom (1990; 2012), Sacconi and Ottone (2015) propose the key element of establishing collective institutions, which involve many agents and stakeholders, to undertake commons management, and thereby promote community development. The institutional complexity could have severe consequences if constitutional agreement among members does not establish a proper system of governance and decision-making process. To form a new institution for a general purpose, many actors must be involved, such as workers, investors, beneficiaries, local authorities, civil society, and other organisations interested in developing a new solution for a local problem. At this point, an issue arises: What is the best organisational model for managing common resources, promoting general interest, and co-ordinating different stakeholders? Borzaga and Tortia (2004) suggest the co-operative as a formal model for managing collective initiatives for general interest. They overcome the problems of allocating rights of decision through the property, which avoids the lock-in explained above, and promotes the equal participation of its members. There is an evident discrepancy between Ostrom's model, which does not consider the economic features of co-operation but mainly involves possible managerial scenarios for commons, and the co-operatives, as collective firms. This seems to contrast two diverse spheres that share no common aspects. However, despite this reasonable assumption, a connection exists, concerning the governance of both scenarios. Even if co-operatives arise from the union of a few private resources for a collective but nonetheless private interest, the collective entity behind the issue of governing commons justifies the parallel between the models. When co-operatives adopt community development objectives, they intend to govern processes for a general interest, namely the community wellbeing. Therefore, this discussion enters in the field of commons management and contributes to the debate on governance forms. Going further in the dissertation, the co-operative governance has to consider the multi-stakeholdership as its own main characteristic: as Campbell and Sacchetti (2014) explain, the evaluation must consider the social ties among actors and with the surrounding context. Co-operation can benefit from the diverse perspectives provided by multiple stakeholders in the social realities where these organisations emerge. The resultant outcomes can be community co-operatives, which accomplish these objectives, address local activism toward community wellbeing, and develop a multi-stakeholdership structure for engaging key local actors and enhancing their impact on communities.

The next section introduces the debate on the nature of the community co-operative, and discusses its main features and characteristics. The examination presents a general overview of this collective firm and shows its features, demonstrating that these can address managerial issues.

2.3.3 A General Overview of the Community Co-operatives Phenomenon

The idea of local citizens collaborating to establish collective institutions has deep roots. Co-operatives are well known for their capacity to satisfy their members' social and economic needs; historically, it has been their main strength as a productive model, as widely illustrated in Chapter 1. Despite this prominent and successful evolution, the co-operatives have usually served their local communities indirectly; the International Co-operative Alliance's seventh principle states that "*Co-operatives work for the sustainable development of their communities through policies approved by*

their members.” The provision of wealth has promoted the improvement of members’ conditions, and this has had secondary repercussions on the local territories, in terms of resources in the local markets. Even if the community mission is stated in the co-operatives’ objectives, few cases report any direct action toward this (MacPherson, 2013; Novkovic & Goja, 2015; Sacchetti & Tortia, 2016).

During the last decades, the idea of an enterprise that serves the local economy, preserves commons and responds to social needs has emerged in both social practices and academic theorisation. Firstly, the decrease of basic services and a growing scarcity of resources have led citizens to consider these elements as “public utilities” (Borzaga & Zandonai, 2015). Secondly, the recent evolution of capitalist theories have placed more emphasis on social relations, in order to build more competitive businesses and client-focused products and services; thirdly, the rescaling of state power is pushing citizens forward through growing involvement in local economic development (Borzaga & Zandonai, 2015). This view highlights a citizens’ repositioning within capitalism, as they become new stakeholders who prefer a major involvement in economic activities; however, despite this relevant consideration, Somerville and McElwee (2011) do not consider the radical positions that many groups are taking in response to market failures (Vieta & Lionais, 2015).

The analysis focus has been on characteristics that the enterprise model must incorporate in order to be recognised as community-owned and oriented. The community co-operative is a specific type of community enterprise that embodies particular peculiarities, aiming for a balance between providing a service for people and being representative of its community (Mori & Sforzi, 2018). Community co-operatives are not the first organisations that have managed community goods for public interest; earlier ones were responsible for vital assets such as pastures, forests and water reservoirs, but they were rudimentary and pre-industrial (Mori, 2014, 2017). Hence, this section presents contemporary characteristics of these co-operatives, and an examination of their elements.

The recent evolution of economic and social systems has required an appropriate transformation of co-operatives, in order to respond to new demands that old institutions can no longer satisfy (Nembhard, 2004; Bailey, 2012; Mori, 2014; Vieta & Lionais, 2015). First, as the previous section explains, the recent tragedy of commons imposes the necessity for a new managerial model for resources and community assets; second, the market limits and the state’s withdrawal have required the rethinking of economic models and embedding local social relations. This repositioning of co-operatives in community development practices determines a change in their nature, towards the social enterprise model (Bailey, 2012). However, what distinguishes community co-operatives from other social enterprises is the fulfilment of local-based necessities through a local-based ownership rooted in the community (Somerville, 2007; Somerville & McElwee, 2011). Community co-operatives are primarily set up by local residents who suffer from critical issues or need key services for their life (Nembhard, 2004; Zeuli et al., 2004; Zeuli & Radel, 2005; Lang & Roessl, 2011a, 2011b). Thus, the convergence of various needs and economic situations creates a complex co-operative structure where different stakeholders collaborate to resolve a common problem. Even if not all of the community is part of the co-operative, its interest is represented, because community co-operatives work for the community’s benefit in general; thus, each resident is considered as a potential beneficiary of the co-operative’s activities (Wilkinson & Quarter, 1996; Mori, 2014, 2017; Vieta & Lionais, 2015). The key point is that co-operatives have to respect open membership, which means that every citizen in a community can potentially be a co-operative member. In addition, community co-operatives accomplish needs and provide solutions that, again, can potentially affect every member of the community (Mori, 2014, 2017). This explains both the mission towards the community and the wide range of activities that community co-operatives carry out.

Community co-operatives work in different fields. For instance, unlike traditional co-operatives, whose services define their nature and sector, community co-operatives operate in different fields because various social identities and needs are embedded in their membership. The literature analysis reveals a range of activities where community co-operatives find appropriate settings for their businesses:

- Urban and asset regeneration. Community co-operatives can have an effective role in the regeneration of local assets; this can trigger new economic opportunities and convert them into new venues for social cohesion, economic development and services provision. Furthermore, the social re-use of spaces can incentivise a new sense of aggregation and social cohesion; many projects involve communities, during the first step in planning and decisions on the future functioning of these venues (Bailey, 2012; Bianchi, 2016).
- Natural commons management. As the debate on the “Tragedy of commons” explains, an optimal solution for commons management can be the co-operation among people interested in their usage. Co-operatives are formal organisations with declared rules for managing these resources and co-ordinating the agents involved (Sacchetti & Campbell, 2017; Teneggi & Zandonai, 2017).
- Cultural heritage preservation. Similarly, the cultural resources, both material and immaterial, can be valuable assets for community development: they reinforce the cultural heritage and local identity; moreover, they offer the possibility of integrating these in a wider business (Bianchi, 2019a).
- Energy production. People work together in order to collect resources for producing and distributing energy resources. In the past, these co-operatives represented the only alternative for those territories that were distant from urban areas, and thus were not considered “profitable” by the private market. This deficit was resolved by the nationalisation of energy production. Nowadays, energy co-operatives represent a valid solution for those communities that want to improve their sustainability and reduce the impact on the local environment (Mori, 2014, 2017; Pollin, 2012).
- Fishing and farming. Many communities establish co-operatives as local-owned and controlled organisations for promoting subsistence activities. Food is vital for human existence, but in certain communities, people do not have resources to carry out activities or control their commons. Co-operatives can optimise their few resources, provide means of agricultural production, and establish roles for fishing. Moreover, co-operatives can provide people with products, or sell them outside the community and redistribute profits among members (Fulton & Keltison, 1992; Wilkinson & Quarter, 1996; Flanigan & Sutherland, 2016).
- Workers’ buy-out. During the economic crisis, many firms shut down, resulting in an impoverishment of territories, and communities that could no longer rely on local enterprises to provide job positions, incomes, investments and services. Workers’ buy-outs, as a particular form of co-operative, have rescued many firms around the world. In many cases, local communities have supported workers’ struggles and become co-operative members, thus strengthening these enterprises. These bonds with territories, and a new awareness of economic activities’ responsibilities, have led many workers’ buy-outs to be configured as community co-operatives (Vieta & Lionais, 2015; Vieta, 2016a, 2016b, 2018).

- Tourism. This economic sector involves various local resources; the touristic players can engage with local enterprises and citizens to propose an offer that is integrated with the local culture, traditions, food products and attractions. Community co-operatives are key players because by involving stakeholders they promote a territorial network; this can be the basis for planning a valuable proposal for sharing touristic outcomes with other local stakeholders. This case shows how other fields can be interrelated: touristic community co-operatives re-use old buildings for accommodation; natural commons are also valuable assets for tourism; and cultural heritage improves the offer by presenting the identity of the community which hosts the tourists (Bianchi & Vieta 2019).
- Community development support. Clearly, all the activities described above are considered as community development, but there are also other kinds that are strictly describable as community support. Community co-operatives provide working skills to local people, social assistance to people in fragile social conditions, and promote liveability in remote and rural areas (Wilkinson & Quarter, 1996; Nembhard, 2004; Morris, 2014; Bianchi, 2016).

Alongside services, another key element that characterises community co-operatives is their ownership. Fulton and Keltison (1992) view co-operatives as being different from shareholders' firms because their membership is rooted in local communities; whereas shareholders are globally distributed, and have no interest in company services, but rather in profit maximization for the capital invested. Co-operative members establish co-operatives for their interests, and generally, they live in those areas where co-operatives operate. Indeed, community ownership is the main element that allows improvement of local socio-economic situations (Kretzman & McKnight, 1993; Majee & Hoyt, 2011). Community co-operatives operate for social purposes, but are not classifiable as charities because they continuously operate in order to generate income, and they employ workers to carry out economic activities (Somerville & McElwee, 2011).

Community co-operatives can operate as enterprises because they receive strategic assets from their community, or because they acquire them through a collective purchase (Kretzman & McKnight, 1993; Bailey, 2012; Bianchi, 2019). Traditional co-operatives are an aggregation of resources mainly from internal members for their own benefit and use; whereas community co-operatives generally operate by using local assets that have strong community value. The assets' nature can be both private and public, but the value that the community places in a specific asset determines its new status of "community asset" or "local common" (Arena & Iaione, 2012). Citizens decide to generate new incomes for local projects through these assets; thus, the co-operative represents the best choice, in terms of a firm structure that can incorporate social value and economic efficiency. The collective process for general wellness involves many local agents; this network of collaboration allows the monitoring of co-operators' work and spreads direct benefits inside the community. This recalls the embeddedness of social relations within the local context, as highlighted in the previous section; thus, bonds with communities determine the non-speculative nature of these enterprises.

The general conception regarding community co-operatives identifies this as a key organisational model for promoting community and economic development (Wilkinson & Quarter, 1996; Nembhard, 2004; Peredo & Chrisman, 2006; Lang & Roessl, 2011a, 2011b; Somerville & McElwee, 2011). Co-operatives can empower local people through capacity-building, reinforcing community identity, advocating local interests at proper institutions, and revitalising the local economy (Majee & Hoyt, 2011). These co-operatives develop a locally oriented strategy because their membership is rooted in the surrounding social context. Thus, there is not only a mutual exchange between the co-operative and members, but also an enlarged sharing with local citizens (Mori, 2014, 2017), due to

the social mission and the nature of the assets (Bianchi, 2019). The community assets assume a strategic role by establishing an alliance among co-operative members, local authorities and citizens, for fostering social benefits in the community. Social relations are embedded in the context of these co-operatives, because they are key elements of wider processes of community and economic development, which begin from a collective recognition of needs and necessities.

2.3.4 The Entrepreneurial Elements

An enterprise is considered as “*an activity that produces or aims to produce value that can be expressed in monetary terms, and any individual that is responsible for producing such value is commonly called an entrepreneur*” (Somerville & McElwee, 2011, p.319). The shift towards the community co-operative is the aim of this enterprise and its structure. First, the community co-operative is a collectively owned enterprise that involves a plurality of local individuals, organisations and stakeholders. These co-operatives set up a business plan to organise their activities, in order to ensure a stable production of goods and services, through employing staff members. Thus, the mission towards the community, the non-profit nature, and the collective ownership place the community co-operatives in a system of “*alternative economy*” (Gibson-Graham, 2008).

Community co-operatives use assets in order to carry out their activities; these assets constitute a key part of the community development process. Establishing an enterprise involves the development of work skills and creation of job opportunities for local people; moreover, these co-operatives can take advantage of under-used or abandoned public or private assets, to tackle the economic dereliction in their communities by regenerating them (Bailey, 2012). The utilisation of community assets invests the community co-operative with an important mission: the particular nature of these assets requires that businesses be structured to deal with local common issues. Community co-operatives are a key evolution of the co-operative model, as they share the mutual benefits with non-members based on a common belonging to a specific community. This innovation definitely proves how the remodulation of the co-operative model can strengthen co-operatives’ social role in society, spreading a sense of solidarity among citizens (Bianchi, 2019). Moreover, assets produce resources that co-operatives can use to promote new opportunities for their communities (Nembhard, 2004; Borzaga & Zandonai, 2015). This reinforces relations and trust between the co-operative and the surrounding social context, thanks to the sharing with local communities.

Asset management can be either an opportunity or a challenge, because these assets can trigger new forces in the community and develop other business opportunities; however, the asset and co-operative management could require a huge investment in terms of financial resources and activists’ energy, thus shifting the attention from the community mission to business administration (Bailey, 2012). Consequently, the governance structure in a community co-operative differs from traditional firms because it involves a commitment to the locality; this implies the embeddedness of social norms, trust, and relations among members, citizens and stakeholders (Lang & Roessler, 2011b). This has a direct influence on the control of co-operative assets, because the involvement with social context can determine the fostering of positive benefits for the community development, as this research shows in the following sections. Networks of relations, social norms and trust pose a relevant point in the assessment of community co-operatives as enterprises, because these facilitate the co-operative’s management and inclusiveness (Borzaga & Sacchetti, 2015); moreover, this element underlines the key relevance of social capital theories as a theoretical framework for this research, as Chapter 3 argues.

2.3.5 Community Co-operatives as a Collective Action

The process of recognising needs and potentialities involves many agents; a consequent issue concerns the managerial complexity caused by multiple agents and community pressures (MacPherson, 2013; Borzaga & Sacchetti, 2015). Conversely, the exclusion of key stakeholders, on both the demand and supply sides, can generate critical issues in the co-operative management. Social costs for co-operatives can arise from stakeholders' inability to participate in the decision-making process, which means a difficulty in improving services, and possible damage to the stakeholders' interests (Borzaga & Sacchetti, 2015). This risk can be most critical when organisations aim to enhance people's wellbeing.

A possible solution is the adoption of a multi-stakeholder structure. Borzaga and Sacchetti (2015, 2017) support the utility of multi-stakeholder government in social enterprises, as this can reduce social costs in transactions and negotiations among members of the same organisation. Conventional investor-oriented enterprises consider the mono-stakeholder perspective, as they do not tend to comprehend other stakeholders' interests. This form of business avoids low-profit markets, and may provide low-quality products when monitoring is imperfect and services need complex specialist knowledge.

For these reasons, co-operatives have occupied some economic niches where traditional businesses do not see profitable interests. As Vieta (2018b) observes, co-operatives can assume a non-profit status, and with their membership rooted in local communities, this can help them to conserve rather than exploit local resources, and thereby enhance community wellbeing. The co-operative model can make significant improvements when assuming the multi-stakeholder perspective, such as inclusive governance and deliberation practices in the decision-making processes. These tools enable the comprehension of the community's wellbeing, which has a multiple and complex nature that is deeply related to the interested communities.

The legal form of co-operatives aligns with these processes, because they can adapt to the multi-stakeholdership; although Borzaga and Sacchetti (2015) refer to social enterprises, it is possible to see how community co-operatives can be part of this category, as they are non-profit and operate for common interests rather than a single private purpose (Mori, 2014, 2017; Vieta, 2016a, 2018b). Their community mission allows various collaborations with local stakeholders, and their activities are for the community's interest (Mori & Sforzi, 2018). The collaboration among different agents needs a structure that can ensure mutual interest and collaboration; the values held by the community organisations can generate this harmonious situation, but the formal structure of an institution can further strengthen the trust and real community service.

“The answer we indicate to the persistence of social costs is to design inclusive governance solutions that are consistent with deliberative processes and shared decision-making power, aimed at reducing the negative impacts whilst amplifying the positive ones. Making these interactions explicit is bound to generate new ways of integrating the competences and needs coming from multiple actors. In other words, multi-stakeholder governance is more likely to fulfil stakeholder-specific and societal needs.” (Borzaga & Sacchetti, 2015, p.22)

The above authors indicate the “*public organisation*” form as being the solution for the production of community services; public organisations are here interpreted as private organisations, with public objectives and control in the hands of different stakeholders who are not necessarily also the owners (Sacchetti & Borzaga, 2017). However, the intention to configure a co-operative firm that also is a multi-stakeholdership increases the organisational complexity. The co-operation among members

requires collaboration and needs regulation (Ostrom, 1990); thus, the co-operative organisation defines the way to organise this structure, where different interests emerge. The inclusion of different stakeholders through the co-operative's membership can shape the community co-operative as an appropriate institution for taking collective action.

“Rather, multi-stakeholding is a binding agreement meant to complement deliberative decision-making processes. Through multi-stakeholdership, multiple patrons are legitimised by a binding agreement to include multiple interests. This agreement shapes the nature of the organisation, and allows it to pursue multiple aims through a careful distribution of voting rights and representation in decision-making bodies.” (Borzaga & Sacchetti, 2017, p.14)

Relevant in this examination is the role of trust and collaboration among members in the co-operatives' structure. The co-operatives can access social resources that traditional enterprises do not consider in their model, such as trust, collective objectives, collaboration and social norms. This complexity, which also involves non-economic elements, is a key element of the community enterprise model. Co-operative can have complex aspects that cannot be found in other institutions; people can feel they are part of something, because they also have non-economic engagement in the creation of a community enterprise.

“The emphasis on democracy and social responsibility suggest the ways in which co-operatives should function: transparently, inclusively, and responsibly, all qualities important for community wellness. The last assumption on capital reaffirms the centrality of people and the importance of membership. It resonates with what are arguably the two most obvious ways in which co-operatives differ from capitalist firms – the limitations on returns to capital and the importance of member participation.” (MacPherson, 2013, p.9)

Consequently, social capital has a key role in the general analysis of Italian community co-operatives; this topic is more deeply examined in Chapter 3, but here the consideration is on interconnections between the more social and psychological features involved in the institution-building process. Trust, collaboration, common interests and social rules appear at the beginning, as resources which people call for in the creation of community co-operatives. They are present in the daily life of these organisations, explaining the function and structure of co-operatives; they are relevant outcomes for the co-operatives, which underline this improvement in their territories not only in economic parameters, but also in terms of social capital empowerment (MacPherson, 2013).

Local agents and stakeholders' participation is a key element for understanding the social context surrounding the social enterprises (Defourny and Nyssens, 2010). As Habermas says, *“in modern pluralistic societies, social norms can derive their validity only from the will of those whose decisions and interactions are supposed to be bound by them”* (Habermas and Taylor, 1998, pp.VII–1). However, despite the relevance of social participation in co-operatives' aim to acquire implicit knowledge of territories, it is not enough to explain the open structure of community co-operatives. The next section examines the origins of co-operatives' concern for community in the Italian context; however, it is pertinent here to recall elements regarding the enlargement of co-operative mutuality. The first co-operatives aimed to serve local communities by addressing general interests, such as energy supply needs. This happened before the nationalisation of energy production, and in response to the private market's lack of interest in greatly investing in rural and remote areas (Mori, 2014, 2017). Specifically, local communities began to start their own electricity production in order to supply their local needs. The relation between goods and services production and local community was key, because the local needs pushed citizens to take a collective action that produced co-

operatives which operated for the community. The services assumed the status of “*Community Goods*” (Mori, 2014; Arena & Iaione, 2015), and determined the enlargement of co-operative mutuality from specific social and professional groups to the general society. This shows how spontaneous collective initiatives can appear in the market intersection between the public sector and private market; in this field, the communities can autonomously achieve the self-provision of community goods and services through the co-operatives. Tak (2017) points out the relevant role of co-operatives in community development as a voluntary aggregation of people who are concerned about their communities.

Traditional co-operatives radically redefined the concepts of ownership and management; this is the reason why they have represented a major innovation in the economic field during the last two centuries. People invest resources in co-operatives for the benefits derived from the activities, and not for the interest on capital. Thus, co-operatives achieve success because they can aggregate various interests and resources, thereby creating a common solution for members, and indirectly for stakeholders. As explained above, community co-operatives are gaining interest because they can realise an institutional solution for managing commons and community goods.

The involvement of various agents is also a key element, because stakeholders and the community agents are becoming key players in the structuring process and the decision-making. This means a redefinition of the co-operative membership, which is normally based on economic participation; the mutual benefits derive from this membership, and explain the internal nature of the mutual exchange between members and co-operative. Thus, the radical difference of the community co-operative phenomenon lies in the nature of its assets; these are mainly in the form of a transfer from the public sector, even if the co-operative itself is able to collect other assets and resources (Euricse, 2016; Irecoop, 2016). The contribution of public institutions and local authorities is crucial for the success of these projects. Furthermore, the devolution reform is shifting responsibilities and assets from public institutions to private organisations. Co-operatives are playing an essential role in this process; they pursue social and not-for-profit objectives for sustainable development, with a clear focus on communities. Over the centuries, the co-operatives have redressed many social inequalities, proving the value of the mutuality system (Zangheri et al., 1987; Zamagni et al., 2004, Bagnoli, 2011). However, despite this huge impact on society and the market, co-operatives have to face a new challenge. Their affirmation in the socio-economic development of territories, under a clear political mandate, requires a greater impact on a wider range of citizens. This evolution into a new institution redefines co-operatives’ objectives regarding a clear mission for communities, by enlarging the mutuality to include non-members (Bianchi, 2019).

2.4 The Rising Phenomenon of Local Co-operative Development in Italy: the Community Co-operatives

The analysis delineates general elements in the international literature review, with regard to community development processes and the main features of community co-operatives. The following sections introduce the Italian sector of community co-operatives; the examination explains the social and political context that has influenced the rise of these new co-operatives, the background in which community co-operatives base their work, and the academic debate on this new phenomenon.

2.4.1 Social Context, Political Framework and Economic Situation in Italy

Many Italian community development experiences share a communal background rooted in the social and political history of social movements, parties, and the third sector. This background is fertile soil for new patterns of participation, a growing awareness of commons management, and the creation of community. In order to analyse these recent elements, it is pertinent to introduce the debate on commons that reached its peak in 2011. In particular, the 12th and 13th of June 2011 are significant dates in the debate on commons and community development in Italy. During these days, the Italian electors voted in a referendum that posed two questions:

1) Do the local public services, which generate incomes, have to be managed by local authorities or private businesses?

2) Do the hydro bills have to include the remuneration of capital invested in the service by providers?

These two queries triggered an immense debate in the country on local services management. The referendum was abrogative; it aimed to delete government acts regarding the devolution of local services to the private sector. Referendum promoters saw a risk in the pure private management of local services, and particularly its speculative nature. The local public services that generate incomes are hydro, electric energy, gas, littering, and transportation services. The referendum rejected the privatisation of local services and resources, leaving local authorities in charge of them. The origin of this debate had its roots in the neo-liberal reforms begun in many Western countries in the 1980s. The idea was to reduce the public sector in terms of its responsibilities and expenditures on welfare, local services and infrastructures. The 2011 referendum was a relevant step in this process, and left a mark on the Italian discussion on commons and local services management. Moreover, the huge mobilisation for the referendum has triggered a new wave of civic participation and public commitment to commons and community development (Arena & Iaione, 2015; Borzaga & Zandonai, 2015). Nevertheless, the referendum also created many issues, because Italian electors rejected the idea of total private management; but a valid alternative has not been proposed. Community co-operatives can fill this gap and promote a new pattern for social participation and local resources management. The debate shows how the pros and cons point to a new form of economic activities to serve the general interest.

Sacconi and Ottone (2015) examine how the referendum gave an important indication for the nature of local services: they must not be in the hands of traditional private businesses, but need a radical re-thinking on their sustainability. How is it possible to combine an efficient management with the strict limits of a spending review? The local public services are trapped between the two poles. Many authors in the academic debates (Borzaga & Zandonai, 2015; Sacconi & Ottone, 2015; Mori, 2017; Mori & Sforzi, 2018) suggest the possibility of a third way that combines private sector efficiency with the prevention of speculation on essential local services. Enterprises with a community mission, democratic governance and locked assets are emerging as an innovative solution for the administration of commons and local services. Considerations regarding this new business model underpin a further application of community-led organisations, and enterprises for managing local services and promoting territorial socio-economic development.

The discussion on the referendum questions was only the tip of the iceberg in this debate; new relations between the state and citizens, regarding the governance of general wellness, underlies the entire issue. The aim is to analyse how top-down and bottom-up dynamics are shaping how community co-operatives are administering commons, community services and socio-economic

development projects. The discussion has to focus on new patterns for the collective management of common resources and community goods. Necessarily, the analysis must examine the Italian political and economic context, in order to understand factors that have determined the emergence of community co-operatives for local development.

The European Union has imposed a drastic spending review on many countries, due to the economic crisis and an enormous public deficit in national budgets. This has led local authorities to make drastic investment cuts, which create significant difficulties in renovating and implementing public services, and thus the impossibility of operating them without severe restrictions. The austerity policies have decreased public intervention in the economic sector, as well as investments for public services and infrastructures. Since 2008, the Italian governments have gradually reduced public debt through spending reviews, and public authorities' investment in local infrastructures has steadily decreased by 4% each year from 2008 (Visco, 2018). The national budget for the welfare system suffered a drastic reduction from 2008 to 2011, to 13% less than before the economic crisis (Fazzi, 2013). Even if the trend is changing, the social disparities are still huge, and there are more people in poverty than before 2008 (Ranci Ortigosa, 2018). In addition, public authorities have been forced to transfer a huge share of real estate properties to the private market, but the deep economic crisis has minimised the private demand (Micelli & Mangialardo, 2016); the consequence has been a general abandonment of public properties. Alongside this, the bankruptcy and sovereign debt crisis in thousands of firms have caused elevated unemployment and social deprivation in Italy, which are worse than in the rest of the EU (Marelli, 2016).

These years of crisis and economic dereliction have had deep consequences for the Italian population, in terms of social cohesion, trust and faith in public institutions. The main sign of this political unease has been the participation in the national election on 4 March 2018; just 72.9% voted, the lowest result in the republic's history. As Bordignon et al. (2018) propose, this negative result and the victory of populist parties (the League and Five Star Movement) represent a clear message of social unrest, and opposition to austerity policies and the European establishment. Moreover, Bordignon et al. (*ibidem*) consider the dramatic decrease of citizens' trust in public institutions; the index of citizens' trust in public authorities dropped from 41% in 2005 (which was already lower than in the past) to 25% in 2017. Furthermore, Italian citizens report the lowest level of trust in politics; the rate of Italian satisfaction with the functioning of democracy was 36%, against the European average of 56%, in 2017. This is a critical trend during the years of crisis, and it has compromised the social cohesion between the state institutions and the people.

Other causes include the general global trends that national institutions can no longer manage, and the serious difficulties in avoiding negative effects caused by these international events. This fracture between governors and governed recalls the explanation provided at the beginning of this chapter, regarding a new awareness of social conditions that is determining a new understanding of people's human experiences in society. The need to feel a capacity to influence reality when faced with a globalised society requires a closer social and political space where citizens can have direct contact; and this explains the emergence of community desire. Bordignon et al.'s research (*ibidem*) proves this, because Italians have more trust in local authorities than in national or international institutions. CENSIS (Research Centre for Social Investment, 2018) portrays an Italian society that is more fragile and scared than before; the perception of state assistance and welfare support is lower than ever. The Italian state is no longer able to assist and support the population; moreover, the public management approach prevents institutions from further intervention, and theorises a major involvement by citizens. This has a double effect: on the one hand, it constitutes the policy framework for public

devolution towards civil society and the private sector; but, on the other hand, this determines a structural instability of society.

These elements can enable general theories on community development to be viewed in terms of the Italian context. Italy needs new approaches and solutions for restructuring its economy, social cohesion, trust in institutions, and citizens' commitment to common interests. Community development operates to fulfil these aims, and can be a possible solution and method for improving the well-known Italian civil society and third sector, supporting their daily work with communities. Thus, the co-operative proves to be the model which can support stable and continuous activities for these aims. The next section explains how Italian local communities are widely adopting the co-operative form for new local businesses and commons management.

2.4.2 Italian Community Co-operatives

The community co-operatives are emerging in different parts of Italy, both in urban and rural contexts. The analysis in the previous section explained the theoretical structure of this new enterprise form; this section aims to present the current debate, by analysing researches and evidence from different empirical studies.

2.4.2.1 Origins and background

Historically, many Italian communities have carried out commons and community goods management in the past. The “*uso civico*”, which can be translated as the British concept of “commons”, were natural resources such as forests, lands, rivers or pastures; local communities were all engaged in managing and preserving these commons, adopting general roles of task assignation and resources redistribution. These *corvée* (unpaid roles) were useful for preserving natural assets to sustain communities (Mori, 2014). Those operations did not need an enterprise structure because they periodically maintained these assets through voluntary working; thus, they did not need a permanent production or economic incomes. Mori (2014, 2017) underlines how community co-operatives are the result of a long evolution that has shifted the focus from specific social or professional groups to the whole society. Alongside traditional co-operatives, the necessity to produce goods and provide services in remote areas had pushed local communities towards the co-operative form since the late 19th century. The pioneers were electricity co-operatives, particularly in the Alps. Before the nationalisation of energy production, the private market was not interested in investing huge resources in rural and remote areas; consequently, energy was produced to meet the community's needs, all locals were potential customers and stakeholders, as explained in the previous section. As Mori explains:

“The distinguishing mark of these cooperatives was that they provided services of general interest to a whole community and directly affected the community's welfare through the instruments of open membership and non-member patronage, while the major types of traditional cooperatives – worker, consumer and banking – directly affected the welfare of only a limited portion of society. The society's benefit here does not lie in the elevation of the lower classes but in providing everybody with a service of general interest which would not have been available otherwise.” (Mori, 2014, p.7)

A further step in the convergence between co-operatives, social work and community development is the mix between economic necessity and social objectives. First, the interest in localism and local development is rooted in the 1950s; the three main approaches that fostered this idea were the

attention on local communities that Adriano Olivetti promoted with his entrepreneurship, the culture of group-working, and the Catholic culture of rurality (Schillaci & Gatti, 2011).

Secondly, Italian social enterprises offer an interesting parallel with contemporary community co-operatives. From the 1970s, many local initiatives, with a strong background both in the social left-wing movements and in the social Catholic doctrine, began to experiment in the future social economy sector (Moulaert et al., 2010; Fazzi, 2013). These initiatives adopted the co-operative form and filled the gap left by public authorities in the social assistance of marginalised people, thus promoting benefits for communities. The legislator recognised these experiences with article 381 in the 1991 law: this act officialised the immense social work carried out by thousands of co-operatives, and formed the basis of the current welfare mix system. The state needed this new social protection system because the drastic reduction in public spending blocked the recruitment of new workers in local authorities (Fazzi, 2013); moreover, the legislator recognised the public institutions' inability to respond adequately to the new emerging social needs. The Italian welfare state structured its interventions on marginal money transfers in emergency cases (Borzaga & Zandonai, 2009). The peculiar element in this model is the positive externalities it produces; the Italian social co-operatives operate not only for the members' interests, but also for many stakeholders' benefits, such as the wellness of patients' families and the wider society. Another important peculiarity of Italian social co-operatives is their engagement capacity; they involve stakeholders, local authorities and other organisations, both in their decision-making processes and in their activities for implementing service quality (*ibidem*). For these reasons, social co-operatives are viewed as predecessors of community co-operatives, as they have introduced a new approach in the relationship between the citizens and the local services; this was embodied in a wider reform of the reformulated state and citizens' role (Euricse, 2016).

A further element in the analysis of community development and co-operatives' background is the understanding of "territory". This is relevant because community development and community co-operatives continuously interact with territories, as the physical space where communities live. This interpretation is clear, but not sufficient to provide a valid definition; this is because "territory" is a geographic term that defines government jurisdiction over a delimited physical place (Gottman, 1975). Inside a territory it is possible to find different social actors and different categories, such as public/private, people/organisations, and single/collective. Goldenberg and Haines (1992) consider territory to be the results of social interactions within a geographic area, with specific ties; this highlights the community component in territory's definition, pointing out the relevance of local communities as a key factor for territorial identity. The authors adopt a network approach to analyse the territory concept, shifting the attention from physical attributes to social relations among actors in a certain place. A territory hosts agents that live, work and interact among themselves; consequently, these interactions shape the local context that determines agents' social actions. The territory has a key role in local development because it is not a merely physical space, but also a source of inputs for local economies and communities, which provides them with material and immaterial resources (Schillaci & Gatti, 2011). Trigilia (2007) observes that the direct and close relations with other subjects in the same territory can favour the sharing of key information and, consequently, further innovation in socio-economic development. Indeed, territorial fragility has multiple factors: not only natural, such as land erosion or soil pollution, but also human factors such as the depopulation, which contribute to the weakening of territories (Carrosio, 2013). Thus, the territory is not simply a geographical entity; it also embodies certain social characteristics that community development process must consider, as well as the analysis of community co-operatives.

Having a clear idea of the Italian cultural and political background is useful for examining the recent emergence of community co-operatives. Chapter 1 illustrated the historical presence of co-operatives in the Italian economy, and their main features. This background provides valuable insights into the reasons and dynamics that incentivise the rise of community co-operatives in Italy. The next part narrows the analysis to the main research object and examines the main characteristics of this phenomenon, correlating these with the Italian context and community development processes.

2.4.2.2 The Italian way

Community co-operatives are independent bottom-up initiatives that try to respond to new socio-economic needs. Recent dramatic conditions, due to public spending reviews and the economic crisis, have partially re-proposed the same issues that emerged in the 1980s; in both historical periods, economic fractures have encouraged people and social movements to pay more attention to real economic activities, such as the production of goods and services for people's needs, rather than financial speculation. In Italy, according to the Italian cultural and political background of community sense and services, people, organisations, social groups and local authorities have devised new solutions for local issues (Arena & Iaione, 2015; Borzaga & Zandonai, 2015). Alongside this, co-operatives have shown their potential as a key economic sector, which responds to difficulties with resilience and growth (Depedri & Turri, 2015). Despite this great potential, the co-operative movement needs further implementation to satisfy the socio-economic necessities of territories. This desire for a more "*real and human*" economy can explain the growth of community co-operatives as outcomes of these diverse inputs.

The community co-operative is attracting great attention in the academic debate (Demozzi & Zandonai, 2007; Bartocci & Picciaia, 2013; Bandini et al., 2014; Mori, 2014, 2017; Borzaga & Zandonai, 2015; Depedri & Turri, 2015; Euricse, 2016; Irecoop, 2016; Mori & Sforzi, 2018; Pezzi & Urso, 2018; Tricarico & Zandonai, 2018; Bianchi, 2019; Bianchi & Vieta, 2019;). Nowadays, in Italy, there is no national legislation for the regulation of community co-operatives; therefore, it is not easy to provide a general definition. This section aims to identify the main characteristics of community co-operatives, and to examine their role in socio-economic development. This raises issues regarding their relations with territories, which determine the main inquires in this research; and in terms of how these open and participative organisations build local networks, and enable their community development to operate through them. At the beginning of this analysis, it is necessary to determine the generative factors of community co-operatives; then, the examination provides particularities of Italian experiences, focusing on asset provision and usage, co-operative governance and supportive policy framework. Social networking appears as a core factor in these projects, as it is relevant to each part of the analysis.

Various communities in different parts of Italy promote community co-operatives as possible solutions for local issues, such as chronic economic underdevelopment, natural disasters, the necessity for an economic reconversion and restructuring, and assets abandonment. Many authors (Tricarico, 2014; Borzaga & Zandonai, 2015; Teneggi & Zandonai, 2017; Bianchi, 2019) distinguish various generative factors in community co-operative projects:

- A new wave of citizens' participation in the management of local issues and resources, and consequent new patterns of social participation.
- The re-evaluation of under-used or abandoned assets, both material and immaterial.

- New partnerships between citizens and local authorities, for planning services and actions in their territories.
- A collective process of awareness, which determines and assesses local needs and resources.

The rise of a new interest in the role of co-operatives in community development is related to a renewed awareness of economic activities' role in local development, their impact on their context, and the enrichment of social entrepreneurship (Somerville & McElwee, 2011; Borzaga & Zandonai, 2015; Mori, 2017). As Borzaga and Zandonai (2015) point out, the Italian third sector is evolving its models to address these new social and economic issues; this trend encompasses three different strands:

- New community co-operative start-ups that plan their activities with specific community development aims.
- Social co-operatives, which operate in direct and indirect ways for the community's interest.
- Many traditional co-operatives can renew their mission and aims to address new community objectives.

This point delineates possible boundaries of the community co-operative domain; nevertheless, the definition requires a further examination of trends in both academic debate and empirical practices. The debate has pointed out many elements that can define the community co-operative. For instance, in 2016, Euricse elaborated a first definition of the community co-operative in its white book. Elements that characterise this form are (a) the entrepreneurial nature of the organisation, for the permanent production of goods and services that can guarantee the project's sustainability. Being a co-operative (b), this new form embodies all the principles stated by the ICA; (c) it serves a community, which is a precise geographical territory or a group of people united by common values, purposes and interests towards a place, a resource or a project. The community mission expects the co-operative to be (d) open to all citizens who need its services and goods (Euricse, 2016).

In the same year (2016), the Regional Institute for the Study of Co-operation in Emilia-Romagna, one of the most famously co-operative areas in Europe, gives its own definition of community co-operatives, based on an empirical study carried out by a group of researchers.

“The Community Co-operative emerges when a territory suffers a situation of vulnerability and a real community (not a virtual one) expresses a specific need that can generate a possible entrepreneurial opportunity; economic activities are developed to pursue the community development and the maximisation of common wellness (not only the co-operative's members), not the maximisation of profits.” (Irecoop, 2016, p.8, author's own translation.)

These definitions are a valuable starting point for the comprehension of community co-operatives. Unfortunately, an official definition does not exist; thus, it is necessary to identify the main elements that compose Italian experiences. Nowadays, there is a wide variety of viewpoints, conceptualisations and theories regarding community co-operatives' definition; for instance, according to Mori and Sforzi (2018), it is possible to maximise a commonality:

“Do something for the community with the participation of community through an enterprise.” (Mori and Sforzi, 2018, p.17, author's own translation)

The first element that emerges from this generalisation is the capability to produce new social and economic value through activities that are collectively decided. The second point is the ability to regain this value through the re-use of under-used and abandoned assets, both material and immaterial, as both Euricse and Irecoop point out. Connecting different stakeholders and planning a collective process for the social and economic revitalisation of territories appears as the main characteristic of community co-operative projects. Many processes begin by recognising a loss in local services or venues that the community considers important, for either its economic survival or socialisation. Asset re-use has become a trend in the community co-operative process, but it does not mean that this is a definitive element in the general conceptualisation of community co-operatives. As examined in section 2.3.2, assets are central elements in community co-operatives because they are recognised for their value as “community goods” (Arena & Iaione, 2015; Mori, 2014, 2017). These assets generate resources that can address the scarcity of public resources and private market disinterest.

Despite the centrality of community assets and goods, economic production is the core of community co-operatives; in certain cases, community co-operatives do not manage local assets, but the economic activities are the prevalent element in the community services (Mori & Sforzi, 2018). According to Mori (2014), two elements determine the relationship with community: the service nature, and the identification of that community as the main beneficiary. This point of view confirms the constitutional recommendation regarding citizens’ role in promoting general interest; they produce quasi-public services (Tortia, 2009). Community co-operatives’ services aim to benefit people in local communities, not specific professional or social groups, as with traditional co-operatives. Every citizen in the community might need those services, and potentially everyone can become a co-operative member, due to the principle of “open door” (Mori, 2014, 2017). Thus, community co-operatives are expressly created to promote socio-economic development; not for private and individualistic interests, but for the general benefit of all who live in the community. Thus, local development becomes the “social reason” that establishes the community co-operatives (Bartocci & Picciaia, 2015). The generative “social reason” can appear in different aspects: it could be a collective recognition of a “state of need” (Borzaga & Zandonai, 2015), or a new awareness of community resources and assets (Teneggi & Zandonai, 2017).

Table 2.3. Italian Community Co-operatives’ Main Characteristics

| |
|--|
| <ul style="list-style-type: none"> • Identified with a Specific Local Community • Entrepreneurial Activities • Sharing of Social and Economic Benefits • Generated Through a Collective Process • Regeneration of Material and Immaterial Assets • Service for Community’s Benefit |
|--|

This innovative structure explains the replacement of traditional internal mutuality with the community interest and an external mutual solidarity (Mori & Sforzi, 2018; Bianchi, 2019). This approach has a proper conceptualisation as “horizontal subsidiarity” (Arena & Iaione, 2015); indeed, the Italian constitution (article 118) defines this principle:

“States, regions, provinces, town halls, and metropolitan cities support the autonomous citizens’ initiatives, singly or associated, for the execution of activities of general interest, based on the principle of subsidiarity.” (Art. 118, Italian Constitution, author’s own translation)

This article indicates a relationship between public institutions, citizens, and their autonomous organisations; the article had been formulated along with the 2001 constitutional reform, and it states a new approach towards governance for the general interest, because citizens are recognised as stakeholders and active subjects in its promotion (Arena & Iaione, 2015). This was a watershed in public administration, and has created new possibilities for civic involvement. This step can explain the co-operative model’s evolution towards a more open structure; previously, these firms operated for internal mutuality and members’ service, because even if they were collective, mutuality remained a private interest confined to specific social groups. The new approach, for general interest promotion, has influenced the co-operative model because the state has allowed its mission to be shared with citizens and civil society; thus, citizens need an innovative model to structure activities, which can improve their conditions. The horizontal subsidiarity establishes a hierarchy of intervention; citizens play an active part in promoting general interest, and public institutions have to incentivise these autonomous activities. Furthermore, if the civic self-organisation cannot overcome issues, there is public intervention (*ibidem*). In this social sphere, citizens elaborate their own visions for their territories and communities, and structure self-managed solutions for their problems; this domain hosts the collective processes and actions that lead to the creation of community co-operatives as permanent solutions and opportunities. As collective actions involve different stakeholders, the community co-operative needs a proper governance structure, to enable the participatory nature of community development processes within the enterprise structure.

2.4.2.3 Co-operative governance

This new co-operative model is relevant because it can manage various services, from welfare to economic development and commons government. For the general analysis, it is worth underlining the social bonds; community co-operatives can regenerate not only physical assets, but also even collective trust and collaboration among different sectors of local society. The presence of formerly active institutions and practices for concrete democracy in these territories has promoted the social capability to foster ideas of community co-operatives; moreover, community co-operatives can be part of participatory planning procedures with local authorities (Teneggi & Zandonai, 2017; Pezzi & Urso, 2018). This determines a variety of local players and stakeholders who can potentially be part of the community co-operatives.

Referring to social enterprises and co-operatives, Borzaga and Sacchetti (2015) identify the multi-stakeholdership nature; as mentioned above, community co-operatives can be considered as a subgroup of these enterprises. Thus, the multi-stakeholdership leads community co-operative operators to deal with the same issues as social enterprises. These organisations require trust among co-operative operators, participants and stakeholders, and this function can be reinforced by these partners’ involvement in the governance structure (Borzaga & Sacchetti, 2015). Community co-operatives cannot be mono-stakeholder organisations, because this would distance them from the contemporary model delineated in the international literature regarding community-owned enterprises. Thus, promoting social participation becomes a necessity rather than a supplement co-operative management.

Furthermore, an inclusive governance supports the formation of networks with other stakeholders and social players in the territory, and encourages the understanding of needs and potentialities. First,

this network can strengthen trust and collaboration for the local development (Putnam et al., 1993); secondly, the close relationships can favour the sharing of information and resources, to promote innovation (Triglia, 2007); thirdly, these networks help community co-operatives to share the entrepreneurial risks and diffuse the benefits derived from their activities (Sforzi, 2018).

As Sforzi (2018) considers, there is no unique model for participatory governance in Italian community co-operatives, but each organisation sets up its own structure and establishes channels for relationships with local territories. Despite the diversity, local connections arise as a key element in this model; as the next sections illustrate, all the community co-operatives examined agree that increasing the number and improving the quality of relations with their territories is a strategic choice for understanding the social realities around them.

2.4.2.4 Policy frameworks

The networking with local territories appears also in the discussion of policy framework, which aims to define the community co-operative phenomenon. As this section illustrates, the debate on what identifies a community co-operative involves the participation of local communities in its governance, as key element in its definition.

First, it is important to introduce a national strategy in which community co-operatives can play a key role: this is the “Strategia Nazionale per le Aree Interne” (SNAI; National Strategy for Internal Areas). In 2012, the Ministry for Economic Development launched the strategy to promote the socio-economic improvement of “Internal Areas”, which are defined as:

“Those areas significantly distant from essential services (health, education, transportation services); they are rich in important natural and cultural resources and deeply diverse in their nature, due to many centuries of anthropization processes.” (Barca et al., 2014, p.7, author’s own translation)

This strategy forms a part of the European development planning in 2014–2020: this aims to improve social and economic conditions in these areas, and thus to restore people, resources and services, through collaborative planning among all the public administration levels (private sector, civil society and local communities). Since the 1950s, these areas have been suffering constant depopulation; consequently, cyclical public spending reviews have reduced their resources, because the volume of users does not justify the public expenditure on services such as schools, transport, medical assistance and infrastructure renovation. This has triggered a negative concatenation that has accelerated the migration from these marginal areas to towns and cities. Alongside a description that highlights weaknesses and shortfalls in these territories, another vision in the strategy points out the potentialities in the areas; here, community co-operatives can find a strategic role. As Barca et al. (2014) claim, only local communities can know their own resources and create dedicated projects for their development; but national policies have to support this process. Therefore, the strategy adopts an approach that considers this development as a collective action that involves the interrelation between top-down interventions and bottom-up forces.

Local development is primarily a political decision that determines strategies, objectives and coordination (Gallucio et al., 2018). Clearly, the political side has a key role in local development, but it is not alone in the promotion of localities: in addition, communities, which share common values and relations, push for their own interests (Tricarico, 2014). Consequently, the resultant outcomes of these interrelations are strategies for local development where the top-down and bottom-up visions

collaborate and work together; otherwise, conflict will obstruct an integrated development with the participation of all players.

Considering these levels and the potential conflict between them, an appropriate political framework for the integrated development of local communities, with the support of higher administrative levels, has to individuate strategies, tools and resources for the participatory planning and co-production of services. This political interplay sustains the development of social innovation and community development (Moulaert et al., 2010; Bailey, 2012). For a wider analysis, it is useful to consider which policy frameworks support communities in developing new co-operatives.

Public institutions view local communities as valuable partners in promoting new planning for urban development, social projects, and economic restoration. Nevertheless, this current great attention is the outcome of a long process which began as a conflictual relationship. In the 1970s, the urban conflicts increased the unrest towards national institutions, and mobilised the suburban population in fighting for better social conditions; however, over the decades, mediation has led to a collaboration between civil society and governmental forces (Tricarico, 2014). This evolution has been a mutual recognition of the roles of both stakeholders and active players in the promotion of general wellness; thus, public institutions have considered citizens' point of view in order to understand the modern complex society, and civil society has obtained a full recognition of its work and contribution. In fact, many regions have already legislated on community co-operatives; these can indicate valuable inputs for a national legislation, and raise key questions for regulation on this phenomenon. The current regional laws and indications are:

- Toscana region law no. 24 08/05/14, article 11bis
- Puglia region law no. 66 26/05/14
- Emilia Romagna region law no. 12 17/07/14, article 2
- Basilicata region law no. 12 20/03/15, article 12
- Liguria region law no. 14 07/04/15
- Lombardia region law no. 6 06/11/15, article 11
- Umbria region law no. 1 19/06/19

Generally, regional legislations have raised an important point in community co-operatives' evolution, because they have been the first public institutions to recognise and define this phenomenon. The regional interest in community co-operatives, despite their recent appearance in the Italian context, demonstrates a wide interest in this new model for local socio-economic development. First, every legislation recognises the community co-operative as a legal definition applicable to the traditional co-operative forms (article 2511, Italian Civil Code); except for Emilia-Romagna, which identifies only social co-operatives as a legal form of community co-operatives. Second, regional legislations recognise the potentialities of community co-operatives, and allow co-operatives that aim to promote this work to adopt the legal form, and to be recognised in this way. Consequently, legislators view community co-operatives as strategic partners in territories, for integrating local services, managing commons and community goods, and in generally promoting local wellness through citizens' self-activation. It is possible to see here the application of "horizontal subsidiarity" at the regional level; these public institutions acknowledge the utility of citizens' activism. Of particular interest is the Puglia region's law regarding a minimum community presence

in co-operatives. This regional legislator specifies a percentage of local residents as members, in order to classify the organisation as a community co-operative:

- 10% of the population in towns, villages, and districts of under 2,500 people.
- 7% of the population in towns and districts of under 5,000 people.
- 3% of the population in towns, cities, and districts of over 5,000 people.

This indicates a precise requirement in the formation of community co-operatives; as discussed above, the international literature also raises a debate on the community organisations' nature, showing a contrast between community presence in the structure and the service nature. Here, the Puglia region gives a clear indication: a basic element is local communities' formal involvement, proved by membership composition. The regional legislation can also point out specific issues that community co-operatives need to tackle; for instance, the Umbria region advocates particular areas for developing new community co-operatives, called the "internal areas".

A useful parallel is the comparison with the British legislation on Community Benefit Societies (Act 2014). The British legislator acknowledges such entrepreneurial organisations as a valuable way to foster benefits within a community. The law imposes a democratic government based on the "one member one vote" system and the collective nature of these organisations. Community Benefit Societies are co-operatives that work for a community interest rather than members' interest; thus, the British legislator recognises the co-operative model's evolution, and provides citizens with an innovative model for promoting benefits and social innovation. The act does not impose a minimum percentage, but requires the proving of the existence of a valid community services; it also prevents sharing profits with members, as these must be invested for the community's benefit, and assets are used for the same purpose. The UK law indicates a clear direction: it is the service that determines the organisation's nature; whereas the Puglia region provides an alternative view of defining a community organisation, in terms of social participation by local citizens.

This issue again raises the debate about the determination of community co-operatives' nature, which also involves the academic literature. Peredo and Chrisman (2006) consider the community to be endogenous in co-operatives; consequently, such enterprises will work for local socio-economic development. Somerville and McElwee (2011) comment that this view assumes the community to be an unique entity; the authors consider community control of a community co-operative to be less important than its overall purpose and function. Communities as a social basis for co-operatives are certainly a key factor, but this is not sufficient to demonstrate the appropriate work for community development; furthermore, it could be the case that the strict selection of community members might promote particular rather than general interests. On the contrary, Zeuli and Radel (2005) see community control of local development as the best solution, because this process must avoid external influence. Both these positions are equally valuable, and raise important points regarding the community co-operatives' management; thus, the solution has to encompass both perspectives. Most of the legislation demands an explicit mission and service for community's interest and benefit, otherwise these would be traditional co-operatives to serve members' interests. Equally, the simple statement of the community's interest without a direct involvement of local citizens and organisations can define what a social enterprise is. To conclude, legislators have to encourage community co-operatives through appropriate laws; essentially, they indicate that their main mission is to benefit communities, but what emerges from the debate is the possibility of inserting further criteria regarding members' composition. The co-operative structure is already a collective entity with an "open door" system; to be called a "community co-operative", a co-operative has to guarantee the possibility of

each citizen in the community becoming a member, simply based on a communal belonging to the same community. This element allows a co-operative to have great openness in its structure, and does not force it to achieve a particular membership percentage. On the other hand, legislators can also recognise the co-operative's intention to be an inclusive organisation.

2.4.2.5 Assets

Policy framework raises another key issue regarding the development of community co-operatives: this is the possibility of transferring strategic assets from public authorities to local communities. The asset theme is more general because it also encompasses a huge share of private properties, which have a “community value” and can play a key role in revitalising territories. Thus, community co-operators have dual possibilities in planning their co-operatives' actions: on the one hand, they can apply for national or local programmes that transfer public assets to local control; or on the other, set an agreement to use private properties for assets usage.

Public authorities and entities own the major share of available assets for developing local projects; these include various buildings closed after services reduction and spending reviews, or infrastructures that could be recovered through innovative projects for sustainable mobility. In Italy there 1,600 km of disused train lines, and 1,300 km where the service is suspended; moreover, 1,900 train stations are not in use.⁹ The Italian highway society (ANAS) owns 1,244 service buildings throughout Italy, half of which are empty.¹⁰ The national agency for public real estate (Agenzia del demani) promotes these trends and processes for devolving under-used or abandoned assets to the third sector, in order to promote regeneration and community benefit.¹¹ The agency adopts a networking strategy which involves local authorities and annual open calls to attract people interested in assets use. Since the campaign's launch, the agency has promoted two main programmes, “Cammini e Percorsi” (Walks and Paths) and “Fari, Torri ed Edifici Costieri” (Lighthouses, Towers and Maritime Buildings). Interested people can apply by presenting their business plan: the programmes favour projects that show high eco-sustainability, a slow-tourism approach, and public-private partnerships; these are interesting settings for developing community co-operative projects.

Alongside public properties, private owners can participate by devolving their assets to community projects. In the private sector, the Catholic Church owns numerous buildings and assets which no longer have a real purpose. In 1987, the “Pontificia Commissione Centrale per l'Arte e Sacra in Italia” (Pontifical Commission for Holy Art in Italy) published a guideline on the re-use of disused ecclesiastical buildings. After expansion in the last century, following the urbanisation processes, the Roman Church has recognised a state of de-population in many areas, a constant process of secularisation, and a consequent under-utilisation of many religious buildings. For these reasons, the Pontifical Commission allows the re-use of churches and other buildings under the criteria of sustainability and community involvement;¹² as the research shows in the “La Paranza” co-operative case study, religious resources can be a valuable asset for socio-economic and community development.

⁹ Ferrovie dello Stato, 2015

¹⁰ www.stradeanas.it

¹¹ www.agenziadeldemanio.it

¹² Pontificio Consiglio della Cultura, “La dismissione e il riuso ecclesiale di chiese. Linee guida” (2018)

2.5 Conclusion

This chapter has presented many insights for the general analysis in this research; the main aim was to present topics and arguments that enable an examination of community co-operatives as a research object. The analysis investigates various aspects of the recent phenomenon. First, it identifies the theoretical field in which community co-operatives can find their place: namely, the community development process. Thus, the first part of this chapter illustrates the international literature on this topic, its evolution, and its current application. Community development intervenes in critical situations, both economic and social; it aims to foster social cohesion, inclusion, and improvement of people's economic conditions, through a conscious collective process. Local citizens, organisations, public authorities and stakeholders participate in planning objectives and actions for the community development. This takes different forms, which can vary from informal activities to organisation start-ups; but essentially, community development co-operatively assesses local problems and weaknesses, and focuses its attention on capacities and possibilities.

The literature review on community development highlights key features of this process. Community development has pursued its finalities in areas around the world where local communities have needed new tools for improving their wellbeing. It is not a matter of economic growth, but a wider concern regarding livelihood, sustainability, a strong sense of belonging, commons preservation, and employability. Therefore, it is a complex topic that crosses various fields and involves many local subjects and stakeholders.

The analysis of the Italian context as a potential incubator for new community development activities begins by recognising the inherent local identity that Italian communities have, based on a strong bond with their territories. As Putnam et al. (1993) find in their study, this connection with localities has deep roots in the free-towns created during the 12th century. Nowadays, Italy's social and economic situation suffers from a conjunction of difficulties and criticisms that are increasing unrest and discontentment (Bordignon et al., 2018). Italy needs community development for many reasons; this process is being undertaken through the general reform of public management, which assigns a strategic role to civic participation and collaboration between the public and private sectors (Bombardelli, 2011). Territories suffer a crisis because this situation is imposing a transition towards a new model that is deeply different from the Fordist society: public resources are scarce, local authorities power are shrinking, and there is a general abandonment and dereliction in public assets, buildings and infrastructures (Fazzi, 2013; Ranci Ortigosa, 2018; Visco, 2018). Moreover, the trust in political forces and public institutions is now at its lowest in Italy's republican history, due to ungovernable global trends and a chronic situation of corruption in the Italian system (Bordignon et al., 2018). This situation requires new patterns for the management of general interests, and citizens' involvement in community development can be a tool for this.

Italian community development can assume characteristics that are similar to the bottom-up initiatives that have emerged in other countries, in order to eradicate poverty in inner cities and rural areas, and to foster new patterns for socialisation in communities (Phillips & Pittman, 2009). Moreover, the community development can support reconversion processes after the de-industrialisation phase, and reorganise the economic features of many territories by assigning them new purposes (Vicari Haddock & Moulart, 2010; Henderson & Vercseg, 2010).

Local groups of citizens look for new ways of taking an active role in their territories, but resources procurement is a key issue; at this point in the process, community co-operatives become a valuable solution for territories' problems (Borzaga & Zandonai, 2015; Mori & Sforzi, 2018). Communities

raise questions regarding their conditions, and have to face challenges and breaking-points within their territories; thus, they begin collective processes for thinking and imaging new alternatives for their future. Here is possible to see the connection between the emerging problematic issues in Italian communities and the possibilities deriving from community development processes. Due to the need to revitalise local economies, public assets and social aggregation, community development process and community co-operatives, as outcomes of these processes, can address those socio-economic issues (Kretzmann & McNight, 1993; Craig et al., 2008; Plant, 2011; Bailey, 2012; Vieta, 2016a, 2016b, 2018a).

In these processes, the rediscovery of old traditions and local culture, the regeneration of assets and re-use of abandoned buildings, acquire importance because they can promote businesses opportunities and generate resources for supporting new projects that serve the general interest (Borzaga & Zandonai, 2015; Mori & Sforzi, 2018). Local development strategies must regard the territory as an entity; organisations with different natures, resources, limits and potentialities, and internal and external factors, compose the complex socio-economic reality of each territory (Tortia, 2009). Thus, the networking among all these elements determines the system and collective awareness, and actions arise from this complexity. Community co-operatives find their role in these networks, and operate for the general interest by involving different stakeholders in their activities (Mori & Sforzi, 2018).

Community co-operatives are outcomes of these processes; they are a valuable player in community development because of their formal business structure, which incorporates social values to serve the community's interest. Internationally, there are many forms of community-owned and/or controlled enterprises (Henderson, 2005; Craig et al., 2008), but in Italy, the co-operative form has a rooted importance in the economic system: over the decades, the co-operatives have proved their resilience and capacity to redress social inequalities (Zamagni & Zamagni, 2008; Euricse, 2015). For these reasons, the choice of this form has been almost automatic, as it has a governance structure that can involve all the different stakeholders in the process, and avoids profit speculation, in order to benefit members and the community.

Political forces and public institutions see in this new co-operative form a reliable partner for a new relationship with citizens, and a profitable collaboration for fostering new wellness in their territories. There have been various examples of this local partnership between public and private sectors in other countries, which have provided cogent inputs regarding civic engagement for community revitalisation and wellbeing (Craig et al., 2008; Vicari Haddock & Moulaert, 2010; Bailey, 2012). For Italy, this is a new sector, even though it intersects with the old model of co-operative firms; as explained in Chapter 1, co-operatives have proved their value as generators of resources and possibilities, for portions of the population that suffer critical conditions. Therefore, it is reasonable that the best solution for community development processes in Italy is the co-operative form.

In summary, community co-operatives promote important improvement in commons and community goods management. The social relationship with territories appears to be a key factor in structuring community co-operatives for the achievement of their objectives and mission; as the analysis shows, in various steps, the "networking with territories" arises as a central element in the co-operatives' functioning. Nevertheless, the literature review presents also critical aspects regarding the examination of these phenomena and consequent consideration which can derive from them.

As theories above explain, the community development processes and the community co-operatives have a similar evolution and functioning. They are collective processes that engage local communities in figuring out solutions for their issues using resources and self-reliance. Literature explains these phenomena as the replication of same dynamics and similar functioning of networks around community organizations. Previous analyses gather information from a wide range of initiatives from diverse social, economic, cultural, and national contexts; despite this considerable diversity, theories depict a homogeneity in the functioning of these phenomena. The community considers its problems; it comes together to discuss the issues; it figures out a solution; it elaborates a self-reliant solution; it manages the co-operative.

It is necessary to critically query these assumptions; can be reasonable to consider the possibility that the community, as a unique entity, participate in its wholeness to the community process and then in the community co-operative? Indeed, researchers propose description of the community enterprise phenomenon that could appear generalist; exemplarily, Peredo and Chrismann (2006) say community enterprises “*are owned, managed, and governed by the people, rather than by government or some smaller group of individuals on behalf of the people*” (p. 316). As well as, Mori and Sforzi (2018) describe Italian community co-operatives as “*Doing something for the community, with the participation of the community, through an enterprise*” (p.17, author’s translation). Wilkinson and Quarter (1996) refer to community enterprises as outcomes of collective processes led by community’s members who want to face local issues and aim to provide them and other citizens with self-reliant solutions for their problems. Even if authors recognize the participation of single members into the enterprise formation, it is not clear whether these are a share or the whole community; moreover, in case of a partial participation, it is not clear which specific members take part in the process. Along with these examples, also Zeuli and Radel (2005) present an over-representation of these dynamics because they sustain that “*co-operatives are often developed in response to a small town or urban neighborhood’s desire for self-sufficiency*” (p.50). In this sense, the authors assume that a co-operative can know and address the needs and desires of an entire community; although the capacities of co-operative to fulfil various necessities, it is hard to comprehend how they can embody inputs from the whole community. The same general deduction is also present in Bandini et al. (2014) “*community becomes an entrepreneur to meet collective needs*”. These representations mostly assume rather than explain the connections between the entrepreneurial organizations and communities, they recognize the presence of networks and collaboration but they generalize these phenomena and depict a reality where every community seems to be involved in the project.

Oppositely, other authors point out diverse aspects of community enterprises; as Kleinhans et al. (2019) recognize, just certain community members take part in the creation of community enterprises. These authors see how community enterprises, in front of the impossibility to fully accomplish an accountability of all the community’s inputs, “*position themselves as (groups of) expert with local knowledge*” (Kleinhans et al, 2019, p.11). The authors also notice how people who start up CBEs have previous experiences in other forms of community development; therefore, these community entrepreneurs have a background in social activities and pre-existing relations derived from other initiatives.

As Somerville and McElwee (2011) indicate, it is a mistake to emphasize the participation of the whole community in these enterprises; community members’ participation appears to be uneven and unequal. Moreover, the two authors, who criticize Peredo and Chrisman (2006) in their work, point out the fact that small community with high level of solidarity can have more changes to be amply involved in the organizations. Contrarily, Somerville and McElwee (2011) sustain the idea of a small group of active citizens who involve other locals in these activities, therefore, they contact people in

their social networks and convince them. This interpretation can be more reasonable but it implies a risk consequence. As Somerville and McElwee (*ibidem*) explain:

“Membership of the enterprise could be restricted to certain members of the community, who are selected by the entrepreneurs that run the enterprise. In this case, the enterprise has a clear community base but there is a risk that it may be biased in favour of a certain section or sections of the community and that other sections of the community may not benefit from its activities.” (p. 324)

As Nembhard (2004) notices, not all the community members participate to the CBEs or even used to be clients of these business. Looking at the wider frame, the analysis must consider diversities and social divisions into a territory. People who live in the same geographical area can have diverse social, cultural, religious and political backgrounds therefore it might be difficult for them to feel as a whole community but rather they will identify themselves with a social group (Kretzmann & McNight, 1993; Phillips & Pittman, 2015). Furthermore, Zeuli and Freshwater (2004) underline how authors (Fulton & Ketilson, 1992; Wilkinson & Quarter, 1996; Bhuyan & Leistriz, 2000) have inquired the community co-operatives' behavior assuming the organization as an autonomous entity rather than examine the relations between them and local communities.

It is rather plausible that a group of entrepreneurial individuals leads the enterprise for the general interest. Consequently, these organizations arise from a particular group of people in the community and reach certain shares of local communities on the base of the networks developed by co-operatives' members. For these reasons, the analysis has to recalibrate the view on community co-operatives and approaching the examination in a diverse way. As Somerville and McElwee indicate, the community entrepreneurs are people from the community and activate themselves in order to improve economic conditions; they socially involve other parts of the community and improve lobby and advocacy towards political powers for local issues and opportunities. As Kleinhans et al. (2019) indicate, the leadership inside community enterprises deeply influence values and main decisions, thus, also the relations with the territory and community can vary because subjects tend to replicate the collaboration with those they share values and trust (Putnam, 2000). As Lang and Roesl (2011) highlight, in order to examine the community co-operatives' governance it is necessary to relate the organizations analysis with the social and cultural contexts where they operate. As well as, Moulaert & Nussbauneur (2005) examine the nature of a social and solidarity economy, inside which community co-operatives can find a place (Bailey, 2012), and they see how this organizational definition cannot exclude contextualization. Consequently, community co-operatives' creation involves multiple players that interact together for figuring out solutions for their local socio-economic issues but they represent just a share of local population with specific characteristics. Therefore, community co-operative are under constant evolution because have to interface with various stakeholders and tackle complex problems.

Table 2.4. Criticisms in the community co-operatives

| Community Co-operative's Elements | Criticisms and Partiality |
|-----------------------------------|--|
| Community Definition | As Bauman (2000) indicates, contemporary communities are imaginary; therefore, their proponents elaborate the communities' identity but this presents a partiality. Even if connected to local territories, this defined communities are related to those shares of local population that shape community definitions |
| Community Knowledge | As Kleinhans et al. (2019) point out, community entrepreneurs declare to be expert in community knowledge and have adequate connections with communities. The critical point is the reliability of this knowledge because, as Somerville and McElwee (2011) indicate membership of community enterprises can be restricted to certain subjects selected by entrepreneurs |
| Community Participation | Community enterprises' founders are community members with specific inclination toward civic activism. They also have previous experiences in community development (Kleinhans et al., 2019). Not all community members participate in the community enterprise projects (Nembhard, 2004). These active community members are a small share of local population (Birchall & Simmons, 2003) |
| Community Networking | These partialities of community's participation in community enterprise projects have consequences on the deriving networks; entrepreneurs can prefer certain community members to others (Somerville & McElwee, 2011) or some locals might not be interested in participate in these activities (Birchall & Simmons, 2003; Nembhard, 2004) |

It is assumable that the diversity of the community entrepreneurial individuals influence how the community enterprise promotes their social, economic, and political actions; as Kleinhans et al. (2019) explain CBEs “*make partially representative claims*” (p.21), thus, they need to be adaptive organizations and respond to chaining interests and requests; the dialectic relations with partners and stakeholders deeply influence community co-operatives. If it is plausible that not all the community is involved into the enterprise, therefore, it is necessary to comprehend who is active part of community co-operatives and what are the consequences of this restriction. This is a key issue for the

examination of community co-operatives because, as Borzaga and Sacchetti (2015) remind us, the exclusion of certain stakeholders from the decision-making process can compromise the efficacy of the collective enterprise. From this consideration, the research proceeds to examine the centrality of social relations in the development of community co-operatives' business and the achievement of community development in general.

Chapter 3. Reading the Realities through the Relationships: Social Capital Theories, the Research Framework

3.1 The Wide Field of Social Capital

In the social sciences, studies on social capital are numerous. Due to the complexity of the theoretical structure, and the great importance gained by social relations in recent years, social capital today represents a key concept in sociological debate (Svendsen & Svendsen, 2009). Researchers throughout the world have adopted social capital in their studies, as both the object and framework for understanding our contemporary society (Bianchi & Vieta, 2018). The consequent caveat regarding these theories is paying necessary attention to an adequate definition of social capital. This chapter does not aim to report the entire scientific production on social capital theories because this is not worthwhile; in developing this dissertation, it is not necessary to list all the definitions and consequent ramifications of social capital theories. What is relevant is the impressive expansion that social capital theories have undergone since their first theorisation. The wide range and blurred boundaries of social capital theories require the researcher to identify the proper definition necessary for the analysis. Therefore, before the discussion of social capital as a research framework, this chapter clarifies the key features of social capital. The dissertation conducts a preliminary examination of social capital as a concept, and then it queries its essential characteristic as capital.

In this chapter, the first part highlights significant features of the sociological concept; the dissertation presents two of the main authors who have theorised social capital in the scientific debate. The analysis argues for a combination of Bourdieu's philosophical perspective on society and Putnam's sociological analysis of civil society; consequently, it is possible to compose an adequate framework capable of revealing key social elements in the analysis of community co-operatives. In the second part, the chapter presents the structure of the research framework and its key elements. Thus, the dissertation argues for a major interrelation of social capital aspects within the sociological analysis. In order to frame this research, the analysis applies the selected social capital elements from Bourdieu's and Putnam's theories, and interconnects them with community co-operatives' key aspects.

3.2 Narrowing the Social Capital Concept

In recent decades, social capital has been affirmed as a key concept in social sciences, because researchers have tried to devise a new interpretation of a socio-economic system that can also encompass social aspects in people's life (Svendsen & Svendsen, 2009). The first step in the theorisation of social capital as a sociological concept was Loury's (1977) critique of the human capital concept, due to the fact that it does not consider the strategic role of social connections and social context in the development of people's personal skills and consequent social position.

“An individual's social origin has an obvious and important effect on the amount of resources that are ultimately invested in his or her development. It may thus be useful to employ a concept of “social capital” to represent the consequences of social position in facilitating acquisition of the standard human capital characteristics.” (ibidem, p.176)

For Loury (1977), social relationships embody social capital; this means that people or organisations can decide which kinds of relations to employ for their purposes. From this theoretical

first assumption, an entire movement of studies, research and considerations have emerged in social science, regarding how social relationships can produce valuable resources for people, organisations, or societies' development (Bourdieu, 1986; Coleman, 1988; Putnam et al., 1993; Fukuyama, 2000; Putnam, 2000; Ostrom & Ahn, 2003; Svendsen & Svendsen, 2009; Lin, 2011). This huge scientific production has enlarged the social capital concept to the extent that defining it is now difficult; this is because it has to encompass various elements and ideas to be fully complete. The debate has involved various topics and issues related to this concept; many authors have investigated how subjects generate social capital (Loury, 1977; Fukuyama, 1995; Hooge & Stolle, 2003). Other authors have explored its role in socio-economic development (Putnam et al., 1993; McClenaghan, 2000; Woolcock & Narayan, 2000; Gittel & Thompson, 2001). In addition, other authors have queried the role of social capital in individuals' strategies for getting ahead in their life and social contexts (Coleman, 1988; Lin, 2011). As Rutten et al. (2010) illustrate, social capital has not a unique definition but rather various perspectives. The mentioned authors indicate two main approaches in these theories; a structuralist view, which sees social capital as all the connections a subject has and how these connections allow the subject to access resources, and the functionalist view, which theories that social capital is produced by the social relations and these are governed by social norms. Both perspectives offer valuable contributions for the understanding of networks and their effects on human behaviors and, consequently, the deriving organizations from these interactions. The structural perspective can support the analysis explaining networks' formation, expansion, and functioning; moreover, it provides context for social interactions. Alongside, the functionalist perspective investigates the functioning of social relations and put more emphasis on norms and values that explain human behaviors.

Although social capital still garners great interest in the academic debate, a restriction on its definition has become necessary; otherwise, every research has to encompass the entire literature on social capital in order to provide a complete definition, but this is not feasible. For this reason, this research states a clear intention regarding social capital theories, and traces a determined path in the selection of specific topics within this concept. The analysis is interested in reading the dynamics among individuals and social groups, and the formation of organisations from the aggregation of these subjects and their interrelations with their social contexts. This is because, as Granovetter (1985) reminds us, it is important to examine organisations as embodied entities in their social contexts. Consequently, this chapter does not consider the entire debate on social capital, with all theories and issues that have emerged during the last decades. On the contrary, it selects only two authors, and develops a constructive dialogue between their theories. On one side is Pierre Bourdieu, a French philosopher who approaches social science with a structuralist perspective. On the other side, Robert Putnam is the American sociologist who made social capital popular through his analysis of Italian and American societies; he adopted a functionalist perspective in his theorisation.

Bourdieu and Putnam present different points of view, because their background and research experiences are diverse. The discussion in this section explains why applying both allows them to complement each other in the analysis of social phenomena, with particular regard to community co-operatives. Putnam has achieved huge success in the field of local development because he states the benefits deriving from collaboration, trust and reciprocity, giving them a defined frame within which they can be mixed. Although Putnam considers Bourdieu's theories in the introduction to his work *Bowling Alone* (2000), the French author's influence is marginal, probably due to the late attention paid to him by the English-speaking academic world (DeFilippis, 2001; Siisiäinen, 2003). Nevertheless, Bourdieu's contribution opens the analysis to other features in the social life, which are normally underestimated or not considered in correlation. First, the trio of social-cultural-economic

capitals have the potential to provide wider and deeper dynamics within social analysis. These elements allow a diverse understanding of social dynamics because they support the vision of social conflicts inside the society. Secondly, Bourdieu's sociological approach is clearly oriented towards the examination of social classes' reproduction, and to the mechanisms that perpetuate the social inequalities. However, according to him, the research framework has to question the social dynamics within the context where community co-operatives are structured, because the different forces involved in the local project are not necessarily convergent; this is a great limitation in Putnam's formulation of social capital. As Siisiäinen (2003) explains, Putnam's approach does not include conflicting interests and problems correlated with non-organised interests. Along with theorists before him, such as Bently and Truman, he points out the importance of an animated civil world in society, as a counterpart to the government's power in upholding particular groups of interest's reasons. Nevertheless, the author underlines that Putnam's analysis fails to include social conflicts among social groups, and between these and the state. A theory of conflict presupposes different types of social groups and levels of trust within them; instead, Putnam considers only the organised and official expression of civil society. According to Siisiäinen (2003), this lack in the examination of conflicts within the society twists the analysis of social organisations. Specifically, Putnam clearly explains social elements that allow the strengthening of civil virtues, through moral norms, trust and social capital; however, he does not take into account the power relations inside organisations and between them. This is strictly relevant to the analysis of social bonds between co-operatives and territories, because people tend to associate themselves with others based on having the same social status or social identity (Tyler & Blader, 2001). Therefore, simply referring to social capital as "glue" for the local community, and consequently for collective initiatives, could be very risky if researchers do not consider the social conflicts.

Before making a detailed comparison between the two authors, the research intends to pose another inquiry on social capital theories, questioning why social relations have become capitals for developing societies, organisations, or individuals' lives. The explanation can help to detach the research from the general view of social capital as an object with its own features and functioning.

3.3 Why is Social Capital a Capital?

Despite their divergences, the common ground in Bourdieu and Putnam's theories is the interpretation of benefits deriving from social networks' and groups' association as a "capital"; or, according to the Oxford Dictionary, "*Wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing*". As explained above, both authors believe that social capital is a key resource in an individual's socialisation and positioning in society. However, before proceeding to the examination, it is necessary to understand theoretical reasons for the conceptualisation of social relations, trust and social belonging as capitals.

Why is social capital a form of capital? This reasonable question has raised different considerations over the years; thus, social capital represents an interesting contact point between economic studies and social sciences. As Evans and Syrett (2007) underline, for many authors the social capital theories represent the neo-liberal doctrine's "invasion" of the social sciences; an attempt to impose standard economic measures on social facts. This suggestion seems to be reliable, because the term "capital" has been used in the economic field primarily to recognise those elements that contribute to enterprises' functioning. In the 1960s, the debate began with the human capital concept being introduced to economic studies; then, it evolved by considering Coleman's and Bourdieu's works on

social capital. The assumption that social capital is a capital is based on the characteristics it shares with productive resources. Moreover, Bourdieu's theories join different forms of capital, and this can demonstrate a productive aspect of social capital.

Putnam et al. (1993) states that social capital can be accumulated, and those who own social capital tend to preserve and reproduce it through trust, norms and networks. The weakness in Putnam's analysis concerns the origin of social capital (DeFilippis, 2001); nevertheless, it is possible to recognise the beginning of social capital within organisations, since their formation (Svenden & Svended, 2000; Lang & Novy, 2011b; Flanigan & Sutherland, 2015). People bring their social capital into organisations, using their inclination to collaborate in order to serve new organisations that fulfil collective purposes (Tapia, 2012). In this sense, it is possible to see social capital as a capital because members do not simply participate in organisations with economic capital; rather, they use their inclination to collaborate for the success of the mission. The absence of social capital cannot determine the formation of co-operatives; thus, it is plausible to think of social capital as a necessary element for the co-operative enterprise. Moreover, social capital can reduce transaction costs (Hansmann, 1996; Evans & Syrett, 2007; Svenden & Svended, 2000; Nilsson et al., 2012).

What Putnam underestimates is social capital's connection with other forms of capital; this missing point prevents a proper assessment of social reality. Assuming a direct dependence among social capital, wellness and resources, as proposed by many scholar in development studies (Woolcock, 2001; DeFilippis, 2001; Evans & Syrett, 2007), is reductive. As Woolcock (2001, p.15) points out, *"the social capital of the poor is the one asset that they can potentially draw upon to help negotiate their way through an unpredictable and unforgiving world."* Despite its relevance in development policies and projects, it has been also pointed out that social capital in deprived areas does not contribute to improved living conditions if it is not correlated with other resources and assets (Portes & Landolt, 1996). This is clearly a key limitation of social capital; hence, it is possible to understand its impact by assessing the other resources it can bring to the owner(s).

Putnam (2000) agrees with social capital theories that consider social networks to be productive because they embody values and resources which enhance individual or collective productivity. Physical capital refers to objective materials; human capital to personal properties and skills; and social capital is the potential benefits that can derive from the connection with other people or organisations. Clearly, the American sociologist's examination of social capital considers various aspects correlated with the morality and sociability within a community; unlike Coleman (1988) or Lin (1999), who work on the individual's social capital benefits. The inquiry concerns the adoption of "capital" as a denomination for the object of research. Reasonably, Putnam's interpretation of the benefits deriving from social relations, governed by collaborative rules, is similar to that of "capital", in terms of the productive aspects which both can produce. "Accumulation", "development" and "production" are some of the terms used to describe the presence and expansion of social capital in a community. These nouns clearly indicate an economic vocabulary that regards these social features as an ordinary capital. What is interesting here is the shift from the economic field to the social sciences, without a translation of terms for the analysis. Moreover, it is relevant to understand the parallelism between the enterprise, which accumulates, uses and reproduces capitals, with the individual who owns, increases and benefits from their personal relations in the society.

According to Coleman (1988), the reason for this is the productive characteristics of social capital: it can define certain aspects of social structure according to their functions; in particular, social capital brings resources to actors, for the achievement of their objectives. Coleman even agrees on the embodied status of social capital in social relationships. However, it is difficult to observe social

capital in the real world, as it normally appears when other capitals are mixed. For this analysis, it is relevant to understand which kinds of capitals are produced by social capital through collective action, and how these capitals can influence the shaping of new institutions and their governance. Another consideration concerns the nature of the social structure: if this changes, does social capital also change? Coleman recognises that information is another important form of social capital as a basis for action, in the case of co-operatives' collective action.

What transforms simple social relations into social capital is the potential benefits that many social bonds can embody. Ostrom and Ahn (2003) outline a reflection on the social capital values, linking this concept to the definition of general capital.

“All forms of capital involve the creation of assets by allocating resources that could be used up in immediate consumption to create assets that generate a potential flow of benefits for some set of individuals over a future time horizon. Capital in its most basic sense is a set of assets capable of generating future benefits for at least some individuals.” (ibidem, p.3)

The authors recognise the multiplicity of capital's forms; this complexity can provide a wider and deeper explanation of economic and social phenomena at the micro and macro levels. The key point here is the assimilation of social relations into economic capital; this can appear as an “economisation” of the sociological field, which could lead to interpreting social facts similarly to economic ones.

3.4 Bourdieu and Putnam

In this section, the analysis compares two of the main authors in the field of social capital theories. The reason why the research considers only these is that both observe society at a macro level and, in different aspects, they question its functioning. Although they both provide key contributions in this field, their theories show limitations in comprehending social realities. As the analysis shows in this part, the authors have diverse perspectives on society and social capital. Putnam's focus on civil society and the productive aspects of social capital for local development is central to the debate on social relations and organisations for community wellbeing. Nevertheless, as Bourdieu's works propose, it is necessary to adopt a critical view of this theory, because it does not consider how organisations' development is influenced by the dynamics among people; in particular, their social conflicts.

3.4.1 Pierre Bourdieu

In “Structuralism and Theory of Sociological Knowledge” (1968), Bourdieu argues that sociologists should be more focused and concerned with the epistemological status of their perception and observations, rather than developing abstract social theories or ideas about society. This reinforces Bourdieu's belief in a major dialogue between the empirical and theoretical worlds, where the first shapes the conception of the second; particularly for the cultural and social elements that the research embodies. The researcher is not neutral; he brings his own cultural and social elements into the research. He strongly criticises American sociology, in particular the Rational Action Theory, which presumes that statistical analysis can be used to read people's behaviours and predict their future actions. Bourdieu accepts the use of statistics in sociological analysis; but as a step in understanding the social world, the simple reading of data is limited in providing a proper comprehension of society (Jenkins, 2002).

Bourdieu's major contribution to social science is the *Outline a Theory of Practice* (1977). The French author aimed to delineate a sociological practice can explain both the real world and social theories. Within his work, Bourdieu wanted to affirm the necessity of an interaction between the objectivism and subjectivism that had characterised the entire sociological debate in Anglo-American social science (Harker et al., 1990). Thus, Bourdieu transcended the opposition between the two concepts, and implemented a dialectic between social structure and agents in the real world. The French philosophical world, in which Bourdieu scientifically developed, was based on the opposition between existentialism and structuralism; these approaches view the human experience differently. On the one hand, structuralism, in particular Levi Strauss' anthropology, highlights social rules as the determining factor in people's behaviour; cultural prescription defines the morality, social relationships and structures that address humans' choices. On the other hand, the existentialist tradition, in particular the German school of Kierkegaard, Husserl and Heidegger, considers individual choice and decision-making as an ultimate act of personal freedom (Grenfell, 2008). Neither tradition satisfied Bourdieu's need to explain the gap between theoretical structures and individuals' daily choices. Cultural prescriptions address human life, but many people do not respect these rules, which are basic elements in their social contexts. These two opposing philosophical approaches only partially explain human behaviour; thus, due to the lack of interactions between the two levels, Bourdieu saw a necessity to examine why people interiorise certain values in their personal interpretation of how the social field influences their actions.

This need pushed the French author to seek an ontological interpretation of society; this involved the connection of objective structures and internalised structures. He adopted the metaphor of social life as a game; each game has rules which determine what a player can or must not do (objective structures). Games are learned through teaching and practising; consequently, every player develops their strategy according to general rules in order to achieve goals; the source of their practice is their own experience of reality. This view is determined by internalised structures that shape strategies which, in turn, are limited by the general rules. In social interactions, there is a mix of personal freedom and social constraints. Practices are outputs of ongoing interacting processes between these poles, one of which is individual (personal skills, social competences and forms of capital), and one external (dispositions, cultural rules, ways of proceeding); hence, individuals have continuous inputs from contexts, which they elaborate, not fully consciously (Harker et al., 1990). Consequently, individuals' actions and perceptions establish their understanding of phenomena. However, the social structures are constantly affected by re-interpretation, which determines their evolution; they are pre-constituted and overwhelm the human conditions, but at the same time they mutate. They are not static, as in the Platonic realm; they are products and processes. This phenomenological structure is the result of environmental conditions that provide an objective regulation of personal actions, which constantly interact with and transform them (Grenfell, 2008).

What is Bourdieu's idea of power? Moving from this inquiry, it is possible to present the theoretical system that the French author outlined to describe society's structure, social conflicts, and reproduction of inequalities. Bourdieu strongly criticised Marx, Marxists and their interpretation of social inequalities, because their approach contemplates only the economic features of the social field, objectifying social relations and ignoring the value of symbolic power in individuals' choices (Harker et al., 1990). Bourdieu retained symbolic power as the main force that steers society's evolution; it is both material and immaterial, as many elements in society express power because they derive their efficacy not from their physical aspect but from the meaning within them.

“Symbolic capital, a transformed and thereby disguised form of physical economic capital, produces its proper effect inasmuch, and only inasmuch, as it conceals the fact that it originates

in material forms of capital which are also, in the last analysis, the source of its effects.”
(Bourdieu, 1977, p.183)

Physical elements of symbolic power can be people’s language, dress code or body posture; these elements’ symbolic functions shape the construction of reality, and have the cognitive and social function of symbols. Symbolic systems build knowledge and perpetuate their dominance through the consensus created within a society; symbolic power shapes the significance of the world, as well as contributing to the reproduction of social order. Bourdieu sustained the political function of symbolic power, which forms its legitimate domination through imposing a “*legitimate*” definition of the social world. The symbolic power is determined by the conflicts among different systems; the space where they happen is social space. Moreover, symbolic violence, such as the ways in which education is realised, imposes the dominators’ power on the dominated (Harker et al., 1990). The legitimacy of power obscures the power relations that determine social stratification, meaning that the imposed symbolic power creates the culture that legitimises the power. “*Misrecognition*” is the process through which the dominating relations are perceived as legitimate, rather than what they objectively are (Jenkins, 2002). As the French philosopher wonders:

“All of my thinking started from this point: how can behaviour be regulated without being the product of obedience to rules?” (Bourdieu, 1994, p.65)

But how is the power perpetuated? How can social structure and individual behaviour be reconciled? Bourdieu responds to these questions by theorising the “*habitus*”, probably his best-known concept; the issue concerns the connection between freedom of action and the regularity of social practices. Apparently, every agent decides autonomously in everyday life; but sociological research shows statistical regularities in society. Bourdieu defines habitus as a property of social agents (individual and collective): “*a system of durable, transportable dispositions which function as the generative basis of structured, objectively unified practices*” (Bourdieu, 1979, p.VII). The habitus comprises “*structured and structuring structure*” (Bourdieu, 1994, p.170); it is structured by each person’s past, based on their education, family rules and circumstances. It is also “*structuring*” because habitus helps to shape everyone’s present and future practices; this structure embodies dispositions which generate perceptions, appreciations and social practices (Grenfell, 2008). Thus, habitus shapes people’s knowledge and understanding of the world (Harker et al., 1990). If social position changes, the habitus also changes as a result. These dispositions orient behaviours, which will consequently express a certain social position in the “*field*”. Bourdieu explains the “*field*” as the social space inside which the different habitus compete; the relations among the habitus compose the different fields, because there is not just one social space: agents operate in multiple fields according to their nature, such as a university in the educational field, or a credit institute in the economic field. Habitus are unequally positioned in the field, and they compete to achieve more symbolic power; they determine the social understanding of reality in order to justify their leading position in the field (Ihlen, 2009).

From the habitus derives the “*modus operandi*”: this encompasses all that actions and practices that individuals enact, according to their inherited cultural background and acquired notions, ideas and representations. Social actions are not merely reproductions of social orders, they are a “*regulated improvisation*” (Bourdieu, 2005). Notwithstanding, subjects are not automatons that mechanically replicate the social order; they have a certain degree of freedom in their interpretation of modus operandi. The habitus guides the subject in replicating the social structures by addressing their behaviours towards particular patterns rather than others. In social action, the subject mutates from “*product*” to “*producer*”, and reproduces the social structure (Galioto, 2018). In their modus operandi,

subjects reproduce social orders according to their social positions; the habitus is the element that conjoins the past with the present, and helps to replicate the existent in the future.

The habitus is not the only element that takes action in the social struggle for symbolic power; the successful power is determined by the amount of capital present in a habitus. In 1986, Bourdieu published the article “The Form of Capital”: the economic doctrine views capital as the accumulation of labour in its materialised form or incorporated form, while capitals as private property allow the appropriation of social energy. Capital is here recognised as an embodied force in material or immaterial aspects, a force inscribed in objective and subjective structures. In the metaphor of the social game, the capitals enable the player to change social position and increase their possibilities and strategies for conquering the symbolic power.

“The structure of the distribution of the different types and subtypes of capital at a given moment in time represents the immanence of the social world. [...] It is in fact impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms and not solely in the one form recognized by economic theory.” (Bourdieu, 1986, p.46)

The economic theories recognise only mercantile exchange for profit maximisation, and other forms of capitals are not considered in the objective and subjective interpretation of the economy. This consideration excludes the value of priceless goods, and does not consider an entire world outside the economic field.

“A general science of the economy of practices, capable of reappropriating the totality of the practices which, although objectively economic, are not and cannot be socially recognised as economic, and which can be performed only at the cost of a whole labor of dissimulation or, more precisely, euphemization, must endeavour to grasp capital and profit in all their forms and to establish the laws whereby the different types of capital (or power, which amount to same things) change into one another.” (ibidem, p.47)

This critique introduces the other forms of capital: cultural and social. Bourdieu reflected on the differences that occur in the scholastic success of people from different social classes; his hypothesis tried to explain unequal scholastic achievements not simply in terms of natural aptitudes, but also in relation to cultural capital. The author criticised analysis that takes into account only economic investment as a factor of success in the scholastic field; enlarging the examination shows that researchers are unaware of investments in terms of time spent in families, for transmitting cultural capital to children. The economic analysis of the scholastic system considers efficiency in terms of results produced and capital invested, but does not account for the hereditary transmission of cultural capital, which enables many children to take advantage of the education received at school.

“The fact is that the scholastic yield from the educational action depends on the cultural capital previously invested by the family. Moreover the economic and social yield of the educational qualification depends on the social capital, again inherited, which can be used to back it up.” (ibidem, p.48)

Cultural capital appears in three different states. First, the “*embodied*” state means the form of long-lasting dispositions of the mind and body. The accumulation and incorporation of cultural capital requires time and a personal disposition to learn; the acquisition process depends on the period, society and social class. Second, the “*objectified*” state, in the form of cultural goods that represent the realisation of theories, it is effective only if appropriated by an agent. Third, the “*institutionalised*”

state refers to the official recognition of cultural capital, such as an academic qualification, as a certificate of cultural competence that confers a conventional and constant value on the cultural capital. Holding the power to provide institutional cultural capital determines the allocation and recognition of symbolic power. This formal state enables the conversion into economic capital; thus, with more valuable institutionalised cultural capital, a person can earn more in the job market. Conversely, economic capital can buy cultural capital, through the possibility of gaining a degree in a prestigious university.

However, for Bourdieu, the puzzle is not solved unless social research considers the value of social relationships within the field of social capital. The economic and cultural capitals provide resources for acquiring status in this field, according to the agent's habitus; but social science has also to consider the social context where the agent operates, and how the bonds with other agents shape the strategy to achieve symbolic power.

“Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with backing of the collectively owned capital, a “credential” which entitles them to credit in the various senses of the word. These relationships may exist only in the practical state, in material and/or symbolic exchanges which help to maintain them.”
(Bourdieu, 1986, p.51)

Social capital does not simply involve social relationships, but also the possibility to acquire resources, material or not, for repositioning in the social field. Agents activate their social capital in order to acquire resources or achieve an objective, and the social capital's force increases with its symbolic power and the economic and cultural capital. Furthermore, the volume of social capital depends on the size of network connections. Deriving profits from membership of a group enables solidarity among members, and consequently the strengthening of social capital.

The existence of a network of connections is not a natural given; it is the product of investment and strategies, individual or collective, conscious or unconscious, which aim to conserve social relationships that are directly usable in the short or long term. Subjective value and objective laws have implications for maintaining social capital: for instance, Bourdieu talked about the “consecration” that occurs through the symbolic power of social capital; this strengthens social institutions and mutual exchange, which develop mutual knowledge and recognition. Bourdieu considered social capital as the basis for social groups' maintenance, both formal and informal; it is the social force which enables identification with others, and collaboration for achieving personal and collective aims inside the group. Furthermore, social capital allows the exchange of resources that increase mutual recognition inside groups. To sum up, Bourdieu's idea of social capital is based on three elements: a social group, the network among members, and the sense of trust built on reciprocal exchange. Different amounts of social capital can explain why, despite having the same amount of cultural (and, in particular, economic) capital, different groups or organisations achieve different results in terms of symbolic power, influence and resources. Thus, social capital can multiply the resources embodied within a group (Bourdieu, 1986; Coleman, 1988; Siisiäinen, 2004).

At this point, it is important to question the possible limitations of social capital. Critics point out Bourdieu's reductionist vision of social complexity, in which everything is reconnected to economic capital (Alexander, 1996), and people appear as only interest-driven agents, losing explanation on facts such as solidarity. Social capital is also problematic in Bourdieu's theories because they consider

society on a macro level, thus ignoring singularities, such as how different people are aggregated in general social classes (Tzanakis, 2013).

Nevertheless, Bourdieu understands the inherent mechanism of exclusion in social capital: the mutual recognition inside a social group also allows the exclusion of outsiders, who have no access to the common resources. This specific element in the interpretation of social capital is relevant to the analysis of social relationships in the structure of collective institutions that manage commons and community resources. The new Italian local welfare laws promote the self-activation of citizens in their communities; this means the involvement of local resources and capitals, both private and public. The issue here concerns the possible development of new institutions for the management of local welfare. If they require the aggregation of many and different capitals, it will be useful for social analysis to understand how the capitals interact in the organisational structure, and whether or not the constitution of a social group for the community project drives an unconscious exclusion.

For Bourdieu, the social analysis has to examine the complexity in society; this is the struggle between individual experience and objective structure, with a focus on fields and the conflicts involved in struggles. This approach to social research pays more attention to these interactions because “*the true object of social science is not the individual*” (Bourdieu & Wacquant, 1992, p.107). Conflicts within the field can explain social phenomena and agents’ strategies, thus identifying the whole logic of the field as an empirical reality, historically located (Ihlen, 2009). Despite the great importance of Bourdieu’s analysis, it is limited in its vision, due to the complex structure of habitus; furthermore, the struggles in social fields annihilate the individual’s will. This is relevant for the analysis of social phenomena, because although Bourdieu clearly explains reasons for the social interactions between subjective and objective reality, the outcomes’ interconnections force the individual to be part of the social structure.

Moreover, it is difficult to see in Bourdieu’s work a possible explanation for phenomena such as collaboration and reciprocity. The framework that emerges from his theories can be adopted to analyse such social facts, but social capital concept itself cannot completely explain them. The French scholar assigns social capital a role in the dynamics within groups; he mostly considers the interactions among these groups and their habitus as a permanent conflict in society. Therefore, these ideas can be integrated with Putnam’s theories, which also require deeper understanding and integration, according to reasons explained in the following section.

3.4.2 Robert Putnam

Putnam has contributed to the long tradition of American communitarianism studies, which has its roots in Tocqueville’s manuscript *Democracy in America* (2009). The main concerns in this field are to explain the political and social structure of modern societies, with a particular focus on Western ones. The civil society and voluntary organisations in general are evaluated as the expression of individuals’ aggregation to serve members’ general and common interest. These initiatives for the promotion of intermediate bodies between citizens and states can explain the evolution of a democratic structure which deals with the rise of different points of view in the wider society. Putnam’s studies perpetuate the functionalist analysis of social integration in society; his main theory regards social capital as an essential element in the civil society’s life, which determines a better, more democratic society.

Putnam and his studies are an expression of the modern interpretation of communitarianism; indeed, he is concerned about American society and the individualism that has blatantly appeared late in the last century and in the current one. “*Our national myths often exaggerate the role of individual*

heroes and understate the importance of collective effort" (Putnam, 2000, p.24). Thus, the author is very critical of the degeneration towards self-interest and the abandonment of the important civil society tradition. After a long study of the Italian socio-political structure, he focused his attention on the United States, and examined the rise of critical social phenomena which are labelled as "individualist". He saw a "civic malaise" in American society at the turn of the century, when people were content with the great economic prosperity achieved. Although the sociological analysis precedes the 2008 financial crisis, nevertheless a huge sense of isolation and self-interest has characterised this contemporary society. These considerations led the sociologist to question the social changes in his country; these form the core of *Bowling Alone* (2000), Putnam's second and most famous research work.

With this research, Putnam investigates different aspects of American social life: these include political activities, civil society membership, religious participation, informal social activities, workplace life, volunteering, philanthropy, social movements, and a sense of trust and reciprocity. In the 1950s and 60s, the community life and civic engagement seemed to be enjoying a "golden age", in terms of assiduous attendance of meetings, official memberships, groups around the country, total number of participants in local leagues and social clubs, hours spent volunteering, etc. These elements are the statistical basis upon which Putnam assesses changes in the American society; the author also compares the general perception of public life between old and young generations, to discover different views of how people consider the social bonds between them. Community feeling, trust in others, collaboration and social aggregations are all indicators that steadily decreased since the 1970s; Putnam explains the social isolation in American society through the disappearance of social capital. The more people are engaged in social relations, the more they trust other individuals. Therefore, participation in civil society is the way to build social trust, and this generalised trust is the basis for reciprocity among group members; moreover, these factors reinforce themselves circularly.

Putnam formed his idea of social capital by studying a wide background, which involved previous scholars such as Hanifan, Jacobs and Loury, as well as contemporary authors such as Coleman, Schlicht and Xavier de Sousa Briggs. He also included Bourdieu's studies in his reflections, which consider social capital as the benefits that can derive from the social networks around an individual or a collective entity. Social capital has both a private and public aspect: it can appear in a private context for private interests, such as in searching for a job position. However, personal social capital is insufficient unless inserted into a wider network; thus, an individual who is well-connected in a poorly connected society has less productive social capital than someone well-connected in a well-connected society. According to this vision, the social capital is not just the amount of social bonds owned by a person; it is also the interconnections with other social elements such as norms and values. Putnam underlines that networks involve mutual obligations, which in turn are underpinned by moral norms. This is particularly evident in social contexts where bonds are weak and the collaboration procedures are constant. As Ostrom and Ahn (2003) explain, these social conditions can strengthen the social capital because they ensure a mutual control over the agents involved; as in the prisoner dilemma, if the interactions among the players are constant and repeated, it is possible to establish a punishment for transgressors through socially excluding them from benefits.

For Putnam, social capital refers to "*the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense, social capital is closely related to what some have called 'civic virtue'*" (Putnam, 2000, p.19). Nevertheless, civic virtue alone is not sufficient for understanding social capital, because it does not incorporate the social networks around a person or organisation. Moreover, Putnam assigns reciprocity a key role in the structuring

of social capital. Basing his argument on Hume's farmer paradox¹³, he connects the value of reciprocity to the reduction of transaction costs in everyday life within a community. Compared with Bourdieu, there is a clear difference: the French author does not refer to reciprocity in his writings on social capital, but he points out the importance of mutual recognition inside the same social group.

Putnam's publications have received great attention and, consequently, attracted critiques (DeFilippis, 2001; Ihlen, 2009). The main weakness in Putnam's analysis concerns the origin of social trust: as Siisiäinen (2000) points out, the American author highlights voluntary associations in public life; but this cannot completely represent the whole meaning of social capital, because the reciprocity is not an implicit consequence of civil society membership. Although Siisiäinen's point is reasonable, Putnam's analysis is also valuable, because in many cases described in *Bowling Alone*, the association with particular organisations implies the inclination to deal with other people to achieve a general purpose, such as in voluntary, religious or political associations. The co-operative, in this case, can probably represent the best example where the formal association with an organisation implicitly requires a strong inclination towards trust in others and reciprocity. Nevertheless, Siisiäinen raises a key point for this analysis: the origins of social trust are not very clear, and Putnam assumes that the simple membership of a civil society leads to social trust and capital.

3.5 From the Differences, the Synthesis

3.5.1 Social Capital Elements in Aggregations for Common Purposes

As Max Weber (1992) explained, voluntary associations are based on relationship networks within which the leadership seek to dominate upon members. Putnam does not consider the internal struggles to achieve leadership in organisations. Although in democracy a great civil virtue can improve the quality of life, it is also true that there are huge conflicts in the democratic field, to obtain the power. Agents, which can be individuals or institutions, strengthen symbolic power in order to conserve their social positions in the field. As Bourdieu explains in his critique of the French educational system, high-level universities use their resources to conserve their positions as prestigious institutions, which produce cultural capital, such as degrees; therefore, they reinforce the symbolic power that convinces society that those universities are the educational elite.

Putnam accepts the civil society as a wholly positive entity; he does not recognise the power relations in social capital networks, and assumes that the individual's interest can enhance the collective wellness (Evans & Syrett, 2007). According to this vision, this sociological analysis has to question not only the dynamics that structure the community co-operatives, but also the process that leads to these organisations, given that agents play their strategies in order to achieve their own objectives. Therefore, how do these struggles affect the community co-operatives' structuring? In assessing community co-operatives, combining the two authors' theories can delineate a portrait of local communities animated by civic spirit, though these involve only some of the local citizens.

¹³ "Your corn is ripe today; mine will be so tomorrow. 'Tis profitable for us both that I shou'd labour with you today, and that you shou'd aid me tomorrow. I have no kindness for you, and know that you have as little for me. I will not, therefore, take any pains on your account; and should I labour with you on my account, I know I shou'd be disappointed, and that I shou'd in vain depend upon your gratitude. Here then I leave you to labour alone: You treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security." In Putnam R. "Bowling alone: the collapse and revival of American community." New York: Simon & Schuster, 2000.

Questioning community co-operatives' adoption of this framework means investigating the effective community development work of these co-operatives.

For Loury (1977), Bourdieu (1986) and Coleman (1988), social capital is embedded in social relationships; this means that people or organisations can decide which kinds of relations to employ for their purposes. Putnam considers social capital to be a resource owned by agents; thus, many communities have a certain "stock" of social capital, and others do not. This implication shows the clear functionalist approach in Putnam's theories: communities with greater social capital can endorse a better civil society, as a counterpart to public government. However, his analysis does not consider the individualistic experiences in each community, and merely assumes that the stock of social capital is widely possessed by all members (Putnam, 1993; Svendsen & Svendsen, 2000). The lack of individuals in Putnam's theory leaves a gap in his social analysis; but despite this absence, Putnam adopts social survey data to observe individuals' behaviour, aggregating these results for more general considerations on a larger scale. This creates the assumption that voluntary and civic organisations as generators of social capital are a normatively positive (DeFilippis, 2001).

Bourdieu's social analysis can compensate for this lack when examining organisations. According to the political functionalist perspective, organisations in civil society play a strategic role in highlighting the main issues in public debate; thus, the leadership in these associations could determine the symbolic power (in Bourdieu's sense) inside and outside the intermediate body of civil society. Each organisation competes in social space to affirm its own symbolic power; in this sense, it is possible to read the whole history of the Italian co-operative movement, as presented in Chapter 1. The outcomes of the struggles among different political and social forces lead the movement in one direction or another; the Italian case can demonstrate how it is relevant to read social facts through a framework that combines Bourdieu and Putnam. The analysis has to consider communities not simply as whole entities, but as an aggregation of people, organisations, social and political forces within a territory. By adopting this new perspective, it is possible to provide a deeper investigation of the social work that community co-operatives are conducting. As explained in Chapter 2, these initiatives are the outcomes of collective processes for dealing with common states of need; they appear as institutions for the management of collective actions and resources. Here, it is limiting to assume that the community is a whole entity, as can be deduced from Putnam's analysis: local communities are also a field with struggles, even for the affirmation of a community project. The community development is a narrative that has a particular way of interpreting the society, especially welfare, and how to build it; this clearly relates to the indications presented in Chapter 2 regarding community development theories. A community co-operative promotes this view of local community, and how it has to self-activate for its own wellness; we might assume that these co-operatives are expressions of the whole community, but in practice this connection cannot be taken for granted.

Each organisation has its own founders, supporters, members and workers; among these, the leadership has a strategic role in promoting new projects (Irecoop, 2016). Co-operatives represent a social group that forms intentions for its territory and promotes collaboration among agents. Putnam's theories can explain bottom-up drives that shape these initiatives; thus, it is possible to investigate the productive aspect of social capital in these local organisations, but the result could be reductive if the analysis does not also consider assumptions regarding the conflicts inside the communities.

"The different classes and class fractions are engaged in a specifically symbolic struggle to impose the definition of the social world that is most consistent with their interests; the field of

ideological positions reproduces the field of social positions, in a transfigured form.”
(Bourdieu, 1979, p.80)

Communities are products of complex interconnections between social, political, cultural and economic powers; however, they are also outcomes that constrain agents' possibilities. This interpretation applies Bourdieu's theory in the practice of social science, reading the reality through a constant dialogue between individual subjectivism and structural objectivism. Putnam can show the cultural elements that could endorse community activism and civil society; but the social analysis has to correlate these elements with others, such as social positions, and cultural and economic capital.

“If communities are outcomes, they are not simply outcomes of the characteristics of those within them, they are also outcomes of a complex set of power-laden relationships – both internally, within the communities, and externally, between actors in the communities and the rest of the world.” (DeFilippis, 2001, p.789)

Accepting this aspect of social capital is useful for assessing community development, because there are projects promoted by a certain part of the local community. This reflection opens the door to a diverse examination of community co-operatives and community development; however, considering the link between social capital and civil society as the explanation for the wealth in a certain territory is reductive, because this interpretation regards the voluntary associations in civil society as being solely constituted by people with mutual interest, reinforced by social capital. This win-win situation ignores power relations in intergroup relations (DeFilippis, 2001) and the internal struggles for the leadership. Thus, connecting the three forms of social-cultural-economic capital focuses the examination not only on the dynamics that structure the community initiatives, but also on their inclusiveness. This aspect assumes particular relevance in the examination of community co-operatives.

Bourdieu's studies explain how subjects decide with whom they create connections and how they select certain subjects rather than others. Despite the key contribution in explaining social relations, Bourdieu's works underestimate certain social elements that clearly appear in the reality; As Alexander (1996) underlines, the French authors does not consider values such as solidarity and altruism. Bourdieu gives an interpretation on social relations formation but he mostly depicts subjects as selfish and focus only on individualist objectives. As Rutten et al. (2010) suggest, certain shares of social capital theory tend to explain the structuralist essence of this object; therefore, it can be useful to see how these social relations can work not limiting the analysis to the networks creation and conservation. As explained above, Bourdieu does not consider values in his analysis but the literature on community development and co-operatives describe the use of moral values and norms as key elements for the success of these initiatives (Wilkinson & Quarter, 1996; Lang & Roessl, 2011; Bandini et al., 2014; Sforzi & Mori, 2018; Bianchi, 2019). Putnam sees social capital as a resource that strengthens social cohesion and improves quality life. Specifically, he defines social capital as *“the connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them.”* (Putnam, 2000, p.19). He underlines how values and moral norms have a key role in governing networks, allowing collaboration, and facilitating reciprocity.

The positive association among community cohesion, civic participation and economic stability in Putnam's work is a key element in collective processes for the implementation of community assets and benefits. In this sense, it is possible to see the wider application of Putnam's theories in community development programmes and practices (McClenaghan, 2000; DeFilippis, 2001). The concept that connects social capital to community development is viewing the community as a whole

entity. Despite their great relevance, Putnam's theories focus on social cohesion and elements that foster it. In this sense, social capital does not explain how other forms of capital are involved in networks; however, Bourdieu's perspective can explain the resource-base of these networks (Carpiano, 2006). This perspective analyses the material elements in social networks; the social bonds' function can also reveal a negative aspect of social capital, namely the exclusion of specific individuals from obtaining resources within a network (Bourdieu, 1986). Without cognitive social capital, which relates more to Putnam's elements, it is not possible to mobilise networks and access resources in them, as Bourdieu theoretically suggests. Members collaborate to reduce risks; they invest economic capital because the co-operative model can regulate the transactions and reduce costs, and they use cognitive social capital to enlarge the horizontal integration through structural social capital (Nilsson et al., 2012). Thus, it is possible to see the inclination to collaborate in a co-operative as an investment of appropriate cultural capital, in terms of knowledge of the co-operative system and deriving benefits; while cognitive social capital translates this cultural capital into practical collaboration with others.

Moreover, Putnam's approach does not consider social conflicts, which are basic for understanding social realities complexity; these conflicts reveal deeper social struggles related to various social groups and these can also outline capitals redistribution toward an objective or another (DeFilippis, 2001; Siisiäinen, 2003). Bourdieu (1977; 1979) explains how social groups compete in the society for affirming their symbolic power which provides a meaning to the social reality. It is plausible to see how Putnam's theory on social capital fits into the social structure described by Bourdieu. Certain people, with specific social characteristics, and common cultural capital act in a solidary and altruist way in order to prove their vision of the world to others. They gather resources through social capital because they share objectives and mutual trust but, most important, they aim to prove the value of their ideas regarding the interpretation of social reality. Therefore, even if these explanations are morality comprehensible and shareable, such as work together for community development, it is not logically consequent that all the subjects in that society share this vision because there are pre-existing divisions due to social differences that distance people.

3.5.2 Trust, Collaboration and Reciprocity

Both authors agree on the key role of the social relations and networks around agents; social capital is built upon these relationships through reciprocal recognition, which is made possible through constant material exchange (Bourdieu, 1986). The social identity establishes the selection criteria for whom the agents will interact with; this does not emerge in Putnam's theories. However, Bourdieu does not consider the role of reciprocity, trustworthiness, moral and social norms in the regulation of social capital; particularly in the constitution of institutions for the regulation of collective actions. He underlines the social capital of individuals within a social group, in the sense that the agents can access different forms of capital due to their membership; but this element is insufficient to explain phenomena such as voluntarism or co-operation among different stakeholders.

Referring to trust, Putnam (2000) underlines that strong and frequent personal relations constitute it: this is "*thick trust*". By contrast, "*thin trust*" can extend the trust benefits beyond the ordinary roster of people, and could be useful in strengthening the social capital and collaboration in the community. The framework has to investigate which are the thin and thick trust relations in each context: for instance, when the founders begin the project, do they rely on their thick trust relations? How can they expand and involve people through thin trust relations? Or do they just involve people through thick relations? To assess these issues, the research has to question users, workers and citizens. Putnam maintains that people with thin trust have more trust in others, and are more engaged in

community life; thus, civil engagement and social trust are mutually reinforced. However, what is the situation for people who are not involved? What are these people's habitus? If they are not engaged in the project, what are the reasons? By combining the two authors, a social capital framework can envision material and immaterial elements as being embodied in the social networks around co-operatives. Social capital can explain roles that regulate resources exchange and collective action, through analysing the social bonds.

Reciprocity is a key concept in this analysis; both the authors acknowledge this as a basic element in the formation of social capital. For Bourdieu, in social networks each agent is recognised as a member because they participate in the mutual exchange of goods or symbolic power; this reinforces the solidarity of the group and ensures future possibilities of acquiring resources through social capital. In Putnam's argument, trust and reciprocity are moral values; thus the American author assigns a different value to social capital, because it can foster positive externalities. This is important for this analysis, because it recalls the findings presented in Chapter 2 regarding the theoretical structure of community co-operatives; the co-operative model for managing common resources or working for the general interest is underpinned by reciprocity and trust. By combining the two perspectives on trust and reciprocity, it is possible to see how these view the object in different lights, particularly in terms of social boundaries. Bourdieu is more focused on the dynamics that reinforce the bonds inside a consolidated group, whereas Putnam examines trust and reciprocity as general virtues in wider communities.

3.5.3 Social Capital Preservation

Can social capital disappear? The analysis has to consider the possibility that if social capital is present in communities or individuals' life, it might also disappear, as Putnam (2000) explains in the case of contemporary American society. These considerations raise a strategic element in the analysis: what can preserve the social capital? According to many empirical studies about the role of co-operatives (Svendsen & Svendsen, 2000; Lang & Novy, 2011a, 2011b; Tapia, 2012; Flanigan & Sutherland, 2015), it is the institution inside which people have constant and repeated interactions that facilitates, promotes and conserves social capital among people. When organisations that overlook members' activities lose their force and the internal roles are weakened, the risk of free-riding increases dramatically and people withdraw their social capital from co-operatives. This point reinforces the thesis here presented, regarding the key role that co-operatives can play in the management of collective actions. Without this role the extreme formalisation of relations can distance people who live the daily co-operative life (Svendsen & Svendsen, 2000). Co-operatives allow wealth redistribution and equal access to the decision-making process, as illustrated in Chapter 1. Despite these positive aspects, the analysis of the co-operative model has to consider the differences among members, because if the economic analysis shows the co-operatives' peculiarities, Bourdieu's caveat has to remind researchers that economic capital is not the only element involved in the examination.

3.6 The Research Framework

The first part of this section discusses theories and identifies a combination of themes relevant for the analysis; the selection of identified features of social capital intends to grasp specific information during the data collection and analysis. Narrowing social capital theories to determined aspects means focusing on certain features of social realities rather than others. For example, if the research aimed to investigate the role of strong personal ties in individuals' professional careers, it would be better to consider Coleman (1988), who points out the social capital functioning in personal relations.

However, this research investigates collective processes and their interrelations with reference contexts. Moreover, the research intends to understand how social relations can bring other forms of resources to people and organisations, as well as which kinds of values lead relationship networks to act in one way rather than another. Bourdieu and Putnam provide various insights on these topics, and help to comprehend how people act in social realities according to their backgrounds, when developing social aggregations for common purposes. The comparison between the two authors provides the research with a theoretical framework for examining subjects' behaviours, both individual and collective, which create the organisations' structure and their relations with social contexts. Therefore, the framework continuously moves between an individual and collective perspective, as well as from informal to formal aspects. As theorised in Chapter 2, community development is a process, of which community co-operatives are outcomes; thus, the framework is applied to both the process and the resultant organisations, by keeping in consideration the dialogue between individual participants, with their habitus and modus operandi, and the organisations that they create, which find a place in communities.

Ostrom and Ahn (2003) regard the increasing interest in social capital during recent years as a new approach for studies on economic development and institutions. This new interpretation of the framework for the socio-political-economic analysis of different objects can incorporate elements never previously considered. Thus, the social capital framework considers factors such as trust, norms of reciprocity, forms of civic engagement, and formal and informal institutions that cause behaviours and collective social outcomes. This approach can improve inputs for economic and political aspects on micro and macro levels, enabling scholars to construct a stronger causality relation among those factors; this can be achieved without dismissing the insights from neo-classical economics and rational choice theories, which are essential for studying the micro foundations of macro phenomena (*ibidem*).

Following the theoretical definition of social capital, the analysis moves to the enrichment of the framework with those empirical elements that emerge from the literature review. In previous sections, the research selected the most valuable social capital elements for the examination: these include cognitive and structural capital, the values that enable the social aggregation and co-operatives' creation, the conversion of social capital into other forms, subjects' modalities for choosing appropriate social relations in their networks, and the habitus and modus operandi. The second part connects these elements with community development and the community co-operatives' sub-parts, which the research seeks to analyse in order to understand how they gather and form the final outputs of communities' benefits. The community development process and the community co-operatives' sub-parts cannot exist if people do not create and activate. The community mission, the use of assets with important community value, the formal co-operative structure, and individuals' contributions, appear as single objects in the realities if they are not connected. For this research, the connection is made through people's social actions to achieve benefits for communities; therefore, this aim and consequent actions for realising it activate social networks in communities. As previous theories explain, social capital elements generate results within the social relations networks; these results can improve behaviours in terms of collaboration, trust and reciprocity. Nevertheless, specific features of participants' social identities and cultural backgrounds determine this functioning, and the selection of other subjects. In order to improve the understanding of community co-operatives, and find answers to the research questions, the analysis needs to adopt a framework that considers various characteristics of social networks.

The next sections expand the academic debate on the scientific analysis of co-operatives' functioning, explaining the marginal academic interest in the investigation of relations between co-

operatives and their territories. In this way, the research strengthens its intentions to give the analysis a precise scope, by demonstrating the necessity to understand co-operatives' functioning through the analysis of the contexts and territories where it operates. Then, the chapter conclusions present the research framework, which combines social capital features and key elements of community co-operatives.

3.6.1 Social Capital and Co-operatives

Numerous publications confirm the wide interest in social capital theories as a research framework for studies of co-operatives. The literature review (Table 1) reveals how social capital is used to explain the dynamics inside and outside co-operatives, involving issues such as the governance model, resource management, relations with co-operative members, and bonds with territories.

Table 3.1. Literature Review of Social Capital and Co-operative Studies

| Author(s) | Year | Field | Social Capital framework or object |
|-----------------------------------|------|---------------------------|------------------------------------|
| Svendsen & Svendsen | 2000 | Community development | Framework |
| McClenaghan | 2000 | Community welfare | Framework |
| Lemon & Lemon | 2003 | Community welfare | Object |
| Chloupkova et al. | 2004 | Co-operative performance | Framework |
| Valentinov | 2004 | Institutional analysis | Framework |
| Kay | 2005 | Community development | Object |
| Evans & Syrett | 2007 | Local development | Object |
| Uski et al. | 2007 | Co-operative management | Object |
| Stofferahn | 2009 | Co-operative management | Object |
| Duraj | 2010 | Community welfare | Object |
| Ferrucci | 2010 | Co-operative management | Object |
| Degli Antoni & Portale | 2011 | Community development | Object |
| Majee & Hoyt | 2011 | Community development | Object |
| Lang & Roessl | 2011 | Housing Co-operative | Framework |
| Lang & Roessl | 2011 | Agriculture co-operatives | Framework |
| Nilsson et al | 2012 | Theoretical analysis | Object |
| Tapia | 2012 | Co-operative management | Object |
| Travaglini | 2012 | Community welfare | Object |

| | | | |
|----------------------------------|------|---------------------------|-----------|
| Touminen | 2013 | Co-operative management | Object |
| Lang & Novy | 2014 | Community development | Framework |
| Campbell & Sacchetti | 2014 | Community welfare | Framework |
| Abdallah et al. | 2015 | Agriculture co-operatives | Object |
| Borzaga & Sforzi | 2015 | Agriculture co-operatives | Framework |
| Hatak et al. | 2015 | Housing co-operatives | Object |
| Flanigan & Sutherland | 2015 | Agriculture studies | Object |
| Liang et al. | 2015 | Co-operative performance | Object |
| Feng et al. | 2016 | Agriculture co-operatives | Object |
| Bauwens & Defourny | 2017 | Energy production | Object |
| Georgiou & Stamboulis | 2017 | Co-operative management | Object |
| Sforzi & Bianchi | 2020 | Community development | Framework |

The various studies listed above investigate different issues concerning co-operatives from both empirical and theoretical perspectives. Moreover, it is interesting to note that social capital is both the research object and framework. This review confirms the strict connection between social capital and co-operatives, due to their particular nature, which challenges people's attitude to collaboration. Social capital, as the research object, is assessed in terms of networks' structure, interactions, and the sense of trust and collaboration. The researchers investigate the object from different points of view: co-operative management, relations between members and co-operatives, or how co-operatives relate with other organisations. Social capital as a framework is useful for reading phenomena such as social cohesion, local development or community empowerment, because these involve typical social capital elements, including trust, collaboration and social relations, for structuring local projects. Many authors confirm the idea that social capital is a useful framework for assessing dynamics among co-operatives, territories and local stakeholders. However, despite the utility of many works listed above, few authors identify a connection among co-operatives' structure, bonds with territories, and social capital theories (Kay, 2005; Uski et al., 2007; Stofferahn, 2009; Travaglini, 2012; Touminen et al., 2013; Campbell & Sacchetti, 2014; Flanigan & Sutherland, 2015). Despite social capital's dual application as both object and framework, these works are relevant to investigating how co-operatives relate with local resources, stakeholders and other co-operatives. This argument is the foundation upon which it is possible to build the research framework; the methodological problem that arises is due to the elements that form social capital.

Additionally, this literature review demonstrates various areas where co-operatives operate, and where social capital can be used as a framework for investigating them. This confirms the research aim of addressing the discussion of social capital as a valuable framework for examining co-operatives. In the community development field, there has been ample analysis of relations between the field and co-operatives. With regard to other fields, social capital becomes a useful lens for reading

social realities. As explained in Chapter 1, the co-operative firm model overcomes traditional firm settings and involves different dynamics, with members' major involvement and participation. Therefore, social capital theories enable institutional analysis, or the examination of managerial and performance examination, because they look at how members' interactions create inputs for the co-operative's functioning. Moreover, the same dynamics explain how co-operatives work in the various fields listed in Table 1; these co-operatives can also use social capital for achieving their objectives, such as improving welfare services, because they minimise information asymmetry (Campbell & Sacchetti, 2014). Other explanations support the idea of co-operatives as generators of social capital among their members, thus improving their life quality (Lang & Roessl, 2011a, 2011b; Majee & Hoyt, 2011; Flanigan & Sutherland). These effects can happen in various economic fields, as the table shows; such as housing co-operatives and dwellers' relations for dealing property and management issues; relations among farmers for creating common workshops or purchasing networks; and trust bonds between co-operatives and clients of welfare services.

The literature review reveals a variety of approaches due to the abundant social capital field. Thus, it is useful to distinguish the main common elements that arise from the literature analysis. First, social capital can investigate elements at macro, meso and micro levels. The micro level concerns relations among individuals; meso, relations among groups, institutions and organisations; and macro refers to political structures. Influences between the different levels can exist; hence, it is worthwhile to keep all three in consideration during the analysis. National policies or institutions can promote a setting for the collaboration among local organisations and stakeholders. It is plausible that the work of these organisations can influence relations among individuals. On the other hand, the analysis can be reversed, so that citizens' inclination to collaborate or not can determine the realisation of a national policy, which involves local organisations (Grootaert & Van Bastelar, 2002). Methodologically, the research has to focus on a particular level in order to investigate the intended object. If the researcher is interested in social capital as factor in individuals' career development, s/he has to focus the analysis on the micro level; conversely, investigating wide social phenomena, such as Putnam's analysis in *Bowling Alone* regarding social participation, requires a macro-level perspective. As explained above, the research considers community development processes and community co-operatives as outcomes of these processes, as a result of interactions among individuals, organisations, and the social contexts around them; therefore, the focus swings between the micro and meso levels, and obtains empirical evidence from the relations and interactions between them.

The second distinction is the different perspectives on social capital: it can be understood as both structural and cognitive (Paldam 2000; Uphoff, 2000). The first type refers to rules, roles and procedures that facilitate cooperation. The second refers to moral norms, values, attitudes and beliefs that identify the inclination for co-operation. The first is correlated with the development of social capital inside organisations, formal or informal; while the second is linked to mental processes (Evans & Syrett, 2007). Consequently, the structural facilitates the collective actions, whereas the cognitive predisposes people to be collaborative (Borzaga & Sforzi, 2015). It is important to underline this difference, because the analysis in this research takes both aspects into consideration; as the fieldwork reveals, these two aspects emerge in social relations and community development dynamics. Again, what is important is the proper differentiation between the ideas of social capital as both the framework and object of the research. In this case, theories help to read the social realities that emerge from interviews and direct observation, and they frame what the analysis reports. Structural and cognitive social capital express characteristics that explain social behaviours and rules; thus, these theories provide support for the thesis' final argument in interpreting co-operatives' work in local

development and their network functions. First, it is necessary to identify which social relations actually exist among co-operators and other community members, and then between co-operatives and the rest of local society; this is the field of structural social capital. However, limiting the focus to this aspect is insufficient because it does not extrapolate the values embedded within the relations; cognitive social capital theory is useful here, because these values explain why people associate together and collaborate. Social capital reproduces virtuous behaviours because shared values govern relations (Bourdieu 1977; Putnam, 2000).

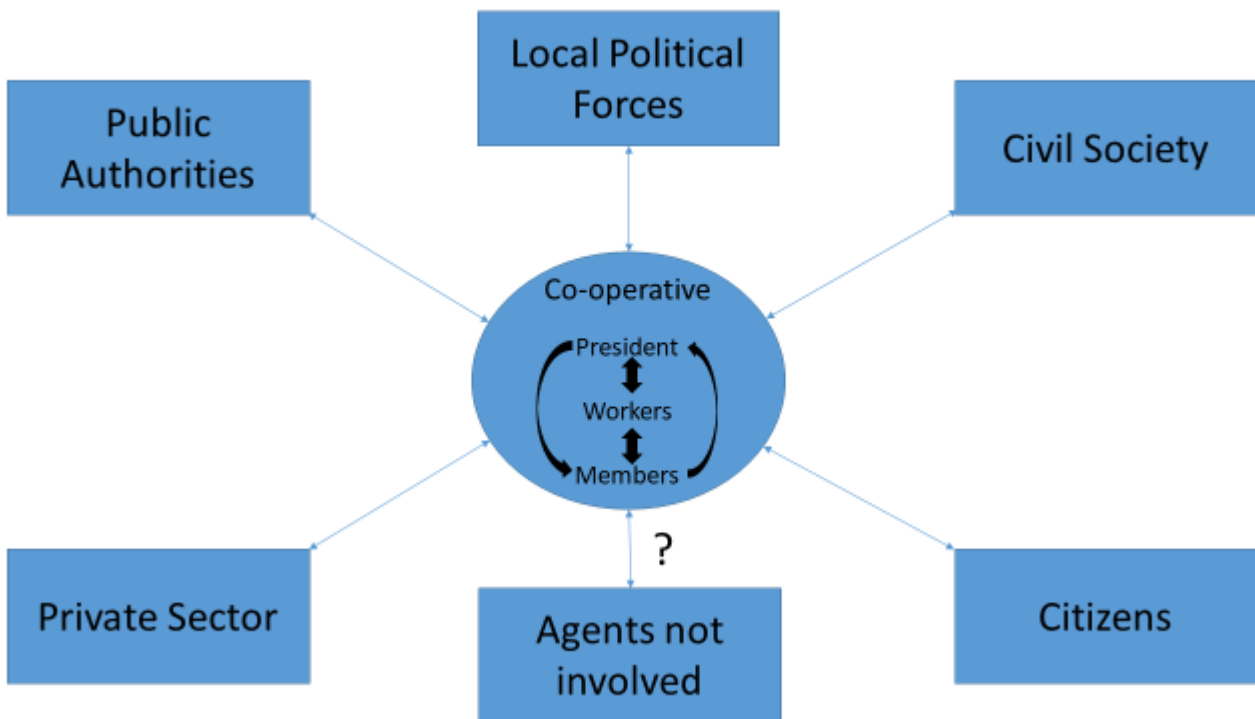
Investigating social capital by adopting this distinction is strategic for determining the research nature. The literature review demonstrates the use of both qualitative and quantitative methods for investigating social capital and related issues. The research question also determines the methods; again, taking Putnam's research (*Bowling Alone*) as an example, it is clear that quantitative methods were the best choice for that author due to the nature of the inquiry: a macro-level research on American social participation, analysed through the systematic investigation of data. By contrast, a research project that aims to investigate local dynamics among agents for local community development could benefit from a qualitative approach that investigates cognitive social capital in terms of social and cultural norms. In this case, qualitative interviews can highlight these elements by questioning agents about their ideas of trust and collaboration. These examples can explain the wide applicability of social capital theories; thus, these considerations are the basis for the theoretical framework adopted in this thesis. The following section presents a deeper analysis of Putnam's and Bourdieu's theories in the research framework, highlighting elements that unite them in the theoretical analysis.

3.6.2 Co-operatives and Territories

Examining the bonds among co-operatives and territories is relevant for understanding how community co-operatives promote community development. Many authors have investigated these bonds and consequent implications for co-operatives, members and local agents (Campbell & Sacchetti, 2014; Morris, 2014; Novkovic & Golja 2014; Rakopoulos, 2014; Vieta, 2014, 2018; Flanigan & Sutherland, 2015; Tarhan, 2015; Mori, 2017; Pérotin, 2017). The limitation that appears in the literature review regarding co-operatives, territories and social capital is the absence of a clear examination of co-operatives' and territories' relationship in terms of mutual influence. Thus, an explanation is required that examines how these bonds work in terms of co-operatives' contribution to co-operative community empowerment in territories.

Social networks surrounding the community co-operatives' projects can explain the adoption of social capital theories as a research framework for this thesis. Theoretically, community co-operatives are a key feature in the administration of collective actions; these initiatives are outcomes of public processes to acknowledge common needs and problems; moreover, economic theorists suggest that stakeholders' involvement leads to more efficient co-operative management. Hence, it is possible to argue the relevance of social relations based on these elements.

Figure 3.1. Network between Community Co-operatives and Local Territories



It is possible to examine co-operatives' relations with territories from different points of view, as co-operatives are formed by people, and members can contribute to the organisation's network with their own social relations. In territories, there are a multitude of different stakeholders, as well as possible supporters, oppositions, and social agents who are not involved. The political, economic and social environment can influence the co-operatives' work; the narrows represents the two-way nature of relations, because the influence can be mutual; such as in the case of market relations with other private businesses, or the support for civil society initiatives. The connection with public authorities is strategic for co-operatives' work for many reasons: on a macro level, the public authorities can promulgate policies for the promotion of co-operative initiatives (Bianchi, 2016; Vieta, 2016b). On a meso level, public authorities can transfer local assets to co-operatives, plan local initiatives, or support the collective firms through the transfer of local assets. The political support is a key element for co-operative initiatives, because the political view of local development can foster or obstacle the co-operatives development; for this reason, it is also relevant to assess how political parties consider co-operative initiatives and how they promote them. Civil society represents a huge part of modern society; it can advocate for local problems and innovative solutions that promote collaboration with the economic sector, in order to foster social innovation and sustainable solutions. Moreover, civil society can be a strategic partner for co-operatives because it can contribute key inputs to the vision of local social reality, by supporting co-operatives' activities, and pointing out local issues that can be either hidden or potential opportunities for local stakeholders (Sforzi & Bianchi, 2017). In Table 2, there is a particular issue regarding the question mark between the co-operative and the local agents not involved; as explained above, the social capital framework has to adopt a new perspective on social dynamics between co-operatives and territories. Thus, specific attention must be paid to exclusion dynamics, because these can influence co-operatives' evolution.

Ostrom and Ahn (2003) theorise the existence of a social capital background in the collective action theories; they then analyse how many researchers adopt collective action theories to frame

their social capital study objects. This reveals a key bond between these two fields of study, which corroborates the interpretation adopted in this thesis: that social capital can be used as a framework for community co-operatives. Although Ostrom and Ahn point out the connection between collective action and social capital in terms of a framework and research object, it is possible to argue a reverse interpretation of these two. Community co-operatives, as shown in Chapter 2, emerge as an outcome of collective actions inputs; these involve different agents and work for the general interest. The relations and values involved in these projects were found to be significant, and constituted the core of community development work for these co-operatives. Consequently, social capital emerges as a suitable theoretical basis for the analysis of this subject because it can investigate the implications in the social relations, how they operate, the embedded values, and the practices which strengthen these social structures. The scientific interest is oriented towards framing the networks, the capital exchange within these, and the cognitive aspects that regulate the entire system.

The structure of the co-operative, as an institution that regulates the internal life and exchanges among members and itself co-operative, is the factor that strengthens or destroys economic and social capitals. For instance, poor management can waste the resources invested by members, who consequently will no longer believe in the co-operative. On the contrary, a well-managed co-operative can use economic capital for members' benefit, and reinforce the cognitive social capital by demonstrating the possible conversion between economic and social capitals (Flanigan & Sutherland, 2015). An efficient co-operative governance can manage territorial networks which can bring the co-operatives more resources co-operative; it can develop structural social capital in order to obtain more economic capital, and regulate networks by using cognitive social capital and formal roles (Campbell & Sacchetti, 2014).

Uphoff (1999) examines various forms of social capital and distinguishes two main categories: structural and cognitive social capital. The first refers to the roles, rules, precedents and procedures that facilitate and consolidate social capital in interactions; this allows a reduction in transaction costs. Structural social capital is the social networks around an agent or public and private associations, which facilitate the social capital because they are the social bonds within which interactions happen, and values and norms operate. The second represents the norms, attitudes, values and beliefs that define the personal inclination to cooperate. Thus, cognitive social capital is a mental disposition for agents to co-operate or not. This is deeply influenced by cultural capital and personal experience, because people can learn whether or not to collaborate. These two concepts are key elements in the interpretation of social capital, because they acknowledge the role of networks (objective element), as well as the internal norms and psychological inclination (subjective element). This categorisation confirms the significant association between Bourdieu and Putnam, by linking individualistic and generalist elements together.

This conceptualisation involves both cognitive and structural social capital; these work together to achieve common solutions for collective problems, because certain agents in territories, influenced by their moral values, call their networks to action, in order to obtain resources for starting local projects that respond to local socio-economic problems. The complexity of these problems requires a wide range of local agents, in consideration of current Italian issues, as explained in Chapter 2. Bourdieu's perspective can partially explain these social dynamics, because it considers social capital only within a specific social group; whereas Putnam refers to "*bridging capital*" as a force that enables interrelations among individuals not belonging to the same group. This feature of social capital underpins the idea of community development as a process for implementing local resources and well-being, through social work that engages social relations and collaboration. Co-operatives can promote this local development through wide social networks, because they are open organisations

that can establish productive and trustworthy relations with local agents and stakeholders, and have a strong concern for communities (Sabatini et al., 2012; MacPherson, 2013; Novkovic & Golja, 2014; Vieta, 2014). According to the new institutional approach adopted in this thesis, the structuring of new organisations involves the understanding of relations among agents, and how these interact to shape the main features of co-operatives in this specific case. Granovetter (1985) underlines the relevance of embedded social relations in the analysis of organisations:

“The embeddedness argument stresses instead the role of concrete personal relations and structures (or “networks”) of such relations in generating trust and discouraging malfeasance. The widespread preference for transacting with individuals of known reputation implies that few are actually content to rely on either generalized morality or institutional arrangements to guard against trouble.” (ibidem, p.490)

Networks around the co-operative become the research objectives, and social capital the theoretical framework, because it can identify the dynamics among agents, and which kinds of inputs these can bring to the organisations. The general analysis of community co-operatives needs to involve the wide networks surrounding the organisations; these are the result of a collective process in which the social relations can have greater relevance than economic aspects. In this sense, the social capital theories are an appropriate framework for reading the dynamics among agents in a specific territory (Ortega & Matos, 2013). Social capital involves networks, resources, norms and values; such theories can explain the relationships and their functions.

3.6.3 Framework Structure

The framework will analyse social relations, and how social capital is translated into other forms of capitals; in particular, economic capital (Flanigan & Sutherland, 2015). Moreover, structural and cognitive social capital frame the functioning of social relations within this scheme. Structural social capital connects people involved in the projects and co-operatives with partners, thus allowing networks to transfer information, share ideas, and match resources with needs. Cognitive social capital regulates these networks: people engage in community co-operative projects because they believe in common purposes for their communities and want to promote altruistic and solidarity solutions; therefore, cognitive social capital allows the collaboration to function. The research examines the actual connections among people, and their relationships with other stakeholders, co-operatives and potential partners. The focus is maintained on both the micro and meso levels, to make it possible to see how certain social facts arise from the interactions between the two levels.

Figure 3.2. The Framework Structure

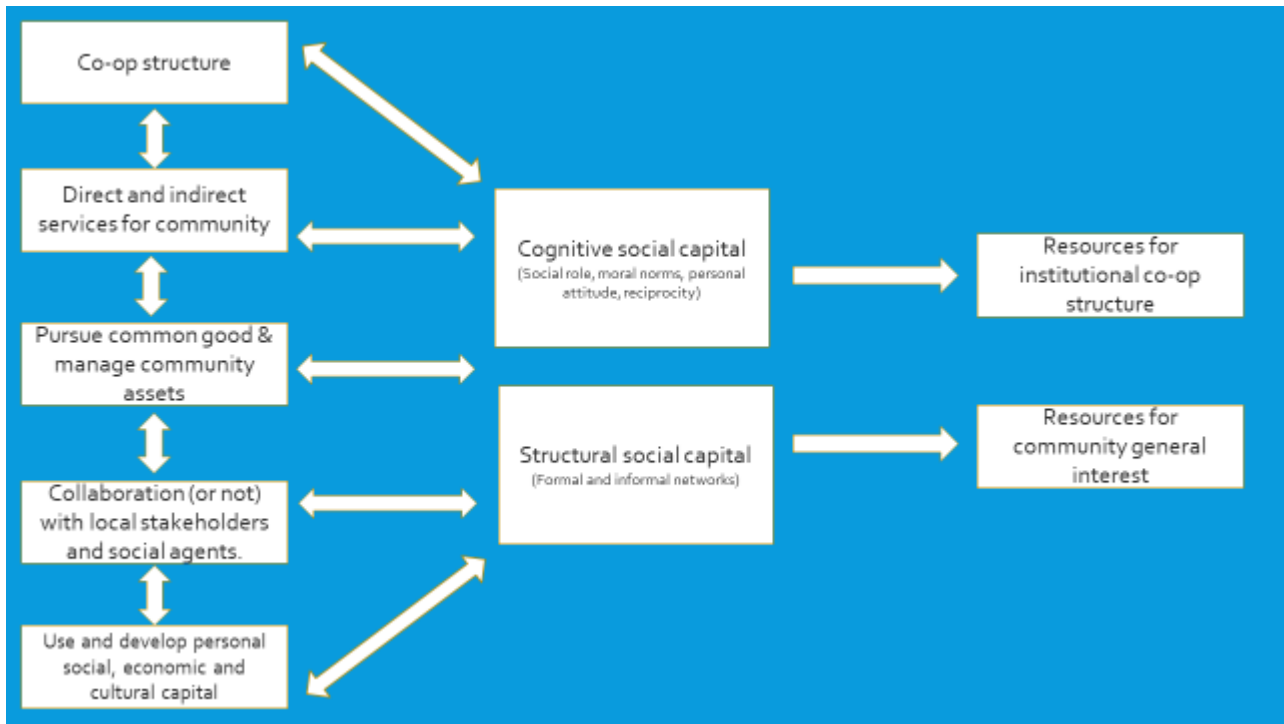


Table 3.2 presents the main elements involved in the community co-operatives analysis; it is also possible to extend the framework use to other co-operatives forms, such as the Italian social co-operatives or worker buyout co-operatives. The literature review demonstrates the main aspects of community co-operatives that constitute the research object. The framework is complex because it combines social capital elements with community development and community co-operative objects; existing theories explain how social relations can work and create outcomes, but it is necessary to contextualise these theories within the empirical context of community development processes and community co-operatives. Therefore, these two constitute the research objects; but the analysis could examine them from different perspectives. As the research aims to explain how processes and co-operatives arise, function, and provide benefits when interacting with social contexts, social capital theories therefore become essential. The left-hand side of Table 3 shows key objects of community co-operative projects; it is important to understand how participants come to conceptualise these objects in their contexts, how they use these objects to aggregate people and resources, and which values they invest in the objects to strengthen the networks around co-operative projects. Again, structural social capital represents the relations, and cognitive social capital those values that govern the relations; thus, the entire networks, in which community co-operatives' objects are nodes, generate outcomes for communities' benefit.

Importantly, the research has to consider how subjects autonomously carry out their social actions according to their habitus, which influences their actions according to social structure, learnt social dispositions, and cultural backgrounds. These influence the selection of social relations, as the community co-operatives' nodes do not connect all community members and organisations. Those values that Putnam attributes to social capital as factors for increasing civic values and general wellness are shared among certain community members, but not all of them. The value of solidarity can expand the networks, but they firstly involve only determined groups of people and those social relations necessary for improving the projects. Subjects address their actions towards their objectives,

which embody certain views of the world and society, and help them to shape their interpretation of social realities. Based on these interpretations, co-operatives aggregate people and resources.

The co-operative structure has peculiarities which have been extensively examined in Chapters 1 and 2. These allow the involvement of different stakeholders, by taking advantage of common resources gathered through members' investment, and promoting democratic governance and partners' participation. As explained in previous sections, the co-operative as an institution can manage collective issues and foster collaboration; this can be the element that enhances or destroys social capital. The role of co-operative institutions is the core of this research: they respond to collective issues, relate with local partners, and provide services. The relationship between co-operatives and territories can explain many features of this community development work, showing how social bonds can contribute to co-operatives' functions.

Another key element is the direct and indirect service for the local community; as explained in Chapter 2, community co-operatives base their work on a clear mission towards local communities, and translate this aim into the production of goods and services, job positions, and resources for local projects. Local stakeholders can participate in these initiatives: examples are the local public authorities that contribute to these organisations through assets transfer, or private businesses that have formal collaboration with community co-operatives. The community co-operatives' social values and sustainability focus are important elements for the inclusion of local civil society, which promotes local social impacts.

The nature of assets is at the core of the community development projects, as they affect the co-operatives' structure; for instance, local authorities contribute to these initiatives with local assets that they can no longer administer. As the Italian devolution reform is shifting responsibilities and assets from public institutions to private organisations, co-operatives are playing a strategic role in this process; they pursue social and not-for-profit objectives for sustainable development, with a clear focus on communities. The public sphere does not limit its action to the recognition of community co-operatives; in fact, it supports these initiatives by providing organisations with public assets. This transfer can guarantee strategic resources to co-operatives, and bind them to the renewal of these assets and the provision of common benefits for the community. The co-operative model can pursue this mission because its economic nature is oriented towards the members' wellness, solidarity, and the community, rather than profits; hence, co-operatives provide people with services, even if these can be outside their market possibilities (Borzaga & Tortia, 2004). The social agreement that takes place in community projects is first between the public institutions and the community co-operatives. The public can devolve the assets to the co-operatives, but only if they are able to convert their mission into a real commitment towards the community; the main way to generate this impact is through the enlargement of the mutual benefits with non-members. Community co-operatives accept this agreement because they can acquire strategic assets for their objectives. Moreover, the social mission indicated by the public sphere can be achievable because the definition of a specific geographical area of competence restricts the pool of beneficiaries. This point enhances the need for wide relations with local territories, in order to facilitate the community mission. New co-operatives do not simply serve communities; they also involve local social agents to enhance their impact on territories.

Co-operatives firms are an aggregation of different forms of capital; this is clear when assessing each member's contribution within the organisation. Co-operatives need capitals to start-up their activities, and this object is possible through gathering resources from different supporters. Co-operative firms are collectively owned through shares, which constitute the venture capital for the

business. Founders collaborate to maximise the value of their own capital through collective aggregation; but purely economic factors are insufficient for assessing the co-operative experience, as more elements are involved in these organisations.

By adopting Bourdieu's theories, it is possible to explain co-operative firms' structure as an aggregation of social and cultural capitals. Even in this point, it is critical to see the boundary between social capital as an object and framework; thus, it is important to specify the elements that contribute to co-operatives' experience. Social capital is the theory through which it is possible to see the function of other elements for community development. People do not simply contribute with economic capital; they choose to start up co-operatives due to the embodied social norms, values, inclination to collaborate, and cultural elements that foster the co-operative model's virtues. The framework has to examine dynamics that involve cultural elements, and personal social capital is here understood as trust and norms for collaboration, according to Putnam's perspective.

Moreover, the entire structure of local networks connected to co-operatives is the object; this brings information and resources into the co-operatives, enables the organisation's vision for the territory through the network with local partners, and spreads benefits inside communities. These networks consolidate their role in local societies, by structuring a constant exchange of resources that reinforces mutual trust and collaboration. As both Putnam and Bourdieu believe, continuous interrelations, exchanges, mutual acknowledgement and common moral norms determine the force of these networks; and through these, actors can collect resources for their purposes, which are determined by their symbolic vision, as Bourdieu points out. Thus, promoters' groups have their common vision and foster this in their social fields, calling to action associated social groups that share this vision; therefore, this pre-existent mutual knowledge and trust allows the movement of capitals and information, thus reinforcing projects and elevating their symbolic power in communities. This social capital related to each co-operative is the factor that triggers positive effects in social contexts, and gives back institutional resources for co-operatives, in terms of internal management, improvement and external accountability co-operatives. This framework helps to understand the co-operatives' work and their relations; moreover, it can assess the surrounding dynamics in the social contexts.

This framework is useful for the understanding of community development processes, because it shows the variety of elements and interrelations among them. These key networks and their functioning have often been identified in the literature as main factors in social and economic development. First, contextualisation is necessary, as Lang and Roessl (2011b) highlight the importance of contextual elements in the governance of community development; moreover, Bourdieu (1986) underlines how contextual social values determine the reciprocity values. Thus, the contextual identity of community co-operatives can be primarily grasped through a local-level analysis that refers to the embedded dynamics in the co-operatives' context, as well as historical and social factors (Moulaert & Nussbauneur, 2005).

A limitation in the community development analysis is the underestimation of communities' social complexity. As Somerville and McElwee (2011) state, it is risky to equate certain communities, which are strong and united despite their internal differences, with all communities in general. According to Bourdieu (1979), social groups inside communities compete for the affirmation of their vision, aggregating their resources in order to preserve their social positions and reproduce social differentiation. Furthermore, as Lang and Roessl (2011b) indicate, in its first steps, a community co-operative's success depends primarily on the quality of its relationships:

“Primarily depend on the relationship quality, reflected by the strength of ties. The reliance on strong personal relationships is generally associated with eliminating opportunistic behaviour and thus, facilitating mutual adaptation and need satisfaction among co-operative members.” (ibidem, p.357)

Social contexts and co-operators’ social skills directly influence co-operatives’ performance in their community development work; thus, the research frames these elements in order to respond to the main research question: How do these networks operate and enable community development? This framework introduces the conflictual elements in the local development analysis, and tries to determine how these divergent dynamics can affect the co-operative’s work. Social capital theories can explain these realities, but they require adjustment according to their setting, in order to evaluate these dynamics within and outside co-operative groups, in relation to local territories. Putnam and Bourdieu provide the research with interesting inputs and form the basis of this analysis; thus, the framework supports a deeper examination of community development processes, for a more critical understanding of these narratives. Often, the literature provides a simplistic vision of the social dynamics underlying the community development process, as they do not consider that people have individual interests, particular visions, and individual conflicts with other people in the communities. All these elements are encompassed in the framework, as Bourdieu suggests in his theorisation; however, solidarity, collaboration and mutual trust are also used to analyse actions in co-operative projects: these are elements that the French philosopher underestimates in his analysis, but which Putnam’s analysis places at the core. Moreover, Putnam’s approach does not consider social conflicts, which are basic for understanding social realities complexity; these conflicts reveal deeper social struggles related to various social groups and these can also outline capitals redistribution toward an objective or another (DeFilippis, 2001; Siisiäinen, 2003). Bourdieu (1977; 1979) explains how social groups compete in the society for affirming their symbolic power which provides a meaning to the social reality. It is plausible to see how Putnam’s theory on social capital fits into the social structure described by Bourdieu. Certain people, with specific social characteristics, and common cultural capital act in a solidary and altruist way in order to prove their vision of the world to others. They gather resources through social capital because they share objectives and mutual trust but, most important, they aim to prove the value of their ideas regarding the interpretation of social reality. Therefore, even if these explanations are morality comprehensible and shareable, such as work together for community development, it is not logically consequent that all the subjects in that society share this vision because there are pre-existing divisions due to social differences that distance people.

Community co-operatives appear as a respond to local issues and potential development both social and economic (Wilkinson & Quarter, 1996; Peredo & Chrisman, 2006; Lang & Roessl, 2011; Majee & Hoyt, 2011; Somerville & McElwee, 2011; Kleinhans et al., 2019). Therefore, the emergence of either an issue or an occasion triggers social reactions that lead certain community members, with a skills for leadership (Mori & Sforzi, 2018), to activate their social relations in order to provide a respond according to their interpretation of what is right to do. These dynamics strengthen social ties and enlarge them to external in order to grow the co-operative, as well as, evolutionary processes from bonding to bridging social capital confirm this aspect (Putnam, 2000). Therefore, it is possible to hypotheses that community co-operative founders generate projects for their communities interpreting the social realities, aggregating people from their social networks and gathering resources for these purposes inside local society where they compete with other groups to affirm their symbolic power.

At this point, it is necessary to recall the attention on the fact that communities are not monolithic entities (Somerville & McElwee, 2011); they present divisions due to various reasons such religion,

ethnicity, political visions (Kretzmann & McNight, 1993; Phillips & Pittman, 2015) and these can generate conflicts because people, in the same territories, can have diverse interests (Craig et al., 2011). Therefore, Bourdieu's theories fill in this view and support a proper analysis of community development contextualizing these processes in social realities where, despite aims for general interest, social groups struggle for the approval of their actions, gather capitals to achieve their objectives, and justify their actions through the assumption of a symbolic power such as the community interest and the civic commitment for general benefit.

Figure 3.2. Intertwining of Community Co-operatives and Social Capital Elements

| Community Co-operatives Elements | Social Capital Elements |
|---|--------------------------------|
| Founders' groups | Social relations |
| Analysis of local issues and opportunities | Social affinities |
| Mission and objectives definition | Embodied cultural capital |
| Co-operatives' local networks | Moral values and norms |
| Frictions with external subjects | Collaboration and reciprocity |

Figure 2 presents the framework for this research; the left column lists key elements of community co-operative that involve social actions and trigger other social reactions inside local communities in order to start up co-operatives. On the right column, the social capital elements that have a role in the realization of the community co-operatives. Therefore, for each category in the left column, the analysis will see all elements in the right column. The literature on community co-operatives illustrates these elements and prove their existence in the empiric investigation; using the social capital framework, it is possible to examine social dynamics behind each element and see how the variations of social groups and contexts might influence the community co-operatives' characteristic from a situation to another.

Chapter 4. Research Objectives, Structure and Methodology

4.1 Research Structure

After presenting the research objectives and defining the theoretical framework, the analysis proceeds to describe the research methodology. As Creswell (2009) points out, the broad research approach explains the proposal to conduct the research; thus, when planning a study, the researcher must consider the philosophical worldview assumed in their professional perspective on their work. This worldview, which reflects the researcher's beliefs regarding reality, determines the research approach adopted. Creswell suggests the necessity for researchers to clarify their worldview, and thus justify their scientific approach.

This research assumes that people involved in the realities where co-ops work are direct witnesses and protagonists of these social contexts; therefore, the research questions these actors' views and conceptualisations of reality. The analysis seeks to obtain people's points of view on co-operatives' structuring, the functioning of their networks, values experienced, and the rationale for their local actions. The aim is to investigate Italian community co-operatives, local community development dynamics, and social networks related to these co-operatives; as well as their effects on co-operatives and their community development work. Therefore, the research must explore how people think about themselves and their actions within their contexts, how they theorise their efforts for their communities, and assemble their understanding of social phenomena that are caused and affected by their own actions.

The relationships among local organisations endorse the work of local developers, who are in charge of managing community assets. The research must investigate the worldview it should adopt; the analysis considers reality to be a social construct, and thus recalls the constructivist approach. As Crotty (1998) points out, constructivism assumes that people construct meanings through their engagement with the world; this leads to the formulation of their interpretations. Furthermore, people make sense of their world based on their historical and social perspectives. In their work *The Social Construction of Reality* (1966), Berger and Luckmann propose that people build their daily understanding of reality through a subjectively meaningful coherent world; its reality is not taken for granted, but subjects perceive it as a result of their thoughts and actions. Social realities are constructs resulting from the interactions among actors within the same context, and events that happen there. Objects in realities can assume meanings, and language expresses them; in these structures, Bourdieu's theories (1979) on the construction of symbolic power can be considered. Alongside this, the research needs to capture data regarding how the community co-operatives function on an objective level, in order to delineate the networks' functioning. The necessity is to explain how these co-operatives generally work in the structuring of their local network for community development. If findings can be corroborated through different approaches, results can be upheld more confidently, and final considerations can support wider theorisations. The strategy is to question various subjects who are involved in or not part of co-operatives, and ask their opinions and interpretations of these organisations, their work, and the message they foster in communities. This provides the research with diverse views on the same objectives, and allows detailed analysis of each one.

Thus, the research strategy is to investigate co-operatives from various perspectives: first, to understand their daily work; second, to gain information on their history; and third, to examine the functioning of their local networks, and identify the various people involved in the local context, in order to strengthen the analysis. The objective is to obtain a wide view of the phenomenon, and assess

the impact these co-operatives have on their social contexts. This does not limit the analysis to internal perspectives, but enlarges the examination to include different points of view, which can reveal more information and considerations regarding community co-operatives' influence on their contexts. Furthermore, the research pursues a secondary main objective, of enlarging the analysis to a wider sample in the Italian context. In this way, the investigation can consider more subjects and data to generate a valuable theorisation of how community co-operatives function throughout their local networks. By using a larger stock of information, the research can strengthen its conclusions by basing them on diverse sources, and can generalise them from a wide sample.

This scientific necessity leads to adopting a mixed research method; as Creswell (2009) explains, this approach involves the use of both qualitative and quantitative techniques. The core assumption is that the combination provides a more complete understanding of the research topic. This research carries out an explanatory examination of this recent phenomenon; it tries to delineate how individuals conceptualise their work and local realities, as well as whether or not there are general trends in the community co-operative movement, in terms of its networking approach to community development. The dual aim is to analyse the findings regarding the idea of community co-operatives as open organisations, by investigating a wide number of organisations in different areas united into a sample; and to develop a detailed view of local dynamics through five case studies. The advantage of the mixed-method approach consists in the possibility to combine diverse data and delineate more complete results for the research, thus pointing out new features of community co-operatives.

4.1 Research questions and objectives

Based on the theoretical analysis in Chapter 2, regarding Italian community co-operatives and theories on the community development process, the research highlights the necessity to further investigate the relationships among these co-operatives, local partners, stakeholders, and their socio-economic contexts in general, in order to explain how community co-operatives fulfil community development objectives. It is important to recall the final conclusions of Chapter 2, which highlight the critical partiality that emerges from the literature on community enterprises. Despite the key role of networks between these firms and their communities, it is difficult to assume the unique essence of community and their total participation into these entrepreneurial structures. This indication suggests to address the analysis toward a diverse perspective on the research object; instead of investigating community co-operatives as entity, it is necessary to look it as the outcome of a collective process led by certain community members with specific characteristics such as a peculiar civic activism, a strong commitment toward their communities, previous similar experiences, values and moral norms that incourage altruism and collaboration. In order to start up the co-operatives, develop their services, and fulfil the community commitment, community entrepreneurs establish relations with the territory but they select these connections firstly in their social networks, circumscribing possibilities. In a second moment, they enlarge these networks to new subject who can share the objectives and prove to believe in same values and points of view. Therefore there is a partiality, even if these projects aim to provide benefit to all the community, in their networks. Having assessed the knowledge on the phenomenon and individuated the possible gap in the comprehension if it, it is now possible to formulate the research questions that lead this investigation:

- What types of relationships exist between community co-operatives and their social contexts?
- How do they contribute to the structuring of community co-operatives?

- How do community co-operatives take advantage of relations to improve their community development objectives?
- How do these organisations achieve their community development objectives through the local networks?
- What are the model's critical issues?

The research aims to answer these questions through a mixed-method research that employs both qualitative and quantitative tools and data. Moving from the theoretical analysis to the research design, the investigation identifies the social networks with local communities and territories as a new potential area of research. Previous works have paid attention to defining the model of the community co-operative; however, there has been little examination of the territorial work, and the network's influence in the community development processes led by co-operatives. Therefore, this research inquiry identifies a gap in the academic debate on this emerging trend in the Italian co-operative movement. For these reasons, the three main research objectives of this study are:

1. To analyse the dynamics and social networks that have led to the emergence of community co-operatives, and understand who starts these projects and how they have started. This point is useful for the comprehension of generative processes, and whether common aspects exist in the different case studies, or if each case study follows a particular path.
2. To explore how and to what degree social capital elements have a key role in the relationships between community co-operatives and local communities. The relations among the founder group and other local subjects are evaluated, to understand the dynamics that occur during the structuring of community co-operatives and community development objectives.
3. To assess the functioning of community co-operatives' networks, and how they influence business operations and services implementation. This objective is key for understanding whether or not networks influence community co-operatives' structure and work, and if the network is a means of spreading benefits within the context.

The decision to use mixed-methods research derives from the need to provide a wider view of this aspect from different perspectives; on the one hand, this is an under-explored area of community co-operatives, and therefore requires a new examination that cannot benefit from previous established literature. On the other hand, the research hypothesises a common trend in the community co-operatives: that they develop local networks in order to enable their community development mission. Thus, a quantitative method can provide data on this phenomenon, and confirm whether this provides a valid explanation of this trend, based on a relevant sample. This work presents before the findings from the fieldwork and case studies analysis (Chapter 5 & 6) and then results from the online questionnaire (Chapter 7). This choice is explainable through the necessity to firstly exploring social dynamics directly in social realities where they appear and then find confirmation in a wider sample. Therefore, the online questionnaire propose questions regarding dynamics and aspects before observed in case studies.

This research aims to offer a new way of approaching and understanding the development of community co-operatives. Studies on this topic have analysed the economic impact and the attraction of capital to community co-operatives. This research, instead, intends to move the attention to the social impact of community co-operatives, their connections to the broader environments where they are situated, and their development of the culture of collaboration and community empowerment.

Furthermore, it examines the networks' nature, and their mutual influence between internal subjects and external factors which affect the co-operatives' form.

It is also important to fix the research point of view on reality; as mentioned above, the examination looks firstly at people's opinions on the co-operatives' rise and functioning, as well as the networks' features and related consequences. Therefore, the perspective refers mainly to a meso level, which means the analysis of dynamics between various organisations and subjects within these organisations. According to Granovetter (1985), organisations are embedded in their social realities; thus, the research aims discover how the individuals' interaction shapes the co-operatives and the networks, firstly by identifying the symbolic meaning within the social actions. Although the perspective is meso, it focuses appropriate attention on the constant relationship with the micro level, which refers to interactions among subjects (Yin, 2009). Having established the research objectives, it is necessary to identify suitable methods of mixing various approaches, in order to produce valid results.

4.3 Hypotheses

Following the theoretical analysis of the research objects, defining a proper framework for the analysis, and delineating various research aims and objectives, the investigation requires the statement of a hypothesis that the analytical work can test. As stated previously, there is a scientific necessity for the debate to further explore the social networks surrounding community co-operatives, and understand their functioning and effects. Therefore, the main hypothesis of this study is as follows:

1. Co-operatives are open organisations influenced by their social context; as explained in Chapters 1 and 2, co-operatives can have strong bonds with their communities and territories. Their membership is rooted in communities where they operate (Fulton & Keltinson, 1992; Wilkinson & Quarter, 1996), and their governance embodies values for the social contexts around them (Lang & Roessl, 2011a, 2011b). They have a general concern for local communities, even if this concern is underestimated (MacPherson, 2013).
2. Networks of relationships among co-operatives, local stakeholders and partners enable the community mission; these co-operatives open the dialogue with the territories because they aim to foster benefits for their communities (Maje & Hoyt, 2011). In addition, by analysing the networks' functioning, it is possible to discover new and unprecedented information and features of community development dynamics. With particular relevance to social aggregation and possible conflicts within communities, the analysis can reveal new patterns in the social aggregation of community development objectives. Regarding this aspect, the secondary hypothesis concerns the mismatch between theories on community development, which depict communities as whole entities entirely animated by a positive spirit. Hypothetically, the community co-operatives' foundation and development involve few actors and engage a relatively small proportion of the local population.

4.4 Mixed methods

This research approach is definable as *exploratory sequential mixed methods* (Creswell, 2009): specifically, it mixes a main qualitative tool, the cross case study analysis, with a second tool or technique, namely a quantitative investigation that uses an online questionnaire.

4.4.1 Qualitative Method and Case Studies

The qualitative method aims to investigate in depth the participants' views on their social realities, the processes that have led to the co-operatives' foundation, and their daily functioning in relation to the local community. It is possible to refer to many studies which adopt the same methodology for the analysis of community organisations and their work:

- “Building Community Capacity. A Definitional Framework and Case Studies from a Comprehensive Community Initiative” by Robert Chaskin (2001).
- “Community-based cooperative ventures for adults with intellectual disabilities” by Lemon & Lemon (2003).
- “Building a ‘community co-operative’ at Hill Holt Wood” by Somerville et al. (2009)
- “Cooperative Community Development: A Comparative Case Study of Locality-Based Impacts of New Generation Cooperatives” by Curtis W. Stofferahn (2009).
- “Can neighbourhoods save the city? Community development and social innovation” by Frank Moulaert et al. (2010).
- “The role, organisation and contribution of community enterprise to urban regeneration policy in the UK” by Nick Bailey (2012).
- “Community Enterprise and Urban Regeneration Policies. Definition of the Italian context” by Luca Tricarico (2014).
- “The Cooperative Advantage for Social Inclusion Meets Uncooperative Government Regulation: International Cooperative Principles and Cooperative Housing Regulation in the Province of Ontario, Canada” by Marika Morris (2014).
- “Indigenous community enterprises in Chiapas: A vehicle for buen vivir?” by Michela Giovannini (2015).

According to Yin (2009), a case study design should be considered when:

1. The focus of the study is to answer “how” and “why” questions.
2. It is not possible to manipulate the behaviour of those involved in the study.
3. The researcher wants to cover contextual conditions because he/she believes they are relevant to the phenomenon under study.
4. The boundaries are not clear between the phenomenon and context.

The study of these findings will proceed by applying a *cross case study methodology* (Yin, 2009), allowing the variations among the different cases to be evaluated. The absence of a wide literature on the phenomenon prevents the development of other kinds of research, or moving from pre-established assumptions determined by previous studies. Nevertheless, this scarcity gives a valid reason for

improving the understanding of social facts through an explorative research. The case study methodology represents different types of research; it is possible to consider a single case study or various ones, but:

“A multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory” (Baxter & Jack, 2008, p.548).

This indication supports the idea of a comparison between different case studies. This research will assess various elements using a cross-case work, which will aim to analyse possible common aspects or differences. The multiple case-study analysis allows *“the researcher to analyze within each setting and across settings”* (*ibidem*, p.550). Moreover, the multiple case-study analysis allows the development of a cross-case technique, which investigates the presence or absence of similar relations correlated to the variables. This list of variables enables the calculation of an indicative number of cases to be studied.

In Italy, the co-operatives' mutation into a community development tool is recent, and attributable in the last ten years. Despite their recent appearance, in different regions, many community co-operatives operate in diverse sectors such as tourism, agriculture or energy production. Furthermore, the settings where these co-operatives operate are different: for instance, some work in urban contexts, within huge neighbourhoods where thousands of people live; and the social context's complexity is rising due to the presence of many other organisations and various local authorities. Many other co-operatives operate in rural contexts where they can support local communities with basic services for their survival; furthermore, the social context is profoundly different in small villages or towns, where people have closer social relations, and interactions are more frequent.

Another key point for the analysis is the different life-cycle stages that co-operatives pass through. According to Steven (2001), who has theorised life-cycle stages from studies of for-profit companies, non-profit organisations also undergo growth phases. She traces seven steps:

- A founding idea, when the organisational idea appears.
- Start-up, when the idea becomes an organisation.
- Growth, when the services become accepted and used, and they expand into the community.
- Maturity, when the organisation is well established and has a reputation in the community.
- Decline, when the organisation's services are no longer relevant.
- Turnaround, when the organisation takes action to reverse the previous trend.
- Termination, when the organisation loses its mission, energy, and/or determination to continue.

Due their recent emergence, many community co-operatives are currently between the start-up and growth stages; few have achieved maturity. Despite the growing interest and possibility of finding many local groups in the “founding idea” stage, the research takes into consideration organisations already established; in order to fulfil the scientific aim of comparing different case studies with a cross-case methodology, it is relevant to compare co-operatives in various stages. After a first examination of the national population, there appeared to be no co-operatives in the “decline” and

“turnaround” stages. According to a regional president of Confcooperative, in Italy there has been only one case of a community co-operative’s termination, but he did not share the information on this. On the basis of these considerations, three criteria for selecting case studies are followed:

- First, co-operatives exist in various regions; therefore, it is relevant to understand differences among territories. Cases were selected from different regions, with at least one from each geographical area of Italy (North, Central and South Italy).
- Second, there are co-operatives at different life-cycle stages, as explained before. As it is relevant for the research to examine organisations and their commitment, the analysis considers co-operatives in “start-up”, “growth”, and “maturation” stages. Moreover, during the field work, many questions in the semi-structured interviews aim to grasp the history and information regarding the “founding idea”.
- Third, it is relevant to study differences between urban and rural settings: as urban settings can be considered more complex, constructing their networks could be more difficult than in a rural context. As first suggested by Putnam (1993), the limited dimensions of villages or small towns could help the establishment of community co-operatives. Moreover, urban and rural contexts present diverse issues (Chloupkova et al., 2003; Bailey, 2012; Flanigan & Sutherland, 2016; Bianchi, 2016; Mori, 2017). Rural areas have suffered a depopulation process, due to the industrialisation in main cities; the need for stable employment and secure living conditions have pushed people to leave the agricultural sector and move to cities. Nowadays, these communities look for new purposes and micro-economic actors to revitalise their conditions (Bianchi & Vieta, 2019). In urban contexts, de-industrialisation has left vast areas abandoned, and many neighbourhoods also seek new social purposes, and new models for social innovation and inclusion (Vicari Haddock & Moulaert, 2010; Porter & Shaw, 2013).
- Fourth, community co-operatives work in different business areas; this constitutes another factor in the selection. Various business activities and services could determine specific choices and consequences for the co-operative.
- Fifth, the case study selection must consider the time schedule of research projects, and the funds available.

In order to provide the thesis with a reasonable number of cases studies, considering the factors above and the timeline of the research project, the analysis considers five case studies. Table 1 presents these studies, their location and setting, business area and life-cycle stage. The cases are presented in order of the chronological timeline of carrying out the fieldwork.

Table 4.1. Case Studies' Main Information

| Co-operative | Location (Municipality/Region/Area) | Setting | Business Area | Life-cycle Stage | Fieldwork Date |
|--------------------------|---|---------|--|---------------------|---------------------------|
| Brigì | Mendatica, Liguria, North Italy | Rural | Tourism accommodation | Start-up | August 2019 |
| Ri-maflow | Trezzano sul Naviglio, Lombardia, North Italy | Urban | Manufacturing, Craft, Food, | Growth/ Maturity | September/October 2019 |
| Anversiamo | Anversa degli Abruzzi, Abruzzo, Central Italy | Rural | Tourism, Agriculture | Start-up | November 2019 |
| La Paranza | Napoli, Campania, South Italy | Urban | Tourism, Heritage, Tutelage, Cultural Activities | Maturity | January 2019 |
| Post-modernissimo | Perugia, Umbria, Central Italy | Urban | Movie theatre | Maturity | January 2019 |

These co-operative gave consent for participating to this research; every organization presents particular peculiarities that led the researcher to contact them for the fieldwork. Legacoop and Confcooperative recommended Brigì and Anversiamo for their peculiarities as rural community co-operatives. Brigì is particularly interesting due to the low average age of its members; Anversiamo is part of a unique regional network of community co-operatives therefore it was interesting to examine how co-operators in Anversa degli Abruzzi work in collaboration with other colleagues on a regional base. Few community co-operatives operate in urban context and in this sub-group only La Paranza and Post-Modernissimo have achieved a considerable stage in their life cycle which allows to investigate relations with territory. Moreover, they both are an interesting example of cultural enterprise and present key relations with other local organizations as Chapter 5 explains. In the end, Ri-maflow can seem the less plausible case study as community co-operative but its particularity represents the key element for the analysis. This examination aims to compare diverse situations and contexts, thus, Ri-maflow improves the range of categories thanks to its political nature. It is considerable to see how an organization as a so marked political identity as Ri-maflow have whether or not diverse relations with the territory.

Regarding research techniques, the main research tool is semi-structured interviews; in total, the research collects 86 interviews, with 44 hours of recordings. In addition, the analysis incorporates observation, notes from the field, and materials collection, such as relevant documents from each co-operative. The semi-structured interview structure allows the research to keep the focus on main points, but enables the interviewees to freely express their ideas and explanations on the topic (Yin, 2003). During the fieldwork, many participants and locals were interviewed, in order to gain a complex understanding of the research objects declared in previous paragraphs. For these reasons, in each co-operative, the interviewees included at least one person from each of these categories:

- Co-op founders
- Co-op workers
- Partners
- Citizens (both co-op members and non-members)

As explained in Chapter 3, it is also sociologically interesting for the research to understand possible local conflicts with local people or organisations; therefore, the interviews are particularly intended to capture forms of frictions, disagreements or conflicts with regard to these specific questions. The aim was to understand how and to what extent co-operatives and their members have these negative relations with local residents and organisations, both public and private.

The interview structure is derived from the theories explained in the previous section, according to the thesis and hypotheses, and the research objectives expressed above. On this basis, the research questions and subsequent sub-questions developed for the semi-structured interviews are as follows:

1. How do founders start-up and develop the idea of a community co-op?
 - What was the problem that the co-op aimed to resolve, or the advantageous circumstances?
 - Who were the founders?
 - What were the resources used to start-up the co-operative?
 - Was any partner involved?
2. How does the co-operative realise the community development?
 - What does “community development” mean for the co-operators?
 - How do they understand and identify local problems/needs/opportunities?
 - How do they realise the community development objectives?
3. How does the co-operative have relationships and collaborations with its territory?
 - Who are the co-op’s partners?
 - How do they structure their collaboration?

- Are these relations useful for the co-op? If yes, how?

In addition, the interview structure for co-operatives' partners aims to discover other aspects of local collaboration. The interviews with partners aim to discover how these other local social agents see and interpret the co-operatives' work; therefore, this assesses the community development of co-operatives from another point of view. Consequently, the interviews with partners consider these questions:

1. How do partners evaluate the co-operative?
 - How do they assess the relationship with the co-operative?
 - How does this relationship affect the partners?
 - Does the partner recognise the co-operative's community development work?
 - Does the partner see a conflict between the co-operative and part of the local population?
2. To what extent is there a concordance between the organisations?
 - What are the partners' values in their work?
 - How do they understand and identify local problems/needs/opportunities?
 - Do they have other relations with the territory i.e. partnership?

The last interview structure examines local citizens; these are subjects who experience the local social realities and can have a particular point of view, because they might have different degrees of interest or involvement in the co-operative's activities.

1. How do citizens see their local realities and the co-operatives?
 - How do they understand and identify local problems/needs/opportunities?
 - How well do they know the co-operative?
 - How do they assess its work?
 - Do they see a conflict between the co-operative and some of the local population?

These are the main outlines of the semi-structured interviews used during the fieldwork; interviewees were anonymous, and every person involved was informed about the research topic and purposes. The appendix 1 presents the complete interview structures, with all the questions.

4.4.2 Quantitative Method: the Online Questionnaire

In order to fulfil the secondary research objective, which aims to extend the understanding of community co-operatives and their work with territories to a wider sample, the investigation adopts an online questionnaire; the main findings and discussion are later presented in Chapter 7. The online questionnaire's purpose is to cover a large portion of the population, to gather data on the community co-operatives' attitude, and to profile the co-operatives' partners. This method allows access to subjects in various areas, and saves time. The questionnaire was created on Google Forms, and co-operatives received it via email after a first contact via phone; this did not exclude any subjects from the research because all the firms have an email address or Facebook account. At the beginning of this research (November 2016), the national bodies for co-operatives, Legacoop and Confcooperative,

estimated the presence of 60 community co-operatives in Italy. Based on this figure, the research proposed a target of 30 organisations as a sample for the questionnaire, covering the 50% of the estimated population. Due to the absence of national legislation or a legal form, there is no national register for community co-operatives. This constitutes a weakness for the research, because it prevented obtaining a complete list of contacts for all the co-operatives. In order to achieve a sufficient number, the support of both Legacoop and Confcooperative was required; they gave some indications of possible interested co-operatives, but could not provide their members' email contacts, to maintain privacy. To overcome this barrier, many searches on the internet and Facebook were carried out, and other colleagues and practitioners were asked during conferences and meetings.

The questionnaire research phase started in January 2019 and ended in July 2019; based on the fragmented information sources, 41 contacts were found; then, the researcher contacted every co-operative, introduced himself, and provided a brief description of the research topics and purposes. The first contact was Propaedeutic, to seek permission to send them the questionnaire. After many requests, 26 out of 41 co-operatives provided a reply.

The questionnaire asks for main information regarding the co-operative (where it is based, year of foundation, legal form, members' number and categories), its local commitment, and its local networks. In particular, the central questions concern:

- The main problem/need/opportunity that triggered the co-op project.
- Who start-up the co-op.
- How they interpret the mission towards the community.
- With whom they collaborate.
- Whether or not they consider these relations important.

The complete questionnaire is presented in the thesis' appendix 2. It was decided to mainly use open-ended questions, in order to leave possibilities for respondents to express their own ideas and thoughts, rather than predetermined answers in certain categories.

Chapter 5. Case Study Analysis. Socio-economic Contexts, History, Evolution, and Functioning of Five Italian Community Co-operatives

5.1 Single Case Studies Analysis

Chapter 5 presents the first part of case study analysis; in particular, this chapter discusses main information regarding the history of five Italian community co-operatives, the socio-economic contexts where they operate, issues they aim to tackle, and partners involved in their projects. The aim is to show, for each co-operative, founder groups' formation inside specific contexts and in which way their backgrounds have led them to consider the community co-operative as possible outcome gathering people and resources for enhancing community development actions. As explain in Chapter 2, community development processes make the first step acknowledging the community state of need and seeing potential solution for these issues inside their community. These processes see the active role of local civic groups in their communities; they propose projects for engaging other shares of the local population and improve actions for common wellbeing.

The literature review discusses the sociological knowledge about this phenomenon; moving from this theoretical base, the research suggests a new interpretation of community co-operatives, makes inquiries, and hypothesises on their functioning as products of social interactions inside specific social contexts. The research considers these organisations as subjects deeply embedded into their social realities; they are the results of collective processes where interactions among subjects generate the idea of a community co-operative, then, the further interplays between co-operatives and social contexts shape the organisations. Therefore, this chapter examines these contextual factors, the evolutionary processes that have generated the five cases and how these co-operatives work.

The research specifically addresses the investigation toward these dynamics; as social interaction inside networks of people and organisations, the analysis reads them through social capital elements for interpreting how subjects act for generating the social facts that appear in the reality. The semi-structured interviews and observation of co-operatives functioning allow grasping key information in order to develop the research analysis on processes and organisations keeping a specific focus on interplays between individuals and organisations. With this information, it is possible to give a response to the main research questions:

1. How do founders start up and develop the idea of a community co-operative?
2. How does the co-operative realise the community development?
3. How does the co-operative have relations and collaboration with its territory?

Based on these questions, semi-structured interviews query co-operators and other subjects involved in the research on this topics. The objective is to collect information and then elaborate it for the general explanation. This chapter illustrates the main features of each case with particular regard to:

1. Local history and main socio-economic elements.
2. Key issues and potentialities of territories.
3. Explanation of each co-operative history and evolution.
4. The community service and impact of each co-operative.
5. Criticisms and considerations in every case study.

During the post-interview phase, the analysis has elaborated labels for framing the transcribed interviews and extract necessary information for composing community co-operatives history, profile, and local networks. For every case, the examination considers these labels:

- Co-operative history; how founders came out with the idea, which were problems to understand and solutions to use, how they funded the co-operative, how the co-operative currently works.
- Founders' reality interpretation; how they have assessed and considered local issues and generated the possible solutions.
- Founders group; how was involved at the beginnings, social relations among these subjects, first partners and their contributions, what common background there is among founders and members.
- Partners; how they interpret social realities where community co-operatives operate, their missions and objectives, and how they consider their own commitment towards the community.

The analysis presents the results as a description of each case study its history enriching the depiction with quotes from interviews that support the co-operatives explanation and examination. Moreover, each session presents main information for every co-operatives; the analysis begins from the general socio-economic portrayal of contexts where co-operatives operates. Social contexts and territories structurally embodies both issues and potentials that community co-operatives aim to target. It is important to understand certain historical socio-economic elements because they have direct and indirect effects on the co-operative work and functioning. As argued in Chapter 2, "territory" is the main concept that interrelates with the community co-operatives; it encompasses a complex system of people, organisations, resources, culture, and relationships among objects. Consequently, the analysis has to highlight those components and aspects of local culture and society that have key relevance for the general understanding of each community co-operative. Co-operators and partners, who mostly live in these contexts, process these problems and opportunities and propose solutions. Therefore, it is important to understand how they achieve the acknowledgement of issues inside their communities.

Subsequently, it is necessary to frame the singular experience and present their evolution from informal ideas to formal organisations with proper local networks. Every paragraph provides information on the community co-operatives with particular focus on the founders groups' background and the process that have generated the idea for the co-operative. Moreover, the explanation presents local processes of social engagement with communities; then, it explains how the co-operators have gathered the resources during the start-up phase. Going further, the analysis explains the dynamics that have composed local networks and the locals' reactions to the co-operatives work. In Chapter 6, the analysis carries out the cross-case examination extrapolating communalities and differences among the five cases interpreting the overall trends in cases according to the research methodology and framework.

5.2 Co-operative Brigi: Sustainable tourism and youth activism.

5.2.1 Mendatica History, Community, and Territory

As many other villages in internal areas, Mendatica, in Arrosica valley (Ligurian Apennines, 126 km west from Genoa), has a background in pastoralism and agriculture, as well as, after the modernisation process, it has been gradually depopulated. Mendatica had been a wealthy village until

the beginning of the 20th century, due to its agricultural activity, location as a year-round tourist destination, and reputation as a healthy environment. In the past, there were groceries, a bakery, a butcher, artisans, and many social venues to satisfy local needs; old residents remember that this was a moment of greatness, Mendatica was self-sufficient and people needed just a few things from the outside. The life was simply and people used to help each other in the agricultural activities. The typical village life-style, where everyone knows each other and people used to share collective life experiences, remains in the old residents' memories. By the end of WWII, an increasing number of residents seeking more regular and lucrative employment decided to move to cities, this has left few families as permanent residents in the village and the average age steadily grows year by year.

By the 1960s, the installation of ski lifts further improved the village's tourist attractions; more people used to visit the valley for winter holidays and this fasted the socio-economic change toward modernisation and abandonment of the agricultural life-style. In the 1970s, the former local youth group decided to promote initiatives during the summer season for holiday residents; this idea became the Pro Loco association. In Italy, every village and town has a branch of this association; "Pro Loco", from the Latin, means "For the Local" and aims to promote local territories, their products, food and wine, traditions and culture. This association has had great success and normally it works in collaboration with local municipalities and private businesses to organise social and leisure initiatives for residents and non-residents. The youth residents in Mendatica thought it could be interested to create a local branch and preserve the pastoral and agricultural tradition. This association would play an important role in Brigì foundation thus, it is important to understand its commitment to Mendatica village. One of the founders and first presidents of Mendatica Pro Loco explains the beginning:

"In the 1970s, in Mendatica lived 4/500 people, it way still a vital place with many families occupied in the touristic sectors; at that time there were 3 or 4 hotels. I and my friends decided to create this association for promoting initiatives; we thought it could be interesting for those who used to come here during holidays that were longer than nowadays; people used to stay here moths rather than days." (Interview 0115, Mendatica, 2018).

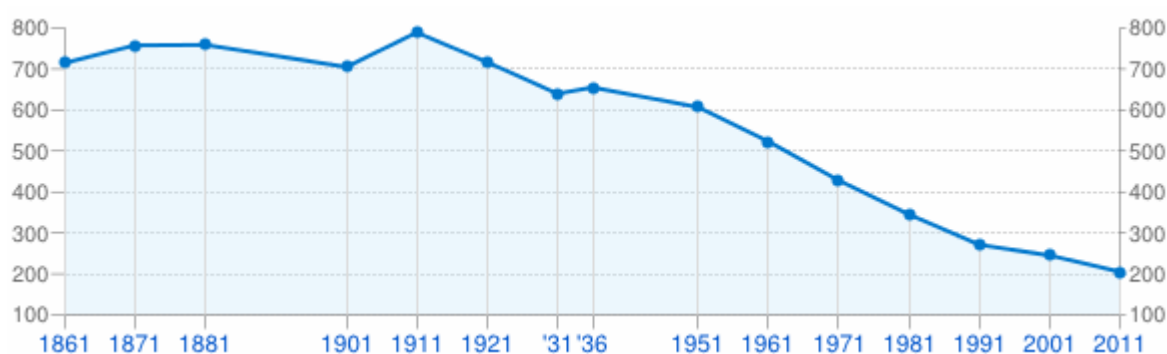
Despite this cultural and associational vitality, jobs not related to seasonal tourism or agriculture were scarce and brought depopulation and economic decline. Since the exodus beginning, Mendatica has mainly remained a tourist destination during the summer and winter holidays, mostly abandoned for the rest of the year. Savona, Genova, and other cities in north Italy became main destinations for many families, only older people decided to not leave their home-village, many buildings quickly have become holidays-houses and Mendatica as well has mutated into a quasi-abandoned place. Furthermore, in November 2016 a serious landslide, caused by rainstorms, damaged houses and public properties, the main loss has been the valley road, which connected the ski lifts and winter holidays locations with the coast, and it was the main way for Piedmont region, on the other side of mountains. This has had drastic repercussions for Mendatica local economy and a deep sense of loss for remaining residents. First, an entire borough (Monesi in Mendatica) has become a "red zone" for geologic danger, houses and roads are no longer accessible thus many holidays residents cannot go there. Secondly, this valley road used to bring tourists from both the coastal side and the Piedmont, this represented vast resources in terms of continuous passengers flow throughout the village during weekends and holidays.

"The 2016 landslide has had a huge and dramatic impact on our territory. Unfortunately, the issue is wider because it concerns how we take care of our territory; furthermore, in this region, the political forces, the resources, and the attention are all focused on the seaside

instead of have a right attention to all the area, included the mountains.” (Interview 0113, Mendatica, 2018).

Consequently, Mendatica is partly isolated and tourists can experience difficulty arriving there or they specifically go there on purpose, it is no more as in the past where Mendatica can benefit from the intense people movement who went to ski lifts in the winter and to the coast in the summer. As interviewees tell, this dramatic event had left also deep psychological signs in residents’ spirit because they have lived this as the final death of their village. Since the disaster, the mayor has asked for the immediate restructuration of the valley road and financial support for refurbishing houses and public buildings; these has latterly arrived and main road works, which is also the core of touristic activities, was not already begun during the work on field (August 2018).

Table 5.1. Demographic Evolution in Mendatica



Istat data 1st January 2018

Nowadays, few families live in Mendatica; the official population is 187 people and mostly are over 50 years (58%)¹⁴. It means a serious compromising for Mendatica future due to the low grow rating and absence of young residents and families. The village depopulation compromises possibilities for new business opportunities, which mainly remain in touristic sector. Mendatica still hosts businesses and social organisations demonstrating a vital social life and some forms of civil society, which also stay alive with the external support of holiday residents. During vacations, the population can even triplicate and thanks to these occasional presences, the village maintains a grocery shop, the post office, the parish, and a couple of small restaurants, one of this is also a dairy producer and sells its products. The civil society counts a local catholic brotherhood, which organises trips and social activities, a local branch of White Crux (a national association for health assistance with voluntary members), the Pro Loco association, and a group of civic volunteers for emergencies such as wood fires or landslides. Despite its smallness, the local civil society is active and organises annual events that attract thousands of visitors; the main one is “Cucina Bianca” (White Cuisines) a gastronomic festival in August, which keeps alive food and wine tradition in Arroscia valley. The white stands out as the main colour in local plates because cheeses, potato, garlic are main ingredients and products in this area. This is a one-day festival that involves many residents; every family opens its yard and organises a small kitchen preparing one of the traditional plates. These Pro Loco events witness the residents’ interest in being active part of their village and stay together for local celebration. According to many interviewees, these moments see most residents’ collaboration and people value them as key parts of their social life in Mendatica because they can enjoy staying together, doing something to keep traditions alive and the village in general.

¹⁴ Istat data 1st January 2018

“In our local culture there is not an inclination to externalize the emotion, we are very closed but there is a persistent sense of collaboration. When someone is in need, others help him or her. You can how the community is collaborative during Cucina Bianca when many people participate in the event.” (Interview 0107, Mendatica, 2018).

Generally, the interviewees agree that Mendatica is a collaborative community because people know each other; there is a general sense of help and support due to the small community thus, people need a reciprocal support. Furthermore, older residents remember the past times when people used to help each other for a general sense of mutuality. Indeed, the only co-operative organisation in Mendatica was a mutual society for farmers; few people have memories of it but until the 1960s it operated in the village for ensuring agricultural damage insurance. Farmers contributed with an annual amount and in case of harvest loss or animals accidental death, they could have a damage compensation. Nowadays, older people do not see the same collaborative spirit but younger generations agree that generally people help each other when there is a necessity. Moreover, the civil society organises many annual events that gather together residents and lead them to collaborate. Nevertheless, many residents witness a social fracture in Mendatica society; they explain this as something that could happen everywhere but clearly appears in the village.

“There are old fractions between people which have deep roots. Certain families have governed the village for decades and they think that still have this power. The time of slavery is ended now we have to collaborate all together. If we do not do nothing, in 10 years this village will die.” (Interview 0114, Mendatica, 2018).

“There are some mumblings but I think the reason is our typical soul in Liguria, certain people prefer to do nothing and criticise others who share their time for the community. There are also some interpersonal conflicts, certain time there is a bad communicational attitude and many misunderstandings.” (Interview 0115, Mendatica, 2018).

During the work on field, through observation, and according to many residents, it is clear how certain families are more involved into civil society and social life and others tend to be more marginal. During interviews, this fracture appears many times, someone explains this as old divisions between middle class and peasants' families, others interpret this as the “typical touchy behaviour in this area”; despite the various hypothesis on the origins, what appears is a division between certain families and others. The more social active members used to share same activities and view on the village promoting self-activation in order to rescue Mendatica destiny; on the other side, those who more call themselves out of these initiates accuse other families to ghettoize them and control the town hall and the Pro Loco, thus, they always decide for the entire village. This introduction provides an overview on the social and economic context in Mendatica, the next paragraph analyses their weaknesses and strengths.

5.2.2 Criticisms and Potentialities

According to local residents interviewed, Mendatica suffers the absence of many amenities and many necessities have to be fulfilled in towns at valley floor. Two General Practitioners ensure basic medical assistance at home twice a week but for any further intervention residents have to drive to next towns; public coaches run twice a day but this is not sufficient to cover local needs and the public transport authority wants to reduce it.

“Obviously the main problems in this community are related to the absence of service. There is an ambulatory in Pieve di Tecò (the closest town) and two general practitioners come here

twice a week. Last year, one doctor retired and the local authority for public health had problem for replacing him. Moreover, the public transport service is scarce so people without a car difficultly can arrive at necessary services.” (Interview 0101, Mendatica, 2018).

“For elder people the access to health services is very difficult.” (Interview 0107, Mendatica, 2018).

Therefore, the village branch of White Crux brings elder residents to the hospital for the necessary cures. Elder people are at the core of locals’ preoccupations, many interviewees wonder on how they can live in Mendatica if services continue to decrease; it is a general opinion that the renaissance of this village must consider the assistance of this social group and increase the support for them because they compose the major share of the population. Other generations have left Mendatica and there is not a population growth; the steadily de-population and consequent shut down of local businesses, the last in chronological order before the work on field was a small restaurant and cafeteria in the central square (May 2018), leave people with few hopes for the village future. Even the parish risks disappearing due to the scarce believers.

“My fear is that the parish will be incorporated with the others creating a unique entity for the entire valley, we might lose the mass celebrations and be forced to drive to Pieve di Teco. If you have a car there is no problem but contrarily you cannot do nothing.” (Interview 0109, Mendatica, 2018).

Interviewees indicate as the main criticism the road valley closure that compromises the tourist sector; general abandonment dishearten local people because the fragile orographic situation threatens the village physical stability. The 2016 landslide has left a huge hurt in this small society; residents have many hopes in valley road reopening because its absence erode the chances to re-launch the village.

“Bureaucracy is a big problem. Just to give you an example, after the landscape in 2016 and the main valley road collapse, the town hall immediately obtained the funds for refurbish it but bureaucracy stopped everything for months and months.” (Interview 0103, Mendatica, 2018).

Despite many criticisms in the current socio-economic context, residents agree that Mendatica has potential and can have future development. All interviewees agree that the tourism sector has to take back its central role in the local economy; for decades, it has been the main attraction and it can bring to Mendatica wealth and work again. As some people underline, the issue regards new tourist targets for the village because what young generations criticise to older is the conviction that past patterns can still work attracting tourists for months with winter activities or a permanent staying during the summer. Younger acknowledge points out new models; most residents know that natural environment and landscape are the main assets for tourism development but these need a proper professional tourist sector that provides accommodation, restoration, leisure activities, and support.

This is seen as an opportunity to integrate new economies with traditions and local culture; promoting Mendatica into new networks and attracting new tourists can be an opportunity to keep alive the agricultural and pastoral heritage that otherwise could be lost. The various annual events carry out these objectives because On the one hand they perpetuate traditions and aim to share Mendatica history with tourists; on the other hand, new generation contribute to achieve the objectives improving Mendatica’s visibility with social media and technology. For these reasons, political forces and civil society have begun to plan a strategy to relaunch Mendatica’s chances.

5.2.3 The Co-operative Brigì

Co-operative Brigì has deep roots in the Mendatica community and a strong bond with the forward-thinking municipality, with an early focus on environmentally sustainable tourism and energy. Between 2007 and 2014, the municipality accessed EU funds for rural areas and began green energy production through two hydroelectric turbine, ensuring energy self-sufficiency for Mendatica. Sadly, the 2016 landslide destroyed one turbine and saw a reduction in energy revenues for the village. Until the 2016 disaster, the municipality had possibilities to co-finance projects for improving quality living in Mendatica and sustained the ordinary public budget. In the early 2000s, with the impetus of addressing the dual-negative trends of depopulation and economic downturn, the municipality of Mendatica won a public bid, participating half of the costs, for local tourism development. The resources financed an adventure park, including hiking paths, a camping area, tennis courts, a football pitch, a café, and a forest zip line. The initiative also sponsored courses for adventure park training, forming over the years many Pro Loco volunteers. In 2011, the municipality invested resources to convert one of the village's traditional houses into a 40-bed B&B. Furthermore, the municipality bought and renewed the local mill, an old building on the river currently functioning; this was rescued from the abandonment and saved as a memory of the past agriculture life. The objective has been the reconversion into an educational site for learning the history and life-style of past Mendatica; nowadays, a volunteer keeps the building open and collaborates with Brigì.

“We felt we just had to give a new importance to these structures, in particular for our elder people. The B&B before was a private house; when the owner, who lived alone, got sick the town hall paid for his assistance and he left the house as inheritance for the public authority. Therefore, we decided to refurbish it for a new purpose. It is useless to regenerate without an idea for future use.” (Interview 0107, Mendatica, 2018).

Since the first year, the new facilities have attracted tourist and visitors, residents consider these facilities a wise investment because they attract people and even locals can use them; in particular, the adventure park improved attractions in Mendatica. While local authorities planned to give licence rights to the Pro Loco association for managing the touristic assets of the village, it quickly became clear that a different legal structure, with permanent business plan and employees rather than volunteers, was necessary. Thanks to the young Pro Loco members' commitment for the future of Mendatica, local authorities agreed to assign them the management of tourist offerings. In 2015, Brigì began its activities. Young co-operative members have a common background rooted in the Mendatica community; for years, they have known each other into Pro Loco and have been active in its activities. This is the base upon which they have built the co-operative project. According to many of them, the commitment for Mendatica's safety and the passion for preserving their tradition keep the group together and is the essence of the Brigì mission. After many years, some volunteers, around their 30s, have decided to implement their efforts for the village. The main factor that has led them to consider an evolution in their voluntarism into a business model has been the necessity to increase activities revenues and ensure a steady number of member of staff to run these activities. Many young residents or vacationers have expressed their desire to live there and try to create job opportunities that can allow a life on the mountain. They have all had experiences as volunteers at the adventure park and they see this as the main asset for a tourist business; clearly, the offer required a major structuration and the co-operative has brought on the table many integrative advantages. The whole project began with three forward-looking people who accepted the challenge that the mayor and old Pro Loco members submitted them, trying to understand possible solutions for Mendatica's future using local assets.

“We had the idea to create a proper structure and develop the Pro Loco activities bringing them on another level. [...] My parents were inside the Pro Loco, we always discuss about territory management in my family, and the necessary commitment to create a new initiative for not letting the village die. I always volunteer for my village and when we have seen the limitations that the Pro Loco model has in managing the activities we have decided to look for new solutions.” (Interview 0106, 2018).

“The town hall made important investments in this community but, at a certain point, the assets were underused because we had only volunteers and they expressed 50% of their potentialities. Be a community co-operative means that there must be a general agreement in the village on what we do. Furthermore, the voluntarism can also dis-incentivise people, the work requires a major commitment and help to use these assets at 100%.” (Interview 0113, 2018).

The three Brigì founders have had a huge help from Legacoop regional branch; since the beginning, it supports the idea and helps the group to structure the business plan and the communication campaign. Young co-operators took advantage from the Co-operative Start-Up edition 2015, a Legacoop regional plan for fostering co-operative values and supporting informal groups in their idea for co-operatives in every sector. According to co-operators' opinion, this has been a great help for their business because this program provided participants with key skills and capacities to structure the business plan, create social media, and manage the co-operative. As they say, the co-operative, as business form, was something unknown before; they knew other co-operatives but never really understood what this model is. According to other interviewees, in Arroscia valley there is no strong background in co-operative firms and practices thus citizens do not really know what these are and how they work. In Mendatica's historical background and older residents' mind there still is memory of the old mutual society but it closed in the 1960s therefore few people have a direct experience in co-operation. The support of Legacoop has raised awareness in this group on possibilities for starting-up a collective and democratic firm that incorporates values relevant for these people such as active participation, democratic decisions, and commitment toward the village.

From the initial three founders, the co-operative project has immediately involved other young community members. Again, the Pro Loco association played a key role in aggregating residents and vacationers around this project; the group was a base for developing Brigì. First, many other residents have participated in the Pro Loco association as volunteers so they share values and objectives with the co-operators; particularly, many co-operators' parents have been Pro Loco members; as explained before, this has constituted a critical division inside Mendatica society with some repercussions on Brigì work. Secondly, the Pro Loco association was formerly managing the adventure park thus, most of Brigì members have been trained as park operators by the association; in this sense, co-operative has saved precedent investments in local resources keeping in Mendatica the know-how acquired over the years. Pro Loco works for promoting valuable territorial aspects but it suffers a main limitation, the legal form; being a voluntary association the Italian legislation forbids it to run business activities. According to the mayor and other Pro Loco members, the volume of activities had become difficult to manage only with a voluntarist association thus Mendatica needed an improvement in its strategies for the economic relief.

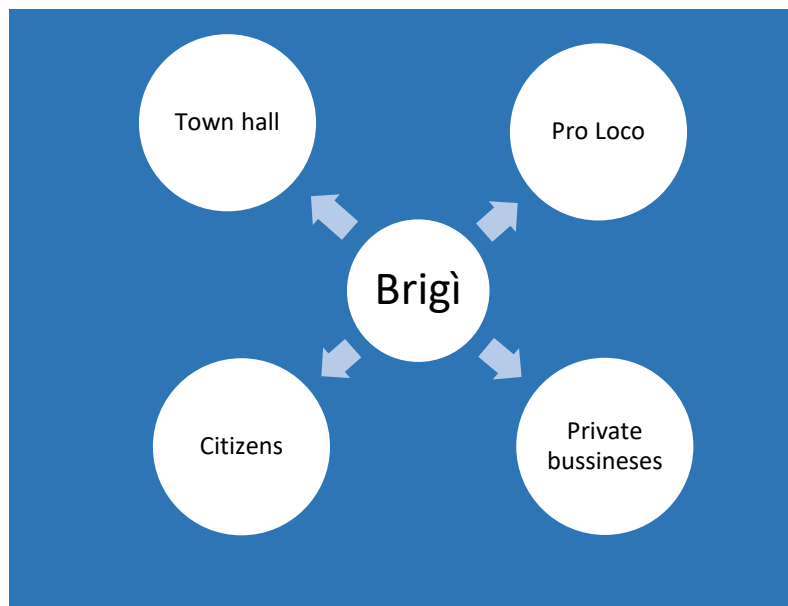
Considering this already existing social network in Mendatica, the three promoters used it for calling to action other youths, share with them their view and project. They throw two public events where they discussed proposes and issues with young residents and interested; during the events, they

collected first intentions for starting the co-operative. As one of the founder says, the networking with the territory has been strategical since the beginning; being local residents and knowing local mind-set has been useful in promoting the co-operative because “*it has been a matter of inserting the project inside the dynamics and social equilibrium in this village, which is not an easy task.*” (Interview 0106, 2019). Firstly, the co-operative structured the business plan and implemented marketing strategies; since 2016, the town hall has transferred competencies for the local tourist office to Brigì and the Pro Loco association rents its mini-van to the co-operative, which maintains the vehicle using its revenues and use it for bringing around tourists. Essentially, Brigì is in charge of the main tourist activities and promotion creating an integrated offer.

At the time of this work on field (August 2018), the co-operative employs 14 workers, most under 30 and local residents; the core business is the adventure park, which has implements its offers with a picnic and camping area. Moreover, the co-operative manages two B&B (Ca della Cardella, which the town hall renewed in the 2000s, and a private house) concentrating in its hand the majority of accommodation structures available in Mendatica. As apparent from the interviews, Brigì tries to recover the touristic attitude of Mendatica adopting a green and slow approach in its offer; as co-operators say, their main asset is not the adventure park, which is more considered as a tool, but the nature and the environment around Mendatica. This place has always been known as a salubrious location for people with particular health complications; moreover, visitors appreciate the village for the quiet setting and the beautiful panoramas. Brigì takes advantage of this environment in a sustainable way, co-operators organise hiking tours, visits to the mill and old farms up in the mountains combining natural resources and old traditions; indeed, the cultural heritage is also part of the touristic offer, Brigì sees it as key part of Mendatica experience. Brigì’s main work is to recover this historical pastoral and agricultural heritage; co-operators see this as an important element that can give to their touristic offer a great peculiarity, the Mendatica experience combines innovative touristic solutions with the safety of a traditional hold by older residents.

Hiking tours and local traditions are valuable occasions for enlarging the network to other villages in the valley. There have been various projects to increase the business opportunities in the Arroscia area during the years; nevertheless, Brigì seems to have success compared with previous tries. First, local authorities proposed precedent projects but did not success because private initiatives non-did not collaborate; differently, Brigì begins its project from the private side. Secondly, it does not aim to simply networking existed enterprises but it creates new offers and projects for the tourism. Thirdly, it concretises a substantial tourist offer integrating various economic sectors such as agriculture, restoration, accommodation, leisure activities, local festivals, etc. As proof, the Ministry for Economic Development has approved the Brigì plan for the Arroscia Valley development, rejecting the previous one; the ministry appreciates the integrative planning that young co-operators have been able to set down for the valley instead of previous project that proposed a website with information on local activities. Alongside its own activities, Brigì collaborates with other Pro Loco, public authorities, associations, and enterprise in the valley to improve the integrated touristic offer in that area. The most remarkable result is the collaboration with Pro Loco in Montegrosso Pianlatte, a close village next to Mendatica; here Brigì participates in organising hiking tours and networking for a diffuse local museum of agricultural heritage; this project involves another village, Cosio di Arroscia. The general idea is to extend Brigì and local museum activities to other villages in order to have a wide network for tourism that will involve various actors.

Figure 5.1. Brigì's Local Network



Co-operators theorise the community development mission and local participation as the core element in their organisation, they aim to continuously improve the local networking and the locals' engagement in the co-operative. Every year, Brigì organises a public meeting where it presents its main annual results and future project. This is a moment for discussing the work with supporter members and Mendatica citizenship. This is key in the co-operative administration because it helps members to reinforce the agreement between them and citizens; furthermore, it is an open space for collecting inputs and critics. The public meeting 2018 has been part of this work on field; co-operators illustrated the 2017 budget, which saw a positive trend. In 2016, the co-operative had 73,033€ revenues, increased in 2017 to 78,948€. Nevertheless, business costs absorbed all these resources, in 2017 all expenditures, including mortgages and wages, were 78,912€. During the public meeting, Brigì members presented other key results such as journalists and tour operators visits that can increase the Brigì visibility, and then they asked for indications on the next three-years planning. In 2017, marketing communication and team building received the main investment for improving the co-operative results. Next investment will be an integration at the adventure park for children with disabilities. A further improvement for the future will be a seasonal differentiation over the year; Brigì members have witnessed a disparity in tourist flow mainly in the summer months, thus, the objective is to improve activities with schools and promote other initiatives during spring and autumn for bringing more visitors to Mendatica. Participants pointed various issues regarding park maintenance and tourist offer, this has been a key moment because it proves how Brigì initiatives can also be the outcome of a collective process discussed with locals. The main request for the co-operative is the re-opening of central bar and pizzeria because it is the main social venue in the central square and people feel this absence as crucial for Mendatica. Even if many residents critically address this problem to Brigì, because they claim a further commitment from the co-operative, due to the free use of public assets, co-operators saw this as a success because the local population pointed Brigì as the first enterprise that has to manage the bar.

5.2.4 Local Assets and Community Service

This case study shows how is possible to develop a valuable entrepreneurial project from public authorities limitations because the main point that emerges from the analysis is the capacity of Brigì to compensate town hall limitations in budget and competencies. This mutual compensation allows

Mendatica to have possibilities for its future because Brigì can independently manage the assets, even if they are public; obviously, between the two parts a contract establishes duties and responsibilities, but what emerges from the work on field is a valuable model for the community interest. First, co-operators consider their assets as “community goods” because the town hall financed the entire cost and they manage it; nevertheless, Brigì members feel a commitment toward the community, first because members have strong emotional bonds with the village; secondly, because they can use these assets freely, without a rent, and growing their business. This is the essence of the mutual exchange between the co-operative and the town hall; co-operators have had the possibility to start up their business and create job opportunities in their village not acquiring assets, alternatively it would cost them more. In exchange, they maintain these assets, run businesses and earn revenues that allow further improvement, ensure a public service keeping open the park, maintain Pro Loco mini-van, and town hall asks Brigì to maintain green areas and public pathways around the village. Secondly, these activities have a direct effect on the local tourist sector, in Mendatica there are already one grocery, two restaurants, and another B&B, the park integrates their touristic offer, and visitors can stay over for the night, have a meal or do the grocery.

The inclination to networking is inherent in Brigì; since the beginning, the co-operative has involved other businesses in Mendatica for promoting the integrated tourist sector in their village. Some entrepreneurs have not immediately accepted this idea; they have expressed doubts in their plan and have decided to work by themselves. Who have supported this project have been the municipality and one of the two restaurant, in both cases, people involved have a direct relations with Brigì co-operators and this can explain why they have believed in the project since the beginning. Over the years, Brigì has developed a relation with the second restaurant and its dairy workshop; moreover, the co-operative has a relation with another restaurant in Montegrosso Pianlatte, the closest village. Every time Brigì has a hiking group, the co-operators sell a full tourist package that also includes a meal at one of these restaurants. At the B&B is possible to have a breakfast with local products from the dairy workshop, and the other B&B has included the adventure park in its website as main attraction in the village. Despite the reductive dimension, the local network among touristic operators grows through a constant collaboration. Managing the tourist office and the adventure park, Brigì is the main factor that attracts people in Mendatica and this can bring resources sharable among other businesses. Brigì partners are mainly private businesses in tourist sector and the nature of collaboration is the development of an integrated tourist offer. Thus, the meaning of local networking is to improve the local economy in its core sector, which locals widely recognised as the principal economic sector for local development; therefore, Brigì continues a professional tradition rooted into Mendatica and the Arrosica valley background trying to regenerate this sector. The non-profit and public partners share with Brigì the vision on Mendatica preservation and the development of possible alternatives for its future. On this point, it is possible to see the dual nature, both economic and social, inherent in Brigì. On the one hand, founders have seen an economic opportunity that can spread benefits into the territory; on the other hand, they carry out a wider vision on their village involving social aspects not directly related to the business sphere. The local network among the co-operative, town hall, Pro Loco, and private businesses is mainly informal; except for the usage agreement with the local authorities and the mini-van rent, most decisions and discussion happen in informal situations. As the interviewees say, the social life in the village, the familiar or friendship relations bond together many social parts in Mendatica; therefore, many Brigì members have involved their social relationships into the co-operative and many local stakeholders trust the co-operative business because primarily they directly know the members and, in most cases, they are relatives.

5.2.5 Criticisms

Since 2015, Brigì has evolved its business and increased its impact on Mendatica; nevertheless, criticisms have arisen in the relations with the local community. Local disputes between various social groups appear as the main problem in developing the socio-economic work. Many citizens criticise Brigì because they do not see a clear division between the co-operative, the town hall, and the Pro Loco association; thus, they believe there are unclear aspects in the local assets management and consider the young co-operators as favourites. Some residents claim a major service for Mendatica from Brigì members and complain about the park management. Few interviewees question the mayor's choice to transfer the assets without a public bid that could favour the competition and maybe attract better firms for managing the park. These people do not participate to Brigì public meetings because they think the young member will attack them if they complain on the assets management. As one interviewee, external to Brigì co-operative comments:

“Mostly these are typical dynamics in a village, people live here for generations and some tensions are inherited. Certain residents complain about Brigì's work without particular reasons but these people are the same who do not participate in public activities, do not help for annual celebration and in the past, they support the political opposition to this mayor. I think it is mostly jealousy for Brigì's good results and a misunderstanding on roles division between Pro Loco and the co-operative. [...] After the first two public events for launching the co-operative project many youths immediately decided to join the project and coincidentally they were all Pro Loco members' sons; those people who activate themselves for Mendatica and already organise activities. Whom has stayed outside Brigì are all people from those families that only criticise and do not engage themselves into initiatives for Mendatica.” (Interview 0101, 2018).

Investigating these tensions with members and residents clearly indicates how this situation has various causes; on the one hand, there are pre-existing conditions which determine the contrapositions between the co-operative and certain residents. On the other hand, it is difficult to understand the division between organisations because the official documents establish duty and responsibilities for both sides but many of the people involved have double roles in the town hall, Pro Loco, and Co-operative. As a Brigì member explains:

“I really want to create a dialogue with these people but it is hard because they do not want to discuss with us. [...] A part of the village always criticises us, we have invited them to our public meetings but they do not come and discuss with us. If there is a problem, I think we have to analyse it and resolve but they just spread fake news on us speaking with other people and how can I confute them if I cannot debate? They say there are unclear money transactions between the co-operative and the town hall but they do not tell this directly to us, they just chat with other people.” (Interview 0106, 2018).

Furthermore, the same residents see the co-operative as a privilege because it manages the majority of beds available in the village and can adopt cheaper price compare to the other B&B because does not pay the rent for the usage. As many co-operators say, they compensate this cost discount with many services to the town hall. What clearly emerges is a huge misunderstanding among the parts and a resident suggests there could be a way to understand the situation:

“I know there is a formal agreement between the local administration and the co-operative, they can use the assets and provide certain services but I think this is not a fair return for the public authority, it could ask more. I agree that the town hall helps the co-operative but it has

to claim more services. [...] they (the co-operative) have to better distinguish the boundaries between the co-operative and Pro Loco, it is useful also for them because it can defend from complains. The co-operative has to have a certain role and clarify it, even if its members are also Pro Loco volunteers. [...] If there are misunderstanding, they (Brigì members) have to resolve the doubts, until last year it was not clear how much the Pro Loco earns; if you do voluntary you should be clear on your resources usage otherwise people do not follow you. This is not a critique to the kids but they need to be more transparent; if old people do not understand what you are doing, you should be the one who does the first step and find alternative ways to communicate you actions. They tend to work a lot on their image and communicate it outside the village and they are having success because foreign journalists and the national TV came here to interview them but old people in the village do not matter if you are on the news, they want to understand what you are doing, concretely, for the village.” (Interview 0116, 2018).

These consistent criticisms and the necessity to renew the agreement with Brigì, have led the mayor to open a public call for new enterprises to express offers for managing the park and the B&B in March 2019. Brigì members were shocked because they saw their work under serious risk; the mayor justified his choice as a way to more legitimate their position but until the end of the call the co-operative was not sure to be again the park and B&B manager. In May 2019, the town hall re-assigned the assets to Brigì because no one expressed offers for them; this situation shows how the deep divergences into the village could compromise the co-operative work. Divisions, animated by different views and personal believes, can compromise the network of the co-operative and their work. Brigì members have the help of many residents, who are mostly their relatives and friends. These supporters agree on Brigì work, its objectives, and the message it brings in Mendatica. However, the other social group(s) have also the capacity to state a counter vision and determined a public authorities' choice due to the aggregation of a critical mass inside the community. There are continuous informal debates in Mendatica, the word mount-by-mount remains the main communication system and Brigì members know many things about themselves through their social relations with local residents and they have experienced the local support knowing that many people defend them in these informal conversations. Passed this obstacle, Brigì continues its work and has asked to Legacoop and another co-operative, which specifically works on communication, strategies for improving their networking attitude with the local community and alternatives for transmitting their efforts for Mendatica.

Table 5.2. Community Co-operative and Social Capital Elements

| Community Co-operative Elements | Social Capital Elements |
|--|---|
| Founders' group | <ul style="list-style-type: none"> • Local young residents and leaders • Strong bond with the village • Families' values such as commitment for the village • Previous experience in Pro Loco and park management • Civic activism as foudnamental values • Friendship • Familiar relations |
| Analysis of local issues and opportunities | <ul style="list-style-type: none"> • Town hall proposal for park and B&B management • Tourism main economic sector • Cultural heritage as new element in the tourist offert (cultural capital) • People in other organizations report needs and ideas • Annual meeting with local population • Informal relationships |
| Mission and Objectives Definition | <ul style="list-style-type: none"> • Collaboration and trust as main values • Common desire to save the village (shared objective with community) • Desire to live in the mountain (shared objective among Brigì members) |
| Co-operative's local network | <ul style="list-style-type: none"> • Brigì members' personal relationships with other organizations • Spatial closeness with partners • Same interest in save the village • Shared vision on possible solutions |
| Friction with local community members | <ul style="list-style-type: none"> • Old familiar frictions • Personal conflicts • Disagreement of civic activism as possible solution for village's problems |

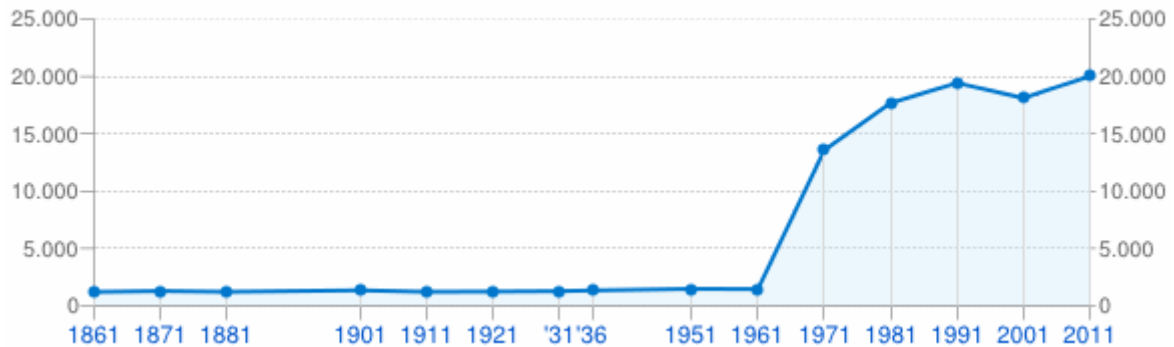
5.3 Rimaflo

5.3.1 Trezzano sul Naviglio, Industrial Evolution and Economic Crisis Repercussions

The name “Trezzano sul Naviglio” indicates the collocation of this town along one of the typical canals in Milan, the “naviglio”; literally, the translation is “Trezzano on canal”. Over the centuries, this area mainly remained agricultural and various landlords, both religious and private, used to own the few farms scattered along the “Naviglio Grande” that connects the Western side of Lombardia with the Milan old town; the naviglio tract in Trezzano was built in 1187 and the town hall assumed

the current denomination in 1862. Despite the hydric connection with Milan, the area remained mostly under-populated until the 1960s when the urban expansion and the rapid industrial growth after the 1950s economic boom required more space where install new productive sites¹⁵.

Table 5.3. The Demographic Evolution of Trezzano sul Naviglio



Istat Data 2018

In the 1960s, two other main changes determined the current urban structure, the highway and the train way, which both pass through the municipality territory. These deeply influenced the subsequent urban evolution because traced a clear division between the Northern and Southern part of Trezzano sul Naviglio. The rapid urbanisation and the possibilities to easily reach Milan city centre have been enlarged the town dimension and incorporated it into the sub-urban city area.

“De facto, Trezzano is not well amalgamated particularly in its architectonic structure. There many neighbourhoods that are external and both the highway and the naviglio cut the town into two parts. There are no places for aggregation and socialization, the main square does not have this role. If you move to next town, such as Gaggiano and Corsico, you can find a better social life. In Trezzano no, if there are cultural activities, they are extemporary and do not accomplish the task. The society is frayed and there is a lot of work to do.” (Interview 0202, 2018)

Many other interviewees have the same idea; they consider Trezzano as an attachment to the Milan metropolitan area, a town where people just stay because it is cheaper than Milan but it is close and allows daily commuting. After 2008, Trezzano and all the Milan area have suffered a deep crisis and the many enterprises shut down. Due to the central role of industrial sector, the crisis had a dramatic effect on this wide territory. As the table shows, the rate of unemployment drastically grew over the years.

¹⁵ www.comune.trezzano-sul-naviglio.mi.it/cennistorici

Table 5.4. Unemployment rates in the Milan Area.

| Year | N° Workers (Thousands) | Rate of Unemployment (%) | N° Enterprises |
|------|---------------------------|-----------------------------|----------------|
| 2004 | 1687 | 4.7 | 426,118 |
| 2005 | 1721 | 4.2 | 432,261 |
| 2006 | 1746 | 3.9 | 437,306 |
| 2007 | 1743 | 3.8 | 362,362 |
| 2008 | 1749 | 3.8 | 359,318 |
| 2009 | 1711 | 5.6 | 358,401 |
| 2010 | 1335 | 5.8 | 352,882 |
| 2011 | 1336 | 5.9 | 351,258 |
| 2012 | 1341 | 7.7 | 350,478 |
| 2013 | 1365 | 7.7 | 354,206 |
| 2014 | 1372 | 8.4 | 357,844 |
| 2015 | 1400 | 8.0 | 364,228 |
| 2016 | 1433 | 7.5 | 369,452 |
| 2017 | 1461 | 6.5 | 374,549 |
| 2018 | 1466 | 6.4 | N.A. |

Istat Data 2018

These conditions have left thousands of people without a job; in this context, the workers of Maflow began their protests and then, they occupied the fabric and funded the Rimaflow co-operative.

5.3.2 Rimaflow History

In 1973, Giorgio Sommariva and Roberto Marchetti funded the *Murray*, it produced car power steering and fuel pipes for international car companies such as Fiat, BMW and Ford. The first manufacturing site has been opened in Trezzano sul Naviglio, after that many others followed, three in Italy and others in different countries (China, Brazil, Mexico, Spain and France). In 1999, the *Manuli Rubber* bought the firm and resold it in 2004 to the private equity *Italian Lifestyle Partner* and it became *Maflow*. In 2007, the site in Trezzano sul Naviglio employed 330 workers during the full production.

11th May 2009 is the date that signs the watershed in all this history, despite good economic performance and high volume of commissions, the Milan tribunal declared Maflow bankrupted due to a 140 million € debt for the acquisition of Maflow by the private equity which has transferred it into Maflow annual budget. On 30th July 2009, Milan tribunal declared Maflow insolvent and an “extraordinary administration” was instituted; this is a procedure contemplated in the Italian legislation (Dlgs 270/99). The judge nominates a special commissioners who takes the control and manages the firm in order to conserve assets, reconvert the production into a more profitable business, and guarantee existing job positions. This precarious situation led many clients to pull back commissions determining the final close of Maflow, in particular BMW, which contributed for 80% in Maflow commissions.

In January 2010, Maflow workers began their protest outside the gate; they asked for the firm re-opening and for certainties on their future. After 18 months of extraordinary administration, where the firm just produced for the remaining 20% of commissions, a Polish entrepreneur, Mr. Boryszew, bought Maflow in October 2010. He took advantage from Dlgs 270/99 special funds for the reconversion; in the first two years, the law guarantees a financial support for those entrepreneurs who acquire firms under extraordinary administration and present a business plan for industrial

renewal. At the beginning, he employed just 80 of 330 workers to continue the residual production, Maflow workers had fought to maintain international commissions, they even organised a demonstration in front of the BMW headquarter in Munich to ask a continuity in the professional relation. Despite this mobilisation, with the support of German trade unions, BMW did not agree to commission other car parts; nevertheless, they signed an official declaration where they recognised the high-quality products of Maflow and promised future commissions if the company could guarantee a new stable production.

Alongside Boryszew's administration, former workers continued the permanent picket line and occupied a building, formerly an administrative office in the site, where they created a place for workers' support, a meeting area, and a kitchen. Since first weeks, this place became a stable headquarter for all fabrics in strike in that area; the idea was to coordinate protests with common issues and increase workers' power in claiming back their jobs. The Polish owner tolerated the occupation despite not having intentions to rescue Maflow.

In 2012, after the minimum period of two years, with guaranteed public funds, Boryszew transferred all Maflow assets to Poland. Workers tell that during those two years he brought many Polish workers in Italy in order to learn how to use machineries and transfer assets and know-how in another site. In December 2012, activists tried to stop the daily caravan of trucks that brought all machineries in Poland but Boryszew threatened former workers with a possible layoff of all the last employees in Maflow. This created huge tensions between the last 80 workers employed by Boryszew and the activists; in the end, they decide to not compromise the last possibility for they colleagues to have a job, they saw that as a "war in worker class" and did not want this. Moreover, Boryszew exacerbated this dramatic scenario bringing with him the Maflow brand and consequently the BMW's quality production recognition and the promise for future commissions; the BMW official document referred to Maflow firm and this did not imply the Trezzano sul Naviglio manufacturing site.

The workers lived with huge frustration in all this situation but they were convinced that a possible solution could still be identified. During the long picket line of more than two years, activists began to wonder about solutions for their common problem. In those moments, the inspiring leaders of Maflow workers gathered some colleagues and began to think about the permanent occupation of the entire site. The idea was to enlarge the workers' presence on all the area and start work activities in order to provide people with a minimum income, which could allow to continue the protest. Those initial thoughts were embryos of the Rimaflow co-operative; the name suggests an idea of re-starting and re-birth after the decadence. The first step in this evolution has been the creation of "Occupy Maflow" an association that aims to sustain all workers in critical situations. International social and political movements such as Occupy Wall Street, Spanish Indignados, and Arab Springs were the main references for workers' protests and actions.

Immediately after Boryszew's relocation, workers occupied the remaining spaces in the site. The scenario in front of them was dramatic, they saw the fabric where they worked for years empty, abandoned and structurally damaged, at last Boryszew decided to take everything with him, including all the cooper electrical wires. The area, 30,000 sq., required huge re-establishing works and new machineries. From the 330 Maflow workers, just 20 decided to begin the total occupation and create a new work in that area. With support of friends and other people convicted in the project, they restructured the first warehouses in order to ensure a liveability and possible conditions for works.

At the beginning, Rimaflow involved local farmers to produce there a tomato sauce to sustain the first expenditures for building refurbishment and machineries purchase. These connections with the

local agricultural sector would evolved into a logistic use of spaces inside Rimaflow for a local farmers' market and storage of local products. As Maflow workers, many other people were in critical situations due to the economic crisis; since the beginning, occupants decided to also support other people in their same situation. The first project promoted a flea market inside one warehouse, it gave people the possibility to sell second-hand things generating a minimum income and allowed people to have a cheap market where to buy objects, furniture, domestic appliances, and clothes. Beyond this market, the association installed a cafeteria, it bought bar equipment for a local hospital that shut down the internal cafeteria; moreover, Rimaflow called the former workers for working inside the new bar. The flea market and cafeteria were born as a path to connect the territory with the industrial site; the aim was to bring people inside the warehouses for the market and contemporarily presenting them the Rimaflow project. The market had a great success, at its peak, it had 92 permanent stalls and more than 100 during weekends but after a long legal dispute with Trezzano sul Naviglio town hall Rimaflow was forced to close this. The warehouse is officially a production area not a retail area in the urbanistic plan. Nevertheless, the project obtained a first result, rents from stalls and revenues from cafeteria covered costs for urgent renewal works in warehouses.

In March 2013, the Rimaflow co-operative was officially established; the regional job office funded the training courses for Maflow workers and helped them to start up their business. Although Maflow know-how in car components, Rimaflow has decided to promote a new production and foster an idea of sustainable economic activity. The co-operative recycles electronic domestic appliances; they re-use parts in good state from old devices and regenerate entire appliances such as computers, dishwashers, washing machines, etc. The co-operative sells these recuperated domestic appliances and avoids waste and expansive recycling procedures. Alongside the warehouse for the domestic appliances regeneration, Rimaflow has developed many projects in the site all based on the idea of new employment possibilities, sustainability and social inclusion.

After the flea market closure in 2014, Rimaflow has decided to convert the building into an area where artisans can rent small spaces and start up their businesses. Rimaflow provides workers with workspaces for affordable prices; the first step is an assessment of artisans' business plan and they needs, Rimaflow allows free use for the first months and a gradual rent for the following months. With this support, micro-enterprises can grow and structure their businesses without preoccupations, the site provides them with services and tenants share utilities decreasing costs. People involved in this project are skilled labours with no more job possibilities because the Italian productive system has strongly been affected by economic crisis and many firms shut down over the years. The risk to lose the local know-how and the prohibitive conditions on local real estate market for workspaces led Rimaflow to develop the project "Cittadella delle arti" (Arts Citadel).

The main resource in Rimaflow's success has been a huge social network that workers and the co-operative have built over the years. Rimaflow considers itself as a promoter of social change, solidarity in social fights, and collaboration among civil society and social economy actors. Over the years, many social and political organisations, informal groups, public institutions and people in general have seen in this experience an opportunity for developing their own projects. Rimaflow has a wide network of collaboration in its area and in Milan. Since the protest outside the manufacturing site, many citizens and organisations, such as the local parish or the trade unions, have brought their solidarity to workers. Rimaflow works in the same way for all in need, workers provide their know-how and offer physical spaces in warehouses to promote other social or political projects which share the same mission and vision with the co-operative. This external network has permitted Rimaflow to fundraise resource for new economic activities and building renewal. Rimaflow hosts concerts and cultural events organised by external promoters in order to support social initiatives and political

battles on different issues such as antifascism, eco-sustainability, fight against mafia, which is a critical issue in the Milan area, food waste and accessibility, asylum-seeker and refugees accommodation, feminism, workers' protests, land reclamation in Brazil, supporting the movement "Sem Tera" or the Zapatists in Chapas (Mexico). It is possible to see how Rimaflow interprets its political action in both ways, local and global; it supports social issues in this community as well as fights all over the world.

Unfortunately, troubles never end for this co-operative. Boryszew left a huge debt with Unicredit bank that immediately after the Polish relocation began a procedure to take back the Maflow property in order to cover the debt. Since the beginning, Rimaflow has proposed an intermediation between the legally right pretention of Unicredit and their social and political demand for a compensation. The bank has accepted the presence of Rimaflow until 2018; in this year, it started a fight to evict the co-operative from the site. Workers ignore the reasons why Unicredit has changed its position; they suppose there is an imperceptible economic interest that they cannot see what the bank has done.

2018 was a hard year in Rimaflow's history, the bank pressure for the eviction was sharpened by Rimaflow's president arrest. In July 2018, the police arrested the president alleged that Rimaflow had been part of a criminal organisation for illegal recycling of industrial material. The president and other nine people were arrested and Rimaflow's warehouse posed under sequester; according to other Rimaflow leaders, this was a tentative to destroy Rimaflow's reputation. After 7 months, the president accepted a plea bargain as all the other defendants, despite the strong willing to continue the process and demonstrate the total innocence of Rimaflow. The long procedure and high costs have convinced the co-operative to accept the minimum punishment, which has been the lowest in all the process, other defendants were found guilty for other crimes and were already condemned for previous felonies. Rimaflow's president has to attend two years of free service at local social services.

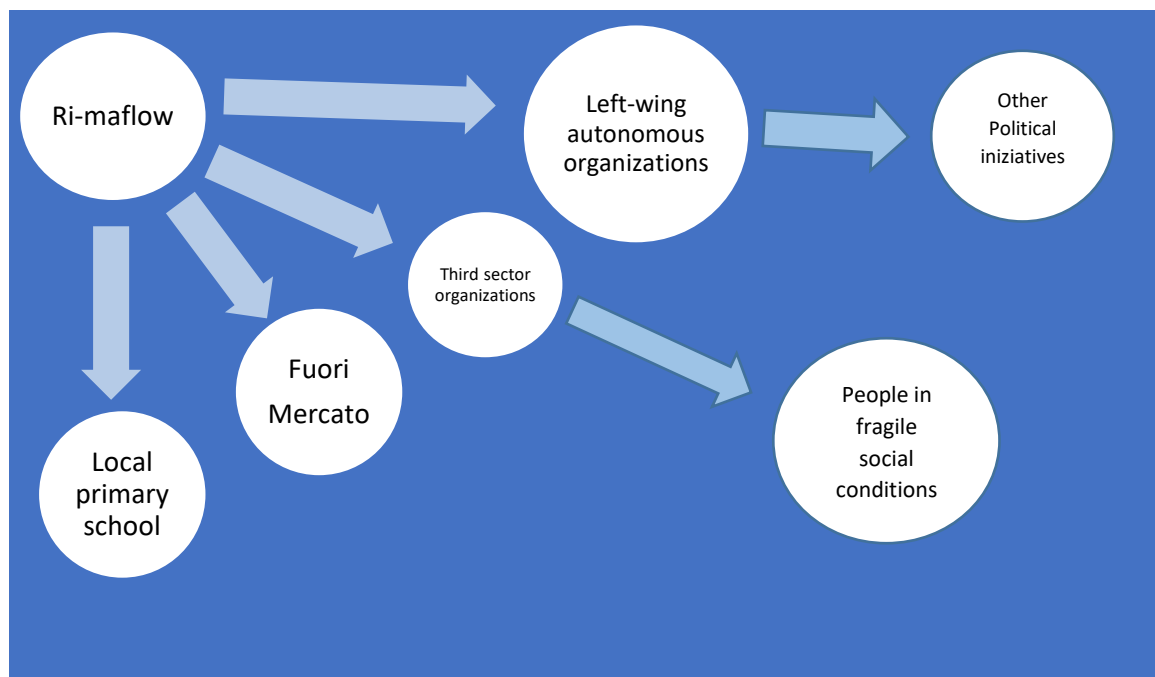
Alongside the penal event, Unicredit and the tribunal of Milan continued to force Rimaflow's eviction; the most dramatic pick was in late November 2018 when the Milan tribunal officer promised to the workers the use of "military force" for the eviction. Rimaflow leaders and workers, already exhausted for president's legal issue, called to action their entire network and all the social and political forces that saw in this co-operative a sign of what people can do against strong economic forces such as Unicredit. On November 28th 2018, the eviction day, since the early hours in the morning, hundreds of people gathered in front of Rimaflow's gate for a pacific picket line in solidarity with the workers. This was a great sign for the occupants because it proved the huge network of solidarity that they have built during the years. In front of this deployment, Milan tribunal decided to postpone the eviction day to the end of April 2019 and Unicredit allowed re-opening the negotiation for Rimaflow purchase of the industrial site. What the bank did not consider was that leaders and workers began months before to plan an alternative solution to eviction that is the re-collocation of Rimaflow in another site with no more pressure from the bank and the public authorities.

As the leaders explained, the original site is structurally fragile, it requires huge investments for groundwater recovery, asbestos removal from the roof, and further re-establishment inside the warehouses. Essentially, a final agreement with Unicredit for the purchase of site property involves millions in investments for property acquisition and renewal works, it means for workers being submissive to capital power and they do not want this. For these reasons, they have decided to continue with the search for a new site with safety and legal conditions, leaving Unicredit with a huge property that requires investments for millions before they can resell on the market. Moreover, it is not possible to convert it into residencies because the site is an industrial area and it cannot be reconverted into a new fabric due to the unstable Italian economic conditions. Rimaflow's workers

and supporters see this as a victory versus a huge bank, symbol of exploitative capitalism, they have had a partial re-payment for what they have suffered during Maflow closure and they have had revenge on Unicredit for the two years of fighting, Rimaflow 2.0 will be the new project and manufactural site.

In May 2019, Rimaflow moved to a new site; the co-operative has formed a consortium with other organisations that have supported the cause during the years. Nowadays, they own the new property and can finally operate without any trouble because their position is fully legal. This was an important objective for activists, they always sustained that the main aim is not the old site occupation but the workers occupation, thus, it can happen also in another place. The confrontation with Unicredit ended in an agreement, the workers would leave the former site and the bank allows them a support of 300,000€ for the new site. Private security permanently monitors the old building because there can be a risk for occupation or waste dumping; Unicredit pays for this services. The activists are satisfied and have new plans for the Rimaflow 2.0 such as a renewed Arts Citadels, the reconversion of their production into truck components, instead of continuing the electronic devises regeneration, new areas for workshops, and a professional restaurant. This will employ people affected by social problems and use food from local producers’ network and other from “Fuori Mercato”, the national network of alternative producers.

Figure 5.2. Ri-maflow Network



5.3.4 “Income – Work – Dignity - Self-management” The political thought behind Rimaflow and practical consequences in their functioning

The analysis on Rimaflow requires an examination on the political thought behind this co-operative because it is not possible to understand this initiative without the ideological elements that lead members’ actions inside it. This paragraph analyses the political conceptualisation that Rimaflow members have developed over the years; this has been the starting point for their protests and then the occupation and co-operative formation. The leadership has shaped the idea of Rimaflow as a workers’ struggle for their rights and social claim for income, work, dignity, and self-management, the pillars of all Rimaflow projects. These objectives interconnect members and supporters’

commitment with the political ideological structure and realise Rimaflow's scope for their fight. Therefore, Rimaflow is a political initiative and it assumes various forms where the co-operative is only the main and most important.

“There is a general difficulty for the working class consciousness; therefore, it is difficult to organise an occupation and create a self-managed factory in this historical phase. 200 years of capitalism and 20 years of turbo-capitalism. There is a deep process of losing of consciousness of workers' productive capacity; this is the worker's alienation from the product. There has been many difficulties in proposing to these workers an occupation and then the self-management because they have felt as a mechanism of this economic system for all their life. These are difficulties we still witness inside Rimaflow. We are products of this society so we reproduce the way of thinking of this society. The activism who have recuperated Rimaflow had huge doubts at the beginning, they did not feel appropriate for this role but through self-management and with a lot of time this feeling has changed.” (Interview 0216, Trezzano sul Naviglio, 2018)

At the roots of the whole project, Rimaflow takes inspiration from old “Società del Mutuo Soccorso” (Societies for Mutual-Aid); these were first examples of working class solidarity action in the nineteenth century (see Chapter 1). All workers participated in a common fund for assisting whoever would have a health, economic or social necessity. At the beginning, during the protest period, Rimaflow workers needed a form of assistance due to their unemployed conditions; they could not support their families and most of them were cut out the job market because too old for a new re-assignment, moreover, dramatic economic conditions strongly reduced job positions in all Milan area. After several months protesting and self-supporting themselves, workers came out with the idea of self-employ themselves into a non-exploitative structure. The co-operative form translates the mutualism principles into a working model that does not limit its action to work sphere but it extends the political and social action of Rimaflow to other sectors.

Rimaflow theorises an idea of industrial production that incorporates a radical vision on economy and society; this organisation faces each issue as part of social system where the political and social mission leads every action. Rimaflow members' awareness, on general and local criticisms and potentialities, translates past social class fighting into a contemporary struggle for work and livelihood conditions. The ideological base provides the structure that workers adapt to contemporary issues, thus, the fighting against exploitation and bourgeois class embedded environmental issues and anti-mafia consciousness. This re-interpretation provides new objectives and political actions for Rimaflow and its partners.

First, the ecological issue is central in this project because it has become a public problem in the Trezzano sul Naviglio area, and more generally in Southern Milan, in the last years, due to Mafia presence. This concern finds its origin in the global movement for climate change and Rimaflow workers and activists agree on this point and have decided to carry out this thematic in their activities. Furthermore, struggles for a more sustainable production affect the issue on livelihood, the fighting for a more sustainable production can have an impact on the local system. The implementation of pollution can compromise places and affect people's life. For these reasons, Rimaflow has decided to support this cause and practise sustainability in their firm. Therefore, political choices, social impact and ecological implications are not separable. The idea for regenerating old domestic applications and computers is central because it avoids industrial waste, re-puts into the market resources and points out a critique to the capitalist market, recycling rather than destroying and reproducing. Notwithstanding the decision for leaving this production and move on to another one,

the fabrication of trucks components, the sustainability issue remains a key element in Rimaflow's existence Rimaflow.

Second, the political thought behind Rimaflow reconsiders work as a means to produce income for an affordable human existence not for workers' exploitation. Workers self-manage the production in order to determine the right amount of commission that can guarantee the right income and avoid self-exploitation. Third, Rimaflow is a political workshop open to local territories with a strong social network with other realities; since first days, activists interpret the site as a social space that can host other initiatives. The mutuality is possible with external people and organisations, Rimaflow have supported many projects and groups, and it has had back solidarity and sustain during its tough moments.

The main leaders have promoted this complex political thought as a theoretical base of Rimaflow; they are people with a strong background in workers' social fighting and combative union trade. The ideological base is Marxist and they claim Maflow workers' actions as "fight versus the exploitative capitalism" for a social compensation for their sufferings and the loss of their jobs. Maflow did not fail because of the economic crisis but due to former owners' unconscious choices then workers were forced to assist the assets relocation outside Italy, which could guarantee them a work. The Rimaflow idea is to self-manage the firm and not to wait for an external solution to workers' problems but rather to be creators of their own work.

"The absence of workers' consciousness of their potentiality, their labour, and their role as actual creators of the economic value which has not been created by the owner; this is the main obstacle to the replicability of the Rimaflow model. Capital and property simply are the line that unites all the production phases but the worker generates the value. Secondly, all this happens into an atomised society where people are alone and have no more capacity to aggregate themselves, share problems, and find solutions. Moreover, intermediate entities, such as political parties and unions have lost their perspective on the alternative movement against capitalism. This began in the 1980s, the same movement had an important reinforce at the beginning of the 2000s with the no-global topic but after the G8 in Genoa there has been a strong repression. This idea has been marginalised in particular by the unions, which should defend workers' interest and promote self-management in factories." (Interview 0215, Trezzano sul Naviglio, 2018)

The 20 Rimaflow workers are people rejected by the work market due to their age, they are all over 45 years old and with a specific qualification in manufacturing; it is extremely hard for them to find a new job also considering the worse Italian economic conditions. Leaders are extremely clear on the approach, this is not an initiative for self-entrepreneurism, this is an economic and political claim versus the capitalist system, they do not want to re-enter in the production mechanism as new protagonists, rather, they want to be a benchmark for those are struggling and suffering because of an unethical economic system. For this reason, they criticise the *workers buy-out* model because it requires the use of employees' social benefits in firm purchase. Rimaflow sees this as an ulterior exploitation because workers suffer the owners' submission for years; after that, if they want to acquire the means of production and firm property, which they contribute to enhance, they have to risk their unemployment checks and get a mortgage. Rimaflow disagrees with this system and supports the workers' claims for the rightful acquisition of firms' assets, in particular in those situations where capitalists decide to transfer companies in other countries or fail due to bankruptcy.

“The re-appropriation is not in take back the same work but is the re-appropriation of our work in general. The self-management means the acquisition of the assets and the use of these to work and be free from the patronage. [...] Alongside, we have opened the factory to other people and they have brought inside new competencies.” (Interview 0216, Trezzano sul Naviglio, 2018)

Although this experience is absolutely in line with the Argentinian *“empresa recuperada”* movement, Rimaflow workers had no idea that on the other side of the ocean people had already implemented the same initiatives. Nevertheless, they have followed the same path and realised this occupation, not only for recalling their job but also to create a sense of mutualism and solidarity among citizens, workers, social organisations, political initiatives, and other projects for a reciprocal collaboration and support. As Rimaflow leaders explain, workers used to live their professional life very ordinarily, they had never questioned their experience in the firm until the closure and they had never thought about self-management before the protests and occupation. During the interviews, workers confirm that they have never thought about “politics” or “occupation” in their life until the dramatic experience of Maflow’s closure.

“I have never done politics but I was 40 years old when the fabric closed, finding another job for me was difficult so I have tried to create a new one. [...] The point is that we passed from a situation where someone told us what to do to self-management where we decide what to do. [...] Only after we discovered Argentina and empresa recuperada, we began alone with our forces and after we discovered that someone else did our some fight.” (Interview 0206, Trezzano sul Naviglio, 2018)

The political consciousness was a successive step when Maflow’s occupation was already ongoing; thanks to the documentary “The Take” by Naomi Klein, Rimaflow activists realised that they are part of a global movement which fights for dignity and work. The co-operative legal form can allow a collective management of Rimaflow; the workers’ assembly is the core for decision-making inside the organisation. At the beginning, participants discussed everything through the collegial process and took key decisions after common debate. During the years, the structure has become more complex and enriched with different activities; many projects, born inside Rimaflow, are now autonomous and have a proper governance. The co-operative Rimaflow maintains its own committee, which have a weekly meeting, and a general meeting with all 20 workers every month. The Arts Citadel has developed its own structure and formally, it is an association and has a monthly meeting with all tenants. General meetings, regarding issues about the whole site, can be called and through open discussion and democratic vote participants take decisions. The association Occupy Maflow continues to exist and organises cultural events and fundraising for the project; it allows supporting from volunteers even if they are not workers or do not rent a space inside the Citadel.

5.3.5 Local network, community services, and site re-framing as a common resource

The employment responds to people’s need for a permanent income, the work generates possibilities for the re-use of warehouses that otherwise will be lost, the site gives and answer to many social problems in Trezzano sul Naviglio area such as the necessity for many organisations to have a place for their activities or to start up new social enterprises. In line with this idea, the Arts Citadel aims to host those people, not Maflow employees, who are struggling for going ahead and create a new job opportunity for themselves.

Moreover, bonds with local territories have brought inside Rimaflow local issues that participants face in order to carry out their believe that the firm has to be involved in social problems and struggle

to find solutions for them. This approach has led Rimaflow to support other occupations such as Ri-make, a group of anarchists who have taken inspiration from the Trezzano sul Naviglio experience and have tried to replicate it in Milan fighting for social re-use of public spaces. As well As Ri-park, an initiative in Magenta (a town on Milan west-side) where a group of Novoceta former workers, another firm shut down for bankruptcy, have occupied the green area inside the fabric and nominated it as a new social space for sport and social activities as political claim against former owners' injustices.

Unfortunately, the economic crisis and unemployment are not the only problems in this area, Trezzano sul Naviglio, and towns around, have witnesses the presence of Mafia since the 1970s. Mafia is not only a South Italy problem; criminals have emigrated in other regions and have established stable businesses in Milan, the Italian economic capital. The Milan southwestern area is the Ndrangheta stronghold, the mafia from Calabria region, Trezzano sul Naviglio, Corsico and Buccinasco are home for many criminals who govern their illegal activities in all the North Italy from this area (Dalla Chiesa & Panzarasa, 2012). As a partner explains:

"We need to eradicate the Mafia from these areas. Alongside, there is the necessity to revitalise this territory. Here, there are many empty warehouses and companies have failed. What we do it is not simply the creation of networks for organic agriculture but a wider cultural discussion of how we want to use this territories and regenerate assets, in particular those that were in the Mafia's hands." (Interview 0201, Trezzano sul Naviglio, 2018)

Rimaflow is conscious about this phenomenon and has taken position against the mafia power; workers claim their presence in the warehouses as a social preservation for those spaces because the mafia uses abandoned buildings as illegal dump, filling the empty space with garbage and burning it all when the building is totally full causing air pollution. Rimaflow participants suppose that the same destiny can happen to their industrial site if they were not there; in their planning to move in a new area for Rimaflow 2.0, they want to be sure that the Milan tribunal and the local police will monitor the former area in order to avoid this situation. Moreover, Rimaflow supports local projects that promote civic education about the mafia issue and social re-use of sequestered mafia assets. Libera Masseria, is an association that manages a former restaurant owned by a local mafia family arrested in 2012. Local civil society, parish and mayor join together in this project to regenerate this asset and promote young generation education and citizens' awareness on this problem. Since the first days, Rimaflow has sustained this association and reiterates its position on anti-mafia fight for a territory free from this danger. Rimaflow provides its support to all of those ask for it such as the local music school which was threatened of closure by the town hall; the director with the workers have organised many events to sensitise citizens on the great lost that this could mean and they help the school to fundraise resources to maintain courses. Moreover, Rimaflow used to regenerate, for free, computers of local primary school that does not have enough resources for this reparations; with the supports of Arts Citadel carpenters, Rimaflow workers have donated a small house for family meetings inside the Milan-Bollate prison.

This work for local solidarity and support to other entities has developed strong bonds with the territory and has enlarged Rimaflow's network. In May 2018, the Arci-Bishop of Milan visited Rimaflow and recognised the value in this experience because it is an alternative to "the obtuse economy that does not calculate the damages it provokes for profit maximisation."¹⁶ Rimaflow finds alliances in whoever wants to prevent dramatic consequences of irrational economy, even in the local

¹⁶ "L'Arcivescovo Delfini alla Rimaflow" on Repubblica newspaper 25th May 2018.

catholic parish and charities it has seen partners for social problems resolution. Over the years, this political idea has structured many internal activities and external network and collaborations.

5.3.6 Internal Activities and External Collaborations

In order to understand the current Rimaflow configuration and the huge network with external context, this session provides an overview on internal activities, both professional and social or political, and external collaboration and initiatives that show how Rimaflow's political idea has a consensus even outside the buildings. Most of these activities have been transferred into the new site.

- **Recycling workshop:** this was the main activity of Rimaflow co-operative until the police investigation and president arrest. After this facts, the co-operative have decided to not continue the activity. Nevertheless, it was important in Ri-maflow concretizationconcretisation of its theoretical approach to the reconversion. It employed the 20 former Maflow workers and recuperated electronic devices and domestic appliances for regenerating, selling or giving them for free to local schools, social enterprises, or association.
- **Fuori Mercato** (Out of Market): bonds with local organic farmers and national connections with similar organisations, which promote political fights for workers' rights and sustainable productions in agriculture, has created the Italian network of rebel producers. Fuori Mercato poses itself outside the capitalist logic and promotes accessibility to wealth food for fair price criticising speculative mechanisms which marginalise low-income people in the food market. Although Rimaflow do not directly produces food, it has decided to support this national network because recognises in this same values and political mission. Rimaflow is used for logistic and food storage.
- **Cittadella delle Arti** (Arts Citadel): the warehouse hosts carpenters, blacksmiths, furniture conservators, a biker workshop, second-hand retailers, a tailor and many other small enterprises.
- **Meeting hall:** here Rimaflow organises its own events or hosts initiatives in collaboration with other realities for musical, cultural or political events.
- **Cafeteria:** here everyone can have a coffee or a drink and it serves everyday a meal for 5€. In the new site, it will be enlarged and improved the use of Fuori Mercato and local producers' network foods. Moreover, there is a project for employing people with disabilities in the kitchen, in partnership with the bakery workshop.
- **A co-working space.**
- **A library.**
- **A bakery workshop:** an external association trains here people affected by mental diseases and teaches team a work. The cafeteria serves their products.
- **Counselling** for immigrants and asylum-seekers.
- **Fiscal assistance** for workers.

5.3.4 Criticism

The political nature of Ri-maflow has been a key element for its survival; nevertheless, it has constituted also a key factor in the formation of its network. Since the beginning, it has been clear the political message that Ri-maflow activists put in their efforts for saving the factory and take back it but this has determined their political position. It is key for the analysis to examine this aspect because it establishes a distinguish element in the network formation. The examination have a wider discussion in the next chapter regarding the point but it has constituted a limitation in the relations

development with local communities because the political statement can be a barrier for those who do not agree in these political thoughts.

“Before the 26th July (2018, when the Ri-maflow president was arrested) the public opinion had a good and quiet opinion about us. After that moment, many shares of the local population have begun to look at us differently and now they stay away from Ri-maflow. Of course, in Trezzano there are many people who do not like us because they have interests with the town hall and do not want to have problem with the mayor.” (Interview 0216, Trezzano sul Naviglio, 2018)

“The political message has been an element that has given us a good force because many people have come here to support Ri-maflow because they believe in this message. As well as, this has been a good pretext for those who fight us, primarily the mayor. He said that we do not have the permission to stay here, this is an illegal occupation, but he cannot understand that we need the work to give sustain to our families.” (Interview 0207, Trezzano sul Naviglio, 2018)

As well as, the practice of the illegal occupation have deeply deteriorated the relation with Trezzano sul Naviglio town hall. According to all the interviewees, the main opposition to Ri-maflow has been the local authority, alongside the Unicredit bank. Since the beginning, the mayor has expressed his contrariety to the illegal occupation and have fought the workers' protest. This is another main limitation in Ri-maflow experience; as many interviewees say, certain citizens have stayed away from the factory because they do not agree with the illegal occupation.

Table 5.5. Ri-maflow Community Co-operative and Social Capital Elements

| Community Co-operative | Social Capital |
|--|---|
| Founders' group | <ul style="list-style-type: none"> • Former Maflow workers • Became activists for defending their work • Same critical conditions in terms of job re-allocation (similar social identity) • Strong leadership by sindacalists |
| Analysis of local issues and opportunities | <ul style="list-style-type: none"> • Marxist framework for defining their conditions • Consequences of economic crisis • Inputs from partners |
| Mission and objectives definition | <ul style="list-style-type: none"> • Internal theorization among members against capitalist system • Re-elaboration of local social reality through partners' indications • Fuori Mercato network inputs |
| Co-operative's local network | <ul style="list-style-type: none"> • Partners' decision to support Ri-maflow activists as form of political solidarity • Ri-maflow mutual support to other organizations • Sharing of common objectives and political visions |

5.4 Co-operative “Anversiamo”

5.4.1 Anversa degli Abruzzi History and Socio-Economic Context

Anversa Degli Abruzzi is a small village in Abruzzo region, in the heart of “Gole del Sagittario” valley, close to L’Aquila. Normans established here a feudal fortification in the 11th century. The closeness to the Sagittario river spring gave the name to this village, from the Latin “*Ad amnen versus*” (toward the water). Over the centuries, it mainly remained a fortification for the strategical defence of Sagittario valley and the village grew around the castle. The main economy was pastoralism and the agriculture, with specific olive tree quality.

In 1905, the ancient background and the suggestive panorama attracted the famous Italian poet Gabriele D’Annunzio in the village for a long permanence; this visit bonded Anversa Degli Abruzzi with the author who set his novel “La Fiaccola sotto il Moggio” in this place. In 1997, the town hall dedicated a central park to D’Annunzio and every year a literature event commemorates the poet’s permanence in Anversa degli Abruzzi. Alongside, the “literature park”, Anversa offers other attractions such as the main church “Santa Maria delle Grazie” (XVI century) and the Norman castle. Despite its small size, the village has a fairly important name as a tourist destination due to its monuments, the D’Annunzio’s history, and the natural environment surrounding the settlement. Besides, another famous artist intertwined his name with Anversa degli Abruzzi, the Dutch painter

Mauritius Cornelius Escher; the panorama and the amazing views around Anversa inspired the author during his tour in Italy. Thanks to its uniqueness and artistic heritage, Anversa degli Abruzzi is one of the “Authentic Italian Borough” a national network where old borough and villages in every regional work together to improve their visibility and enhance their touristic potentialities.

Nevertheless, as many other places in internal areas, it has suffered a huge de-population for decades; it is possible to see here a parallel with Mendatica. The closeness with Rome (less than 3 hours by car) and Pescara, the regional capital has led many people to leave the small village and the agricultural life toward the cities for a more stable life. Furthermore, as many interviewees say, regional political forces have never contributed to sustain the development of mountain areas but instead they have always favoured the coastal areas where the main share of electors live.

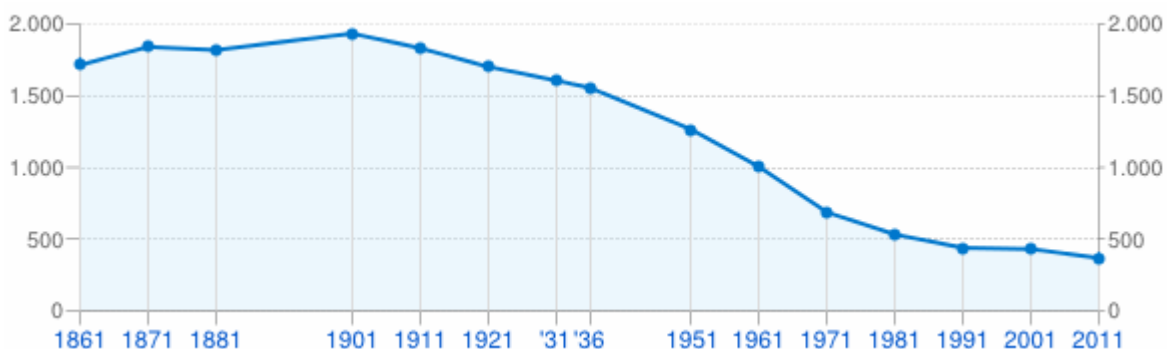
“Historically, the Abruzzo region has been more developed on the coast areas rather than in the internal; there are many attraction also in the mountain area. We need to abandon the idea that the mountains are poor areas because at Pinzolo or Cortina (two famous tourist towns in Alps) are wealthy locations. They have wisely used their resources and even we can do the same promoting a tourist approach for working all year.” (Interview 0303, Anversa degli Abruzzi, 2018)

The political influence on people’s life seems to have deep consequences; over the decades, local politicians have ensured their political power through strategical choices for their interests. According to some interviewees, the habit has been to support those politicians who can ensure stable job positions in public administrations; according to many local residents, this has established dependency relations and have not developed a proper sense of entrepreneurship, hollowing out the village and spreading people around Italy.

“Nowadays, the political forces here are weak and the population is more fragile. There has been a vote exchange for decades; people used to vote for certain politicians because they promised to give jobs to everyone. This is clientelism. I hope the young generations can change this trend because the local administration has governed for years and it used to do ‘the nice and bad weather’¹⁷” (Interview 0308, Anversa degli Abruzzi, 2018)

Those who remain today are elder generations and few families who work in local small business. As Table 5.6 shows, the general demographic trend has followed the society evolution and industrialisation people used to immigrate to cities for more stable jobs.

Table 5.6. Anversa degli Abruzzo Demographic Evolution (1861-2011)



Istat data 2018

¹⁷ An Italian expression to say that someone can do what s/he wants without any problem.

Compared to other villages, Anversa degli Abruzzi still maintains many services such as the pharmacy, a bakery, two bars, a small police station, and restaurants but the shutdown of the last mini-market in 2017 forces people to drive for 20 minutes to Sulmona (closest town) for groceries. Own a car and the possibility to drive to Sulmona is the only solution for many problems and the only possibility to access many services such as health care, post office, train station or purchase specific goods. Caretaking emerges as other main issue in the village, as well as, the abundance of empty houses, most of them recently renewed with L'Aquila earthquake funds. These two issues can represent a starting point for the co-operative action plan; Anversa criticisms could be converted into business possibilities, according to co-operative members' opinions.

5.4.2 *The co-operative formation*

At the mayor election 2015, two candidates ran for office; one proposed in its political program the creation of a community co-operative in order to recover Anversa Degli Abruzzi small economy and assist local residents in their daily life. In this case study, it is important to consider how the idea of a community co-operative has emerged in the social context of this small mountain village as a political proposal; this project was born with a deficit in its application because most of the population associated the co-operative project with the local politician. Therefore, Anversa degli Abruzzi citizens still identify the co-operative with a certain political side. The proponent group was conscious of this initial gap, nevertheless it has carried out the project, even if they did not win the election. Moving from this awareness, they invited the winner candidate to work in any case on the co-operative start-up; the dramatic conditions of de-population and geographical marginality have led the mayor to accept this idea and he has supported the project since first steps. Notwithstanding, not all the Anversa population is convinced and many residents do not see this as a valuable idea and do not think this co-operative can succeed in this aim to recover the village destiny.

“We need to create relationship and learn to work together. Unfortunately, this is a key limitation in Anversa and, more generally, in all the Southern Italy. Collaboration is important in any sector, if you cannot get together an appropriate offer who can you compete in certain sectors such as tourism or agriculture?” (Interview 0301, Anversa degli Abruzzi, 2018)

In March 2018, the co-operative began its activities; before the formal registration, the promoters' group had organised many public meeting for discussing with population possible activities and roles for the co-operative. For 18 months, promoters had led discussions in many thematic roundtables with local citizenship and interested outsiders; they had talked about Anversa socio-economic conditions, environment, tourism, and development possibilities. The co-operative Anversiamo unites 72 members, most residents but also outsiders, out of 321 citizens; each member participates with a share purchase of 25€. The regional law on community co-operative requires a minimum share of population involvement in the co-operative (10% for municipally with less than 2500 residents) thus Anversiamo needed at least 32 members; instead, the initiative had a larger validation and many other agreed to be part of it. Local members represent the socio-economic network of Anversa, most of the local entrepreneurs and three firms are official members. Nevertheless, as founders sustain, the population behaviour is ambiguous because on the one hand the co-operative has had an important acknowledge from citizens, on the other hand, many people have explicit opposite positions versus this initiatives. It appears strange because the Anversa Degli Abruzzi criticisms are clear to all the population but there is a share that does not agree in supporting the co-operative. Some of these people just see it as a useless try to save the village from the inevitable end; others consider this as a political project so do not want to be part of it because they are afraid to be politically compromised with their affiliation.

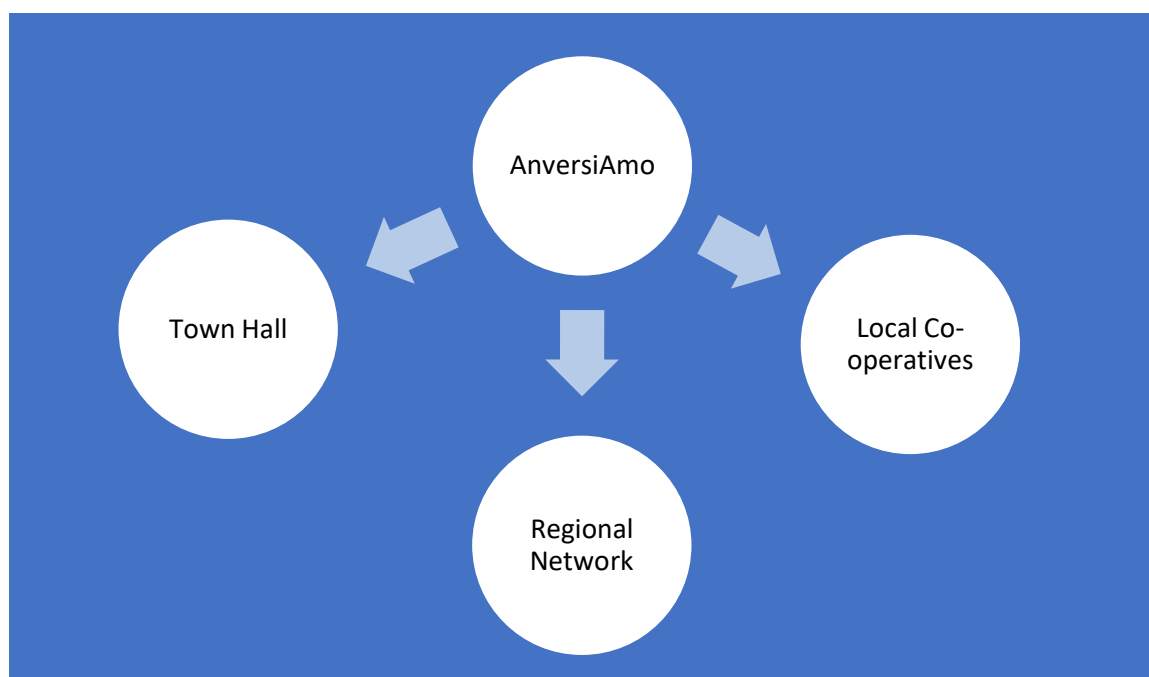
“Work with the town hall is sometimes hard because it wants that everything has to be done as usual, no innovation and no changes. Most people agree with it because they are ok with this situation and do not want to have conflicts with the local authority.” (Interview 0303, Anversa degli Abruzzi, 2018)

“Sometimes, in these small villages, there is not a lot of collaboration: there many frictions among people and families. We need to overcome this mental set and collaborate together.” (Interview 0304, Anversa degli Abruzzi, 2018)

Despite this initial reluctance, the co-operative found other people, in and out of Anversa, willing to help the project. First, many holiday residents have shown interest in this project and have decided to support it as members; many of them are former residents who have moved away for working reasons but they desire to keep alive a bond with Anversa. There are also descendants of Anversa emigrants who want to reconnect themselves with this territory and see the co-operative as a possible solution. Generally, community co-operatives in remote areas see this as a potential development area, villages in internal areas that have suffered a huge de-population have thousands houses abandoned, so, the renaissance with new co-operatives could bring back emigrants from around the world who aim to have a quiet place where to spend holidays or retirement. The Abruzzo region, as other places in central-south Italy, has had massive emigrant movements over the last century; as the mayor explains in the interview, only in Boston there more than 2000 people who have a background in Anversa Degli Abruzzi and they can represent potential for new tourism in the village.

Alongside, as founders explain in the interviews, formal members' numbers is a valuable result in terms of local engagement but what really represent the local mobilisation is the support of other businesses and holiday residents. The co-operative “Anversiamo” synthesises the combined efforts of two older co-operative in Anversa, co-operative ASCA and co-operative Dafne. These two co-operatives are well rooted in the socio-economic context of Anversa for years. Founded in 1977, ASCA is an agricultural co-operative, it produces cheese, oil, and other vegetable products promoting a sustainable and eco-friendly approach to agriculture; it also offers accommodation and tourist services for visitors in Anversa Degli Abruzzi. In 1993, the other co-operative opened in Anversa, Dafne manages the local WWF natural reserve “Le Gole del Sagittario”, its main activity is the preservation of this natural area, fauna protection, educational and leisure activities to promote ecological awareness in people, with particular focus on young generations. It is clear how co-operative Anversiamo has a strong and solid background in the co-operation and sustainability; many members of other two co-operatives are founders and members of Anversiamo, creating an important bond among the three local co-operatives. Therefore, the newest organisation has planned to structure services in many business areas but it aims to achieve its main objective, the community interest, throughout different ways.

Figure 5.3. AnversiAmo Network



5.4.3 The Business Areas and Future Projects

Co-operative Anversiamo has four main action areas: landscape caring, sustainable agriculture, slow tourism, and social entrepreneurship. During the work on field (November 2018), co-operators were still into the planning phase, many activities were just an idea rather than concrete realities. After the registration in March 2018, Anversiamo managed the summer camp that hosts children during holidays; beforehand, co-operative Dafne has this service inside the natural area but it decided to pass it to Anversiamo as a concrete sustain for developing the new co-operative. This has been the first step in the wider planning for tourist activities that Anversiamo wants to carry out; co-operative members see huge possibilities in the availability of empty houses for creating a “diffused hotel” an innovative concept in the Italian tourism that has been having great success in old boroughs such as Anversa. The “diffused hotel” is not a unique building where guests can find rooms, restaurants, and other amenities but it spreads the classic hotel services inside a borough; this is a new Italian approach in the reuse of old villages and towns, the aim is to provide tourists with a genuine experience of local life-style since the accommodation. This future project proposes a double benefit for both the co-operative and landlords; former residents or descendants, who have inherited properties, do not have interest in using these houses for many months every year but these “second houses” have a higher taxation on properties because there are normally used during holidays. Thus, the co-operative aims to create special rental contracts, which will allow it to manage these houses when owners do not need them, giving an opportunity to reduce taxation costs with rental incomes, and keeping properties maintained strongly reducing owners’ work. This can highly increase the accommodation assets and trigger a small economy for local businesses with new tourists or holiday residents. Anversiamo wants to integrate the “diffused hotel” proposal with the children summer camp, tourist excursions in local regional and national park, cultural happenings, wine and food events in collaboration with restaurants producers.

“We want to update an 8 years old census on the possible diffused accommodation in Anversa; many houses are abandoned because after the 2009 earthquake someone left the village and others used the national funds for refurbishment work. Therefore, in Anversa, many

houses are empty and this is an important asset for planning a new project for diffused accommodation.” (Interview 0308, Anversa degli Abruzzi, 2018)

Besides, the co-operative supports one member in re-opening a historical ceramic furnace immediately outside the village. In the past, Anversa Degli Abruzzi was renowned for its ceramic artisans, many furnaces were active and they employ dozens people. Anversiamo has decided to sustain its member’s project to conserve this past heritage and revitalise an old asset that could assume a “community value” because it represents a witness of past times. During the summer, the co-operative used the furnace for children workshops and tourist visits increasing relevant attraction in Anversa. Nevertheless, according to the member in charge for this project, it can become a permanent business activities that crafts small objects and could employ at least one person. Strangely, this member reports in the interview that the local population, in particular the older people, have been reluctant in supporting the project.

“I do not know why but my feeling is that there are certain local dynamics that keep many people away from this project because it enters into determined local relations and frictions. At the inauguration, there were few local citizens, I had to call the old ceramists and invite them but they were not very interested.” (Interview 0302, Anversa degli Abruzzi, 2018)

The members do not understand the reasons, and think this could be an opportunity to save the historical background and local know-how but it has witnessed a major involvement and enthusiasm from outsiders rather than residents. It supposes past memories remembers to people the poverty in agricultural life so they do not want to preserve this idea, paradoxically, people from the outside, such as this member who wants to save the furnace, are more engaged and interested in this rescue.

Despite its importance, tourism will not be the only activity in the business plan; Anversiamo plans to recover abandoned lands and re-use them for agriculture. The area around the village hosts a microclimate where olive trees grow easily, due to the general de-population trend, also olive oil production has experienced a drastic decline over the decades. Anversiamo aims to address landlords and receive these land for temporary use and re-starting the oil production. As the houses issue, lands present the same problems; many owners do not live in the village and have no interest in the maintenance of these places therefore huge land assets are abandoned and could be accessible for this co-operative. Co-operators contact landlords and proposed an agreement for free-use in the first years in exchange of land maintenance; co-operative can have assets for free and start up its business, the objective is to pay a rent in few years and sharing with many landlords the business earnings. According to co-operative founders this project has been having unexpected success, many landlords have contacted the co-operative when they knew about this possibility and have offered their land.

All these activities will constitute the main economic core businesses but Anversiamo also aims to provide residents with social assistance. The steady population aging requires the development of new solutions for assisting elderly people in their daily life; there are certain activities that do not directly fall into the social care or social services sectors but in any case they are necessary. Firstly, the co-operative plans the mini-market re-opening thus it can give to locals a possibility to have a close market for daily and small purchases. The mini-market can also offer delivery services for those people who have problems to bring shops home and need help in carrying bags; in the co-operative vision, this will help also to have a social contact with older residents who may not have inclination to spend time outdoors. One of the Anversiamo founders says that social isolation is a key problem in the village because many elder people have no relatives there thus no one can visit them and check

to ensure their conditions; many times it has happened that people were found dead in their houses after several days due to their social isolation.

“I think that people need to understand the benefits of a collaborative relationship for the village because otherwise how can we survive here? Many old people do not have anyone here they live alone. Since I have moved in the village (1982), I have seen three people found dead inside their houses after many days. This must be the co-operative spirit, on the one hand commitment and work, on the other a community service.” (Interview 0308, Anversa degli Abruzzi, 2018)

Furthermore, Anversiamo is in charge for snow shovelling on public streets and sidewalks, in this way the town hall has decided to sustain the co-operative with a modest fund. Co-operators has seen this as another opportunity to enlarge specific activities, with an economic return, to other aspects, which could increase their social impact on the community. As co-operators say, these activities do not produce a considerable volume of income or if they do they have an important social value for the community because they will make Anversa liveable again from its residents.

5.4.4 The Regional Community Co-operative network. An Innovative Approach in Co-operative Development

Alongside this work in the community, Anversiamo collaborates with other community co-operatives in Abruzzo region for developing a local network. Confcooperative Abruzzo, the regional branch of the national co-operative organisation, sets up a local call for communities that desired to create new co-operative for local development. In 2018, Confcooperative launched the call and offered to local communities professional sustain and financial support to start up new co-operatives. As the Confcooperative regional chief affirms in the interview, this campaign had great success, nine co-operatives were funded but the main result is the regional network among them. Since the first steps, the project has assisted the co-operatives and has asked them to work together in this network. According to other co-operators in the region, who have also been interviewed for this research, this system helps them in their work. First, this provides them with a strong sense of community over the co-operatives thus they know that they can rely on each other for support and collaboration. Second, this regional network is an opportunity for a communitarian grow, each co-operative has specific issues but many of these are common to all participants so they address them together under the Confcooperative supervision. Thirdly, these relationships are the base for future collaborations on which co-operators have already wondered; for example, it is plausible to image an integrated touristic offer in join venture among co-operatives bringing tourists from a site to another. Another emerging idea is to create common facilities for every co-operative such as workshop for food and wine production or oil elaboration. The key point is the possibility to have an established regional network for any project in the future which can scale common resources and improve collaboration among co-operatives with many similar problems, issues, and business plans but in diverse places.

5.4.5 Conclusion

The Anversiamo case study is interesting for two main reasons; first, it is relevant for the general analysis to consider a co-operative in the start-up phase, where it is possible to assess nascent relationships between the organisation and the local community. As it appears in the general discussion, this element takes particular relevance in comparison with the older co-operative and this establishes a key point in the wider understanding of community co-operatives, new organisations do not have an immediate effect on their contexts but need time and concrete results to consolidate people’s trust in the co-operative. Regarding this point, the case study indicates another key element

in this first consideration on local networking, bonding co-operative projects with political programs is a risk for its success; despite the forward-looking idea, a clear and strong political implication can compromise the success of the project. This recalls the struggle that social groups can have in determining their symbolic power, in this case, into the local political debate that can enlarge its sphere to the public life and involves related issues, such as the necessity to have or not a community co-operative. Thus, associating the co-operative project to a political force, even if it is a local one, it is not helpful for its success because it prevents many people from be part of it due to an opposite political view. Second important element in this case study is the regional network; this improves the single co-operative potential and foster a sense of collectivism on a regional level. Interviewees agree on this vision, even if these connections are recent and many co-operatives are at the beginning of their activities, people involved find this opportunity useful for a discussion on what they are doing and how to do it better. As explained before, what mostly emerges as key potential is the possible future project in collaboration between all or some of the network members.

Table 5.7. AnversiAmo Community Co-operative and Social Capital Elements

| Community Co-operatives | Social Capital |
|--|---|
| Founders' groups | <ul style="list-style-type: none"> • Supporters' group for mayor candidate • Mostly co-operators in the local co-operatives • Transmission of skills and knowledge from old co-operator generation to newer • Sentimental bond with the village |
| Analysis of local issues and opportunities | <ul style="list-style-type: none"> • Informal relationships with other citizens • Collaboration with the town hall • Many abandoned assets (houses, fields, furnace) connections with landlords |
| Mission and objectives definition | <ul style="list-style-type: none"> • Common desire to save the village • Sustainability and ecology as main values • Socio-economic relief of the village |
| Co-operatives' local networks | <ul style="list-style-type: none"> • Strong connections with the two local co-operatives • Key support from the regional network • Collaboration with certain citizens, mostly co-operators' familiar relationship or outsiders who have a special bond with the village |
| Frictions with external subjects | <ul style="list-style-type: none"> • Political opposition with the mayor • Citizens' skepticism (they are mostly connected with the mayor's political side) |

5.5 Co-operative “La Paranza”

5.5.1 The Urban Setting and its Complexity

The co-operative La Paranza is the first of two cases study in urban setting; they will show urban co-operative particularities, their evolution and transformation. La Paranza is based in Rione Sanità, a historical borough on the northern side of Naples old town; even if is not part of the oldest urban nucleus, Rione Sanità is an ancient section of this city. This Rione (borough) is the main part of Stella (a wider areas) and with San Carlo all'Areana compose the local council n°3 (Municipalita 3). Official statistic defines main characteristic of Sanità; the official territory has a 9.5 sq. km. extension and a population of 103.403 people, this determines a density of 10.873 residents per sq. km. the third highest in the city.¹⁸ Naples has ancient origins and its urban aspect reflects its intense growth over the centuries leaving signs of diverse foreign dominations and the prestige of a royal capital. Before 1861, where Savoia royal house annexed the Kingdom of Two Sicily to the nascent Kingdom of Italy, Naples was a renowned European capital. This city has many chronic issues mostly correlated, a high level of unemployment, scarcity of resources, scarcity of services and infrastructures, and the domination of Camorra clans, the regional mafia. It is important to move from these considerations to understand La Paranza, its social work, and the consequent community development. The social complexity embedded structural fragilities and weaknesses in local welfare systems; all these elements contribute in social issues intensification. As Musella (2012) explains, questioning the Camorra reproduction in Naples social contexts, the criminal events are linked to the socio-economic contexts where they take place. There are, daily experiences, social realities, symbols, and messages, which people embedded in their life and these reproduce that fertile soil for Camorra. Throughout social workers' histories, Musella (2012) shows how Camorra takes force from these chronic socio-economic fragilities; it provides people with jobs and sustains their families with resources; moreover, Camorra fosters a sense of power and domination on the local population; nevertheless, it is not the fear the main factors that determines this power but the alternative to the poverty and unemployment.

Alongside the socio-economic factors, the physical structure influences how people conceptualise their life experience. Every borough is a semi-autonomous world with its identity and ways to do; the close physicality in daily life create strong social bonds that compensate familiar fragilities. These boroughs are defined spaces, static and precarious; social contexts do not give views on what there is outside, public institutions are distant and perceived as enemy in most cases. Drug, criminality, illegal jobs, frequently experience of death, low educational levels, the social contexts raise on this basis and people adequate their life and expectations to them.

“The first barrier we need to break is people’s mentality because physically this place is a niche and consequently residents have a closed mind. For centuries, under the bridge, people have thought this as a ghetto thus nobody thinks with an open mind and they just wait for assistance and do not try to activate themselves to change this situation.” (Interview 0409, Naples, 2019)

Physically, Rione Sanità is a small valley, Capodichino, Arenella and Ponti Rossi mountains surround the area and close it determining its narrowness; since the Greek settlement (VIII century B.C.) this valley remained outside defensive walls because it hosted the main cemetery area for the town. The narrow valley had many peculiarities for this purposes; the soil and rock are malleable, tuff is the main material present in this area, and this was enough distant from the harbour. Greeks dug first catacombs, then Roman and Christians inherited the usage to bury in this place; particularly

¹⁸ Office of Statistics – Naples Town Hall

between II and V century A.C. catacombs had a huge expansion and covered hundred square meters over different levels; during this period, San Gennaro and San Gaudioso catacombs were created. After the Romans, the area suffered a long time of abandonment, as an *extra moenia* (out of the walls) place, people had left it to vegetation which took back its place and catacombs were mostly forget. During the XVI century, a new urbanisation began in the area after the building of Santa Maria della Stella church and Costantino gate in the walls; consequently, the narrow valley began the new pathway for the northern entrance to the city. Moreover, local aristocracy became more interested in the wide natural area, which could host their new palaces and gardens. Over the XVII century, Rione Sanità became an upper class borough where new palaces competed in majesty, the main church in the borough Santa Maria della Sanità, which gives the name to this place, was built in this century. The Holy Congregation of “Padri Predicatori Domenicani” built the church and a monastery in 1577 and established the devotion to Santa Maria della Sanità (St Mary of Health); the worship was intense and had great diffusion because general believe associated miraculous power to the Virgin. People used to believe that the holy image could cure diseases and help sterile women; due to this prodigious, it became the St Mary of Healthy (Santa Maria della Sanità) and the great fame marked the name of this borough. Except during the French occupation (first half XIX century) the monastery operated until 1991, after it remained abandoned and crumbling (Lofredo, 2013). The fame of healthy and salubrious place convinced in 1468 Cardinal Oliviero Carafa to build here a hospital for leprosy, the “San Gennaro dei Poveri” (St Gennaro of Povers) recently closed (2018). In 1718, the Austrian Vice-King Wirich Philipp von Daun permitted the first urbanisation in this borough, thus besides palaces and religious buildings, popular folks could build houses. The deeper urban evolution happened in 1809, when Joachim Murat, new King of Naples under the Napoleon Empire, built the main bridge, which overcomes the entire borough and cuts it into two separated parts. This structure aimed to connect the royal palace on Capodimonte mount to the central realm in the old town but Murat did not consider the huge repercussions on all the area above this bridge. That moment signed the dramatic decline of Rione Sanità; after the imposed construction, the area lost its beauty and attraction and declined over the century becoming a place densely populated. During the XX century, Rione Sanità became a popular borough with an economy of micro-enterprises mostly in artisan sectors with a particular specialisation in leather goods and the shoe industry; during the 1980s and 1990s, de-industrialisation shut down or transferred many firms leaving huge unemployment in the borough and diffuse social and economic fragility (Sgueglia, 2010). These conditions determine the raise of Camorra clans in this borough where they had access to workforce, extend their control, and manage small business activities (Sgueglia, 2010; Musella, 2012). In this context, inside the parish, a priest and a group of young residents have created what is now recognised as a remarkable experience of co-operation and social innovation.

5.5.2 Social Co-operation as Evangelic Realisation. The Co-operative La Paranza

La Paranza has a long and intense story, behind the success there is a deep work and a process of professionalisation and social bonding among co-operators, partners and the territory in general. Rione Sanità is a difficult place where social issues have complex causes intertwined with a chronic underdevelopment in Southern Italy and a complicated urban system. It is not simply to foster social innovation, co-operatives, and future in this borough, in this city, and in this part of Italy, thus this co-operative daily work assumes a strong value related to the context around. First, it is important to explain the name “La Paranza”; the local dialect uses this word for groups of fishing boats that work together to trawl and have a larger result so it is a metaphor for expressing collaborative work which gives better results rather than the individualistic though. Furthermore, Camorra has adopted the word “paranza” in its culture to indicate a combat group; therefore, the co-operative name represents a

double meaning for co-operators' daily social work, spread co-operative values and show alternative to the Camorra reality. The founders' history is intertwined with the local church Santa Maria della Sanità; in 2001, the current priest took its position in this parish, he well knows his predecessor who began an intense educational work with young generations in the borough trying to bring them back to the church.

“What I found here was a borough of incredible beauty; I knew it since my childhood because I am from a nearby neighbourhood, moreover, the former priest asked me many times an hand for creating social projects in the parish; thus, I really did nothing because was my predecessor who imaged the idea to use the artistic and culture heritage in Rione Sanità as an asset for a new development involving the younger.” (Interview 0413, Naples, 2019)

According to other interviewees, priest's modesty underestimates his contribution to the project; he brought in the parish his experience in social work; during his precedent ecumenical mission in Eastern Naples he supported the creation of many social co-operatives that assist people affected by HIV and help people in poorly conditions. Since the beginning, he has understood potentialities of his predecessor's project which pointed a solid educational base to foster social changes in the borough and the noble heritage of Rione Sanità left hundreds art pieces forgotten over the decades. Young residents are the chance for changing the conditions of deprivation, which exasperate the borough; they have learnt to appreciate the beauty of arts and the pride for their heritage, consequently they have imaged various ways to improve possibilities in their borough through these resources. They show to others, from outside Rione Sanità, alternative realities, not only Camorra crimes, poverty, and gun shootings. This work is not merely business, before the co-operative idea, the priest had worked to deconstruct youths' mental setting. According to many social workers interviewed during the work on field, Rione Sanità shapes people's view of the world because is what people live that forms their behaviours and attitudes; here it is possible to see a connection with Bourdieu's theories on social practices and how habitus determines social actions.

The pedagogical work aims to fight back the criminal and negative reality that shapes conceptions and ideas in young generations and people in general. If Rione Sanità remains the close and dangerous place that has been in the last decades, people will not believe in alternatives and will accept that reality as the only possible choice for their life so they will act and behave consequently. As emerge in many interviews, the physical setting recalls the mental setting in the Rione, the bridge dominates the space above buildings and divides the borough in two; the valley is narrow and does not leave possibilities for open spaces and green areas.

“The core problem in this borough is the absence of the state; it has to guarantee the social infrastructure. The point is that there is a dramatic high level of unemployment, such as a country during wartime, and nobody, except the non-profit sector and the territory itself, work for solve the problem. This is a huge criticism. Furthermore, there are not public and green spaces. There is not a concrete presence of public authorities; they have recently closed the local hospital. The high level of unemployment and the low level of education slow down everything. Nevertheless, this big lack is subsided with great humanity.” (Interview 0402, Naples, 2019).

People from the outside have always stayed away from Rione Sanità for its reputation; many call it the “periphery in the old town”. This definition appears many times during the interviews, an urban paradox, because Rione Sanità is geographically part of Naples central area but it has characteristics of peripheral areas and same issues. What the priest did before and La Paranza does now is to propose

an alternative life for people and a diverse view on Sanità, the cornerstones for this alternative are legality, community commitment, and capacity building.

“You can see how this borough is changed on Friday nights, people come here for having a drink or dinner. This can seem something normal but not for this place. A few years ago, nobody entered here during the night, this is a bottom-up regeneration process.” (Interview 0403, Naples, 2019)

Furthermore, this radical change needs a different view that switch from an emergency approach, operating on daily and most urgent problem, to a forward-looking view planning structural intervention as solid base for a real change. The renovation does not simply involve physical places but it first aims to change people and their futures. The culture is the main tool to trigger this change but, says the priest, to know who they are, people need to discover what there is outside the Rione.

“Present times call the past as a help to organise the future.” (Interview 0413, Naples, 2019).

Alongside, school drop-out is a critical issue; living the daily experience of Rione Sanità does not help to develop the idea of alternatives. The two most powerful pedagogical tools for this work, according to the priest, are education and traveling; developing an educational project with youths meant for him a new approach based on the “learning by doing”. Clearly indicating how this message has deep roots in Don Milani’s pedagogy that states the idea that education can re-structure people’s destiny and life experiences. Going out the narrow valley and seeing what there is in the world is the idea for “cleaning up” the minds from deep prejudice. The young group had possibilities to travel around the world thanks to the priest’s tenacity, he brought the teenagers outside Sanità and showed them what there is in the world, the beauty and he used this to trigger into them the curiosity to discover and understand the beauty in their borough and in them. Over the year, this social bonding and group building has helped many of them to think about their future and have hopes; thus, many have come back to school.

Later, this deep educational project has enlarged its vision on realities outside the group and the church; young members understood that this desire for renovation could be translated in concrete action inside the borough. As many interviewees tell, before this massive and capillary work inside Sanità, no one thought to enter here or even have a touristic tour in the borough; this explains how deep has been the transformation, which continues because also social and structural issues are deep in this city. The priest understood these potentialities in young regulars in the parish; he proposed them to plan cultural activities and show to other residents the hidden old heritage in the borough such as the San Gaudioso catacombs under Santa Maria della Sanità. This idea became an association where youths could volunteer and express their creativity structuring monthly tour inside the borough discovering peculiar places such as the Fontanelle cemetery. This was a tuff mine until the XVII century, between mid-XVII to mid XIX century it became a cemetery for thousands of deaths caused by plagues and epidemics. As other place in the Rione, this has been forgotten for decades and it remains closed and hidden until a civic mobilisation in 2010 that claimed a permanent site opening and La Paranza members were involved in this.

“I felt the duty of realising this idea but I intuited the necessity to educate the souls for this project. The idea is genial because we have a 2500 years old heritage that waits for being discovered. [...] For us, Rione Sanità must be saved through the tourism, this is the lever, the introduction of new people is not for its own sake but for the regeneration. The young co-operators do this work for the de-ghettoization of this borough. We must open this place with

this work, the aim is to bring people inside Rione Sanità through the catacombs and generate new economies. When people visit the catacombs then go through the borough and trigger the change.” (Interview 0413, Naples, 2019).

The re-appropriation through civic action and the use of cultural assets for a general social and economic regeneration are core concepts in La Paranza commitment for Rione Sanità; the key passage in this group story is in 2006 when they realise that the voluntary association could be a valid entrepreneurial project for them and for the borough. Formally, the co-operative born in 2006, until 2008 studied how to position themselves inside the Naples touristic market and how to create their commercial proposal. The young entrepreneurs travelled to attend sector expositions and conference in order to structure properly their business. The 2008 is a turning point for La Paranza; in this year, the co-operative won a grant for innovative cultural start up from “Foundation with the South”, a remarkable organisation that has promoted many relevant initiatives in all the Southern Italy. La Paranza project plans to re-open the main catacombs in Rione Sanita, the San Gennaro catacombs. The objective was challenging but it was symbolically strong because is there where St Gennaro, the patron saint of Naples, where buried for many centuries, it had been the original tombs before many transfer until its final collocation in Naples Duomo. Neapolitans have a deep psychological bond with their patron saint, he is probably the most representative icon of this city; thus, young co-operators see the abandonment of his catacombs as both a shame and a wonderful possibility. As they learnt, culture is the factor that determines people’s identification with their territory and it is possible to share this culture even with people from the outside and put this at the core of a general project for the renaissance of a place. This is essentially what La Paranza has done; the Vatican, formal catacombs owner, allows developing this project giving free use them, the foundation grant (500,000€) covering the initial costs; after decades, the carelessness has drastically deteriorated these underground areas which were barely a dump. La Paranza planned a massive renovation project with structural maintenance, deep cleaning work, light installation and innovative touristic marketing.

Since the first experiences as an association, the group and the project have grown up with successful results; in 2006, the association (5 volunteers) had 6000 visitors, La Paranza (34 employees) closed the 2018 with 130,000 visitors as one of the most attractive sites in the city. As co-operators explain, the success is due to many factors; first, Naples lives a general positive trend in last years. Nino Daniele, Naples Councillor for Culture and Touristic Activities, describes in this way the positive trend:

*“No one would consider Naples years ago, we were the Camorra and trash emergency city but Mayor De Magistris’ constant work has led to these results. Airport Capodichino won the price “Best Airport” in the category 5-10 million annual passengers; terrorism in North Africa has penalized the tourism in Egypt, Tunisia, and Morocco bringing here 1,300,000 cruise tourists last year (2016), in 1997 they were 236,000. Last February (2017), the Archaeological Museum was the second most visited site in Italy, after the Colosseum and many other sites register a positive trend.”*¹⁹

In a recent report on touristic sector, Bank of Italy confirms this general trend and the protagonist role of Naples increasing offers and incomes²⁰. Alongside, intense communication and networking efforts have grown the interest on Catacombe di San Gennaro. Officially, La Paranza is a social co-

¹⁹ La Repubblica 25/07/17 “*Vent’anni fa, con Bassolino, si parlò di Rinascimento. Poi ci fu l'emergenza rifiuti. Oggi la città di De Magistris è piena di visitatori. Mostre, festival e tanti set. Da chiedersi: è più fiction o realtà?*” Angelo Carotenuto.

²⁰ Banca d'Italia (2018) “Turismo in Italia. Numeri e potenziale dello sviluppo” Roma.

operative and it aims to re-include people who live social marginal conditions such as incarceration, chronic unemployment, drug addiction, and poorly education. Results have shown how it is possible to foster social inclusion into a difficult borough and La Paranza has been nationally recognised as a valuable case study for social practices. As co-operators say and partners confirm, the third sector operators see in this co-operative an inspiring example and tourists appreciate the beauty of catacombs and generally Rione Sanità. The underlying conceptualisation is the theoretical base over which the project exists; it is crucial because it gives to all the actions a meaning and objectives. The aim is not simply to regenerate a cultural asset but it is to use it for a more general renovation that encompasses various aspects and sectors in Rione Sanità. The catacombs and other cultural goods have assumed the status of “commons and community goods” because in co-operators’ will these must trigger a wider social change for all the people in the borough. The majority of La Paranza staff members are born and raised in Rione Sanità, they live there, have their families, background, and social networks thus their daily commitment is not only toward the co-operative success but it spreads the view to the whole borough with a clear social mission.

“Managing a community good, for the territory and with the territory, transforms it into a collector of positive energies that voluntarily decide to give themselves for the general good.”
(Interview 0402, Naples, 2019)

Founders agree on the fact that a main factor in their success has been the bottom-up nature of their co-operative; in Naples, as well as in other areas in South Italy, social project have a top-down origin thus they are not able to read territories and have an appropriate planning. La Paranza has deep roots into Rione Sanità, it had spent many years developing this organisation, and then it has become what we know nowadays. This success has led La Paranza co-operators to hypothesise possible solutions to enlarge and share the positive effects of their firms; during the years, the growing amount of work possibilities has triggered new micro economies in the borough and co-operators decided to lead this wave and address it toward a sustainable development with a strong social impact.

“We are all from Sanità and also the idea has been from the bottom; being in the same borough, third sector organisations, retailers, and citizens have a strong and dense social relationships network, we know each other, in many cases is friendship before professional relation. The friendship among La Paranza members is one of the success factors because we live this experience as a brotherhood. This is the only way, collaborating for the general interest.” (Interview 0402, Naples, 2019)

La Paranza experience has triggered a gemmating process into Sanità; over the years, co-operators have seen other diverse business opportunities and room for improvement; aggregating other people from the Rione, the business has expanded and required further services and support that have been outsourced to new parallel co-operatives. “Officina dei Talenti” (The Talents Factory) and “Iron Angles” are two co-operatives created inside the La Paranza project; the first one is in charge for general catacombs maintenance and the second produce iron manufactures, mostly for an internal usage in catacombs. Despite this primarily relation with La Paranza, these two co-operatives have a proper autonomy and expand their businesses over their main contract with catacombs. It is remarkable how this intention has led to two start-ups alongside the main co-operative, which have had a stewardship role in developing the other organisations. The idea to sustain positives inputs from the borough, improve capacities, and strength social network with local territory have been the basis for the most ambitious initiative in Sanità, the community foundation “San Gennaro”.

5.5.3 From Co-operation to St Gennaro Community Foundation

Founded in 2014, this foundation adopts the patron saint's name because he has been the central character in this narration. As the foundation president explains, the organisation name has been a fundamental choice because it does not bond the organisation to a specific territory, such as "Rione Sanità Foundation" because it could determine a geographical limitation in the action area. The foundation is based in Sanità, is rooted there and many members are from this area but they aim to enlarge their activities even outside the borough. Naples and Neapolitans recognise St Gennaro as their patron saint and probably, here more than other cities, the saint fully represents his people; using his name, the foundation wants to address an idea of ample commitment in serving people's interest wherever they are. The main idea underlies the foundation is the necessity to create infrastructures for developing third sector and social initiatives in Rione Sanità. In front of the huge amount of work, resources, possible future projects, collaborations, and relationships between the co-operative and other organisations, the priest decide to ask support to an old friend, a specialist in voluntary sectors and social planning who became the president of the St Gennaro Foundation.

"In order to overcome the chronical fragility of third sector in South Italy, we have to see what states to for their development, they create infrastructures and these infrastructures are the missing point in the development of third sector here. In particular, the "social infrastructurisation" has been underestimated; local council and social workers are in charge for this objective but nowadays they have serious limitations in the accomplishment of this; the community development work has been underestimated, considered as something to do latter, or even ignored. It is important to do this work before, create social capital, thus you are not going to spend money for walls, antitheft alarms, or police; you save this money because there is trust among people. When we build infrastructure we need to also consider this factor because with insecurity enterprises do not invest in your community" (Interview 0405, Naples, 2019)

Posing this idea as basis for the foundation development, creators have moved toward a different socio-economic sector in Rione Sanità; the aim is to inherent social networking, co-planning, resource scaling, and trust. La Paranza has had a key role in the foundation creation but it has cooperated with local third sector; religion institution, privates and other foundations from Italy; the foundation has a concentric circles structuration, president and board refer to the founders group that mixes all the different organisations involve in the project. Many organisations are consortia, which assemble small-size supporters such as local retailers and third sector organisations. The minimum requirement to be a foundation members is a 300,000€ subscription, this explains why retails and third sector join together in networking organisation so they can afford the subscription as a collective. Reasonably, the minimum donation can appear elevate but the founders' intention is to require a real commitment to those who will to be part of St Gennaro Foundation; furthermore, the submission cost is to be delayed. This is a serious investment that establishes a real bond with the project and the community. Current San Gennaro members are²¹:

- Santa Maria and San Severo Parishes.
- "L'altra Napoli" one of the most important charity in Naples that sustains social projects in many areas.
- "Pasquale di Costanzo Foundation", it sustains the young talent musicians.
- "Grimaldi Foundation" finance social projects.

²¹ www.fondazioneangennaro.org

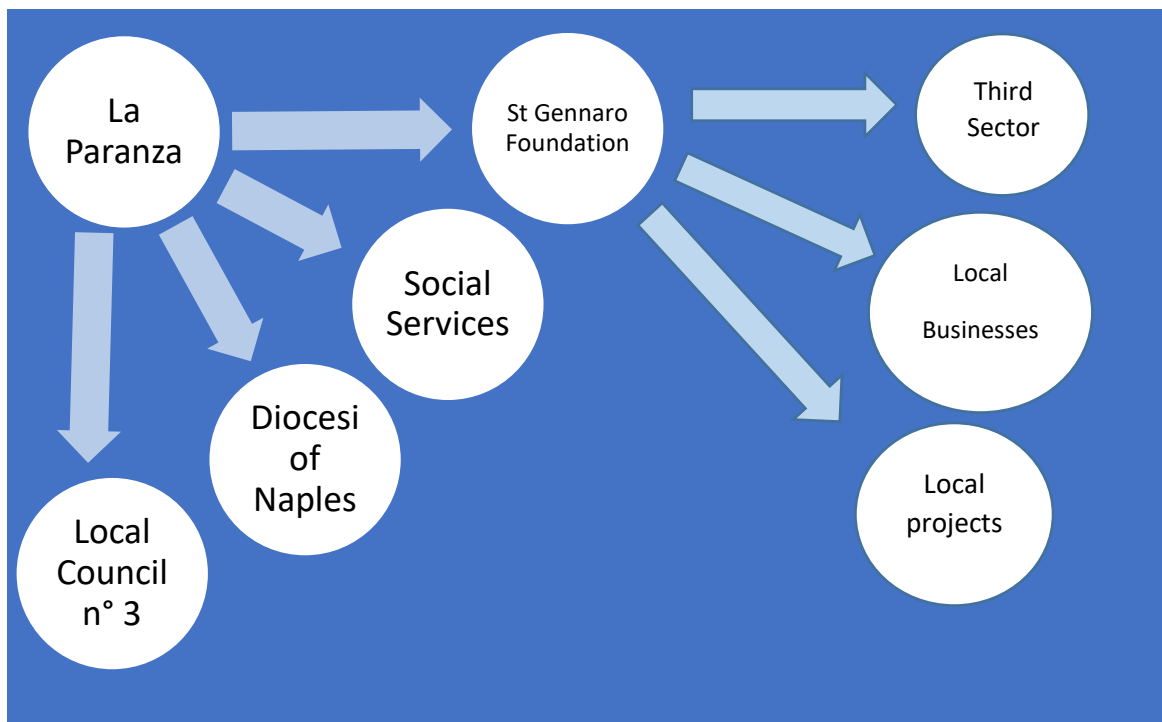
- “Caronte & Tourist” shipping and tourist firm.
- “Feudi di San Gregorio” winery firm.
- “Cooperazione San Gennaro” the association unites the third sector organisations in Rione Sanità interested in this project.
- “Rete San Gennaro gli imprenditori del Rione Sanità” a network of twenty local retailers.
- “Vismara Foundation” based in Milan, it support social initiatives in favour of fragile social marginalities.
- “Alberto & Franca Riva Foundation” based in Lombardy, they sustain social innovation projects.
- The Buonafede family has its roots in Rione Sanità, nowadays they are affirmed entrepreneurs and have decided to sustain the future of their borough.
- “De Balde Foundation” manages real estate properties where it hosts social projects.

La Paranza is member of Cooperazione San Gennaro and supports the foundation since it was just an idea; as many members explain, this foundation has the main channel for local collaboration among the third sector in Sanità. St Gennaro Foundation scales up local resources and networks creating formal structures that improve effectiveness of the local third sector. As many partners describe, the co-operative represents the main factor that has triggered the change but the foundation is the tool that enables the social work through the local network. This formal structure allows members to have a reference that sustains their development, their projects, and optimises local resources and co-planning. The St Gennaro Foundation gathers the main resources and reinvests them collaborating with stakeholders and players, it develops skills in social planning and connects various realities in Rione Sanità proposing innovative projects and forward-looking strategies. The return for La Paranza is an optimization in its connection with the territory enabling stakeholders and partners to develop their own projects. Since 2014, St Gennaro Foundation has supported many realities both existing and recently created, the main projects under the foundation supervision are:

- Boxing space for teenagers into Santa Maria della Sanità church.
- “Edizioni San Gennaro” the first publisher in Rione Sanità.
- “50 anni senza Totò” two urban regeneration projects in Rione to celebrating the Totò’s 50th anniversary of death.
- Cultural events and initiatives to invite Neapolitans at Rione Sanità such “White Nights” events all night long to celebrate Christmas holidays.
- Spaces regeneration for educational activities.
- Financial support to third sector members.

In their interviews, many third sectors representatives agree that the foundation is the main channel for collaborating with La Paranza and other organisation in Rione Sanità. They recognise the foundation results in terms of support and a renewed attraction that Sanità has on other citizens. As Bandera (2017) points out, community foundations in South Italy contribute in local development because they support the social networking with multi-stakeholders in depressed territories in order to collect and combine key resources for local development.

Figure 5.4. La Paranza Network



5.5.4 Service for Community and Conflicts

Over the years, this intense work has spread resources and re-shaped people's conceptualisation of Rione Sanità. Many criticisms and critical situations persist in the borough but through resident partners' points of view, it is possible to see how the social context has changed over the years.

“Therefore, when the co-operative and the foundation do big events inside Rione Sanità, people can come here and see what is going on, nobody takes money, we do activities for the general interest during the public events. Nevertheless, you can find people in the borough that think we have profits and interests in this public events. Unfortunately, many people have not understood what the third sector is; the borough is also this, huge shares of population with enormous socio-economic problems; there are low level of education and people do not have the right tools for understanding the reality.” (Interview 0402, Naples, 2019)

First, there is a general agreement that the consideration on Rione Sanità is changed, it is now a borough where people, even from the outside, enjoy the place and visit it frequently. This is important because residents perceive their local reality differently due to this change, it is no more a hidden ghetto but a space where various people desire to go through and experience it. Secondly, local organisations and residents understand and appreciate the important work that both the co-operative and the foundation do for Rione Sanità; the realisation of a new comprehension of their places help people to understand possible future alternatives. As La Paranza's partner say, people in Rione Sanità have a new and different approach to their life.

“Years ago, we used to go and take children and teenagers at their house and most of the times with social workers or police because families preferred to have them at home or at work rather than at school. Now parents come here and ask for assistance because they want a different future for their children. Women used to be just housemakers and did not work; now they exit from their homes and try to find a self-sufficiency. The cultural change is going on. Even the father in prison, because he was caught selling drugs, now wants a different future for

his son. The retailers work together in network inside the foundation when before everyone just looked at its yard. This is a huge revolution for this borough.” (Interview 0409, Naples, 2019)

Thirdly, direct actions on physical structure can improve the borough’s liveability, for this reason St Gennaro Foundation have regenerated two public areas and give them back to the community. Furthermore, it can sustain the refurbishment of two spaces for children education, one for co-working, and another for the Santansable orchestra. This improves the possibilities for projects and employment, consistently providing the borough with concrete benefits.

Table 5.8. La Paranza Community Co-operative and Social Capital Elements

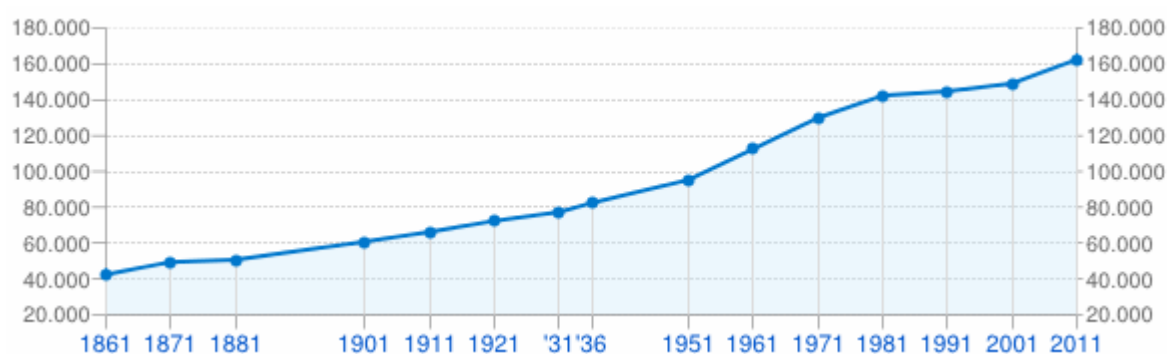
| Community Co-operatives Elements | Social Capital Elements |
|--|---|
| Founders’ groups | <ul style="list-style-type: none"> • Previous experiences in the parish • Catholic doctrine • Friendship relations inside parish group • Priest’s leadership • Families’ teaching • Be a co-operative as expression of their values of collaboration and altruism |
| Analysis of local issues and opportunities | <ul style="list-style-type: none"> • Collaboration with local third sector • Social workers’ support • Agreement on central role of education and work • Absence of local coordination for social services offer • People involved in other organizations provide inputs from their perspectives |
| Mission and objectives definition | <ul style="list-style-type: none"> • Promoting collaboration into a neighborhood without a any kind of previous experience • Re-opening the catacombs due to its religious and historical importance • Inputs from the other third sector organizations for a wider social work • Providing alternatives from Mafia |
| Co-operatives’ local networks | <ul style="list-style-type: none"> • Personal relations with other organizations • Shared aims and objectives • Possibilities for professional collaborations • All third sector entities • Trust and collaboration as main pillars • Benefits for local businesses deriving from tourism |
| Frictions with external subjects | <ul style="list-style-type: none"> • Complains from citizens without direct relations with the project • Complain on the too strong religious spirit of the project • Camorra activities as a moral alternative to the co-operative proposal |

5.6 The Anonymous Society and the Postmodernissimo Cinema

5.6.1 Perugia Old Town History and Current Issues

In the heart of Central Italy, in Umbria region, there is Perugia, the regional capital renowned for its cultural heritage such as many renaissance masterpieces and fine palaces in the old town on the top hill, and one of the oldest university in the world (1308). Since its foundation, during XI and X century B.C., the elevate position on the hills has been strategical for the defence; in the main square the Cathedral and the Palazzo dei Priori (the town hall since the XII century) represent the main political and religious powers. Perugia old town has always had its influence on the surround region and consequently it became regional capital in 1970. The public administration, museums, university and other attractions or place of interests are mostly located here; after the WWII, the massive urbanisation expanded the city over the old town converting the small villages at the hills roots in suburb areas and embedded them in the Perugia municipality.

Table 5.9. Perugia Demographic Evolution



Istat Data 2018

The huge urbanisation outside the ancient walls has brought a deep renovation in Perugia society developing new facilities and residential areas far away from the old town; beside, the physical conformation complicates car affluxes to the central area. The municipality has developed alternatives ways to reach the old town such as parking lots, public elevators, and bus lines from every suburb neighbourhoods; nevertheless, this has not avoided the steadily de-population process and the old town nowadays hosts 5,000 people. According to a demographic investigation led by Cresme, 57.6% of local residents are singles and 20% a couple, this means low density level in old town; the house occupation confirms this figures, 20% in old town do not host anyone²². Confcommercio Perugia (local branch of the national association of retailers) examines the data from 2008 to 2016 regarding commerce activities in Perugia old town²³; local retailers had a dramatic reduction in that period (-25.4%) compared to the -4.5% in outside areas, bars and hotels also had a negative trend (-6.5%).

This negative trend has led to a general abandonment of old town that every interviewee recognises; according to their witnesses, in ten years the area has suffered a huge abandonment for many reasons. First, there is houses availability but the average price for square meter is 1,943€, 30% more than outside²⁴. Secondly, since 2008, the University of Perugia suffers a crisis in terms of

²² ANCS and Cresme "Il ruolo sociale dei centri storici in Italia" 2018.

²³ Confcommercio "Demografia d'impresa nei centri storici" Roma 22 febbraio 2017.

²⁴ ANCS and Cresme "Il ruolo sociale dei centri storici in Italia" 2018.

students enrolled; the Ministry of Education and University confirms this: in 2008, Perugia counted 29,519 students, in 2018 23,290, the lowest point was 2015 with just 21,761 students²⁵. This has had a repercussion on real estate market in old town where many buildings host spare houses for students. According to many interviewees, Perugia decline and university crisis have two main reasons, the Meredith Kercher's homicide in 2007 and the dramatic use of heroine. The dramatic homicide of the American girl has had an international echo and has destroyed Perugia's reputation creating a sense of insecurity and diffuse criminality in people's mind. Furthermore, the Perugia and Umbria regions have been a hotspot for heroin abuse in these years; the region has the highest level of deaths for drug use (18.1%) with a dramatic pick in the Perugia area (19.4%)²⁶. Over the years, residents and students have demonstrated their frustrations for the critical conditions in old town; general abandonment in many areas, public selling and use of drugs, the loss of retail stores and cinema compromised the livelihood in old town.

5.6.2 *The Postmodernissimo Regeneration Action*

This is the scenario where the Postmodernissimo (Postmod) has funded its social role in the old town. This is one of the historical theatre in Perugia, "Teatro del Carmine". After WWII it became the "Cinema Moderno" an excellent movie theatre for *Cinema d'Essai*, a specific place where find avant-gardist movies and experimentations; the Cinema d'Essai has French roots but it had also a huge relevance in the Italian panorama. Over the decades, the "Cinema Moderno" acquired a renowned name in Umbria and Italy for their cultural program; during the 1970s, it changed owner and name in "Modernissimo". The decline of Perugia city centre, the rapid growth of suburb areas, and the opening of new and modern movie theatres in recent neighbourhoods, led clients far away from the old town determining the theatre failure in 2000. Furthermore, the entire street (Via della Viola), where the "Modernissimo" was, suffered a dramatic deterioration. This was the main way to connect the old town to the former hospital until its transfer in a new area in 2008. This and general trends in Perugia rapidly create a huge crisis in the street; referring to interviewees' tells, the street used to be a vital place in the past, many groceries and stores were opened and served local residents and passengers on their road toward the hospital. In the 2000s, the dereliction led here drug dealers and consumers; then, people left this place because it was no longer safe, stores shut down because there was no more clients and the street became dangerous day by day. As a resident describes:

"After the theatre closure, the street remained marginal in the old town social life. They gradually became a place for drug dealers and people were scared to walk down the street, in particular over the night. It was like a sub-urban street, even if it is right in the city centre, the post-mod helps to regenerate this area because people have to walk through via della Viola to arrive there." (Interview 0516, Perugia, 2019)

In 2014, the situation that appeared in front of Postmod promoters was a neighbourhood with few old residents, an absence of daily life and a permanent commerce and consumption of heroine every night. Nevertheless, four friends, with a common passion for video making and cinema decided that was time to re-open the historical movie theatre and give back to Perugia old town an iconic place. Postmod founders confirm their emotional bond with the place, before the close in 2000, they used to go there every week and watch Cinema d'Essai movies. When the "Modernissimo" closed, it was a loss not only for owners but also for many people in Perugia, as other interviewees confirm; this theatre was a key part in the local and regional cultural offer. Over the decades, "Modernissimo"

²⁵ www.miur.gov.it "Censimento università italiane" 2018

²⁶ Società Italiana Tossicodipendenze "GeOverdose" 2018.

hosted important directors and actors summoned the artistic attention from the region and even in Italy. All the four friends have a strong professional background in cinematography and video making and decided to convert their passion and freelance careers into a stable job but, most important, they wanted their own theatre where experimenting new approaches in entertainment field. Another important element in their common experience has been the political activities into a student collective during the years at the university.

“Since we were teenagers we are friends, we met at high-school and then we attend university together. During those years, we funded a political collective and I think that our social commitment and interest for our community has been transmitted into the Postmod project. [...] before the co-operative, we travelled a lot in Europe and we saw how theatre works in other countries and it is totally different from the Italian way.” (Interview 0502, Perugia, 2019)

In 2014, the friends launched the campaign for re-opening “Modernissimo”; they know it required a long work and consistent investment because the building needed considerable refurbishment works and new equipment was necessary. Notwithstanding, this was not their only concern regarding the new life of “Modernissimo”, their intention was to structure a participatory project and involve citizens in the re-opening; thus, they launched a crowdfunding campaign asking people to contribute with 10€ each and become support members. They did not see this as merely fundraising for resources but as the base to build on the relation with their community and hold responsible the people involved.

“Despite the economic need for resources, we used the crowdfunding campaign to create an immediately contact with future spectators. Someone personally knew us but many of our current partners had arrived during the campaign and after the opening; with those who sustained our project since the beginning there was a trust bond because the theatre was just a project but they believed in us and in our objectives. Maybe we could open in any way this place but with more and more difficulties and efforts.” (Interview 0510, Perugia, 2019)

Over the months, the founders attracted 100 people and they involved everyone in the re-opening process keeping them update on work evolution and projects for the new theatre. This participatory nature and the political background were main factors in the choice for the legal form; in July 2014, the four friends registered the “Anonima Impresa Sociale” (Anonymous Social Enterprise) and begun the management of “Postmodernissimo” theatre. The enterprise name needs an explanation; historically, the mutual aid societies adopted the word “Anonymous” in their official name because there was no unique owners thus they were without a specific name. Founders decided to recall this idea of mutual aid in their co-operative because they see in the relation with customers and regulars a mutual relation.

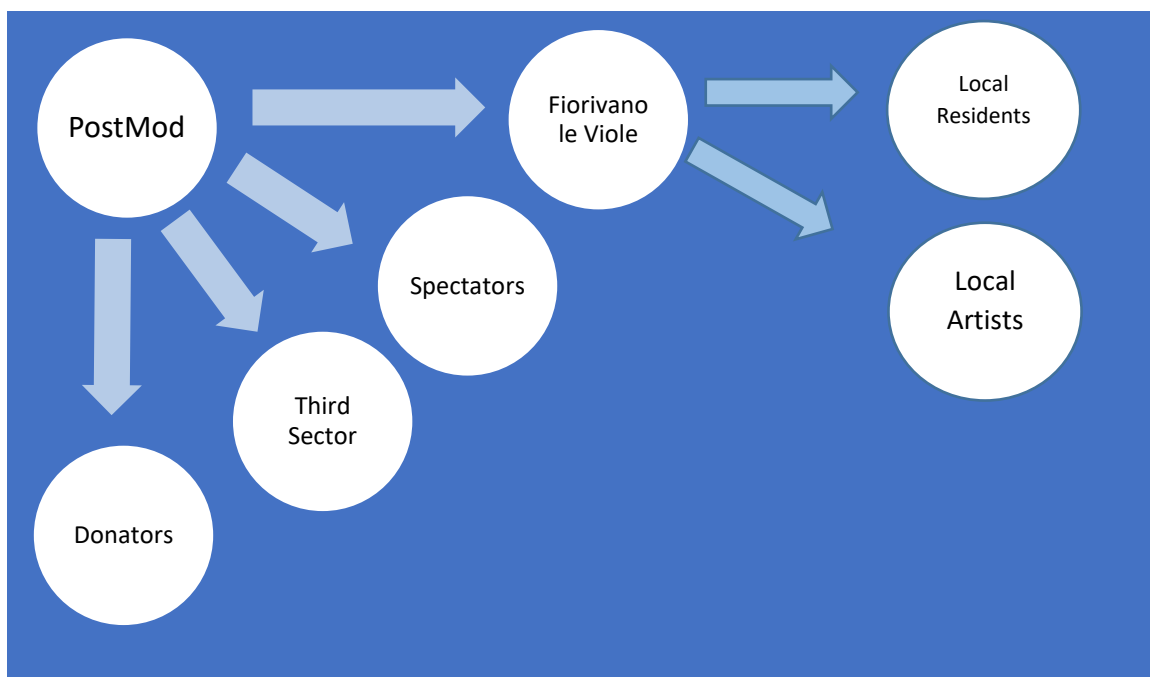
“In my political and life background, the co-operative values and the sense of solidarity are essential for my existence. So when we decided to open an enterprise, we immediately chose for a co-operative because it encompasses all these values. There is a relation of mutual aid between us and customers; they give us continuous inputs on movies and we support their ideas and projects hosting here their initiatives. This is a really help for Post-mod because sometimes we are tired and do not have enough energies and they trigger us with new initiatives, so we take care of ordinary management and they can have here a place for enjoying movies, relaxing or organising their events.” (Interview 0510, Perugia, 2019)

Nowadays, Postmod has 4 workers members, 2 employees, and more than 100 supporter members. After the re-opening, the four managers conveyed to organise periodical meetings with support

members and plan with them main decisions for the cultural program. Since the beginning, the Postmod has alternated a more commercial movie offer with Cinema d'Essai movies trying to give back a prestige to the theatre. Citizens have always responded with enthusiasm to Postmod proposals and have never left the co-operators without support. Strategically, during the renovation, the Postmod added new venues in the building; first, they split the main hall into two smaller rooms and converted an old storage in the third theatre for movies in original languages. It is important to consider the presence of foreign people in Perugia, 11% of old town residents are not Italian²⁷, many other are students at the Foreign University of Perugia, which every year attracts people from all over the world; moreover, many Italian customers have shown an interest in foreign languages. Moreover, a new bar and a relax area in another small storage creating a study areas for students during the afternoons. Importantly is the bond that Postmod has created with its support members and regulars, a difference that appears no more because everyone can propose an event to the theatre and have support in organise it. Postmod partners confirm the great feeling between them and co-operators, they know that can found a place for their events and happenings in this theatre and propose cultural initiatives.

“At the beginning, we kept two annual meetings for discussing general decisions in art direction but right now we have overcome this; all the mental blocks have been broken and there is a direct contact with regulars and customers. Many local associations have brought here their events, competences, and knowledge; sometimes some association members arrive here as spectators and decide to propose us something in collaboration with associations. Thus, this keeps us inside the public debate in our community because we propose culture but also moments to reflect on our society and time. So the event in collaboration with the association is no longer a simple show but it becomes a debate because we invite the director and experts and after the movie we discuss social or political issues related to the picture” (Interview 0502, Perugia, 2019)

Figure 5.5. Post-Modernissimo Network



²⁷ Istat 2018.

5.6.3 The Community Service

People do not see this place as a simple theatre; they interact with Postmod as a vital and intriguing venue where create new projects and initiatives. Everyone agrees on the relevant contribution that Postmod has given to Via della Viola regeneration; first, everyday this theatre brings people to this peripheral part, for a total of 50,000 every year. Secondly, Postmod is a permanent cultural propose for commercial and refined movies in a place where the last movie theatre suffers the competition with multi-rooms in new neighbourhoods. Thirdly, they work in collaboration with a local residents association that is the main advocate of Via della Viola regeneration and next paragraph goes into a deeper analysis of this initiatives. What is relevant to analyse here is the intense work done during the years to ensure an alternative to the transfer of all entertainment activities outside the old town.

“The movie scheduling emerges from people’s inputs, our proposal has a high cultural level and basically we have substituted the public authority because we provide a public space where people can meet together and socialize or present projects for their interest. A few weeks ago we organised an event on Iuventa ship, the one in Mediterranean sea that saves refugees, and we did not charge spectators that night because we thought information was more important than revenues in that moment. I would like to see this as a total public space funded by municipality so we would not need an economic sustainability.” (Interview 0502, Perugia, 2019)

Partners and citizens recognise the Postmod contribution in the revitalisation of Via della Viola but, most important, its contribution in the wider context of Perugia old town. The ancient urban structure does not allow building new venues thus the only way to increase the public spaces availability is the regeneration. Postmod has done this giving new life to an old theatre into a degraded street and neighbourhood. Citizens and partners appreciate this new opportunity; the social networks around Postmod acknowledge the project as a bottom-up initiative that aims to improve the cultural offer in Perugia. Consequently, movies become tools for extending cultural themes and spread public discussions and reflections in the community. Partners can participate in defining these topics and they connect the theatre to other communities of interest in the city; Postmod becomes a hub where people and organisations can collaborate and plan together initiatives. Alongside, the movie scheduling offers alternatives because there are refined movies but also a commercial offer for those who live in old town. The intense community value derives from the historically heritage this theatre has, many citizens and partners remembers when it was the “Modernissimo” and Perugia people were very affectionate to this place thus the re-opening signed a key moment in the old town history, in particular for Via della Viola because an historical retail has come back to life and people can now enjoy it.

Despite the great success, the Postmod co-operators and other interviewees indicate a limitation in the renovation of Via della Viola; right now this street has only a nightlife, new stores are restaurants, bar, a brew-pub, and the cinema so basically they are economic activities which main working hours are after 6 pm. On the one hand, many locals recognise the radical change in this area but, on the other hand, they see this limitation during the day when there is nothing open, moreover, this has raised some critics from other residents who live there and do not like this new nightlife aspect. As a Postmod co-operativeerator underlines, people from old town mainly frequent Via della Viola and others from outside have to take the car, find parking, pay for it and walk to the cinema. Therefore, the investment in terms of time and money is higher for people who do not live in the old town and this is an issue related to the accessibility to this city area. This is a key aspect in this sociological

analysis because it is necessary to question the impact that Postmod and residents' association have on their local context, thus this is discussed in the next paragraph.

5.6.4 "Fiorivano le Viole" The residents' association in Via della Viola

The Postmod narration highlights the key role of this association in the huge urban regeneration process happened in the street. Fiorivano le Viole (The Bloomed Violets) has a double meaning in its name; first it recalls the street name, Via della Viola (The Violet Street); secondly, "Fiorivano le viole" is a Rino Gaetano's song (1976) a famous Italian songwriter. This dual meaning is not a coincidence because art, in all its forms, is the core factor that has led the regeneration in this area. Postmod arrived in this street when the association already existed and they "entered in the flow" triggered by residents. During the interviews, Postmod co-operators confirm many times that they found an "already prepared soil" where they planted their idea of a new theatre for the community. As described above, Via della Viola stayed in derelict conditions before the two organisations began their activities; officially the association born at the end of 2012 but a long process of collective acknowledge happened before. Many founders were former university students who lived in this street during the studying years; they bonded with this area and felt a sense of belonging with this place thus they could no more sustain the dramatic situations that compromised Via della Viola livelihood. It all begun with some posters in the street, asking who was tired of that situation, the message called for a public meeting to discuss possible solutions and initiatives.

"There was a common sentiment of frustration versus the state of abandonment in this street, people wanted to see a change. I and a group of friends decided to do something and we call residents for a public assembly; there were 150 people and we were totally surprised, we did not expect this respond so we were super exited. The renaissance desire was very strong in many residents; over the years, no one had seen a chance to do something because there was not a group or a local network so residents had fear to fight the dereliction alone. Our manifesto states the necessity to find again, with culture and beauty, the trajectories into this society where media system bombs us every day. We need to re-centre the human being in the society and develop a new care of us through socialization and acknowledge." (Interview 0511, Perugia, 2019)

The assembly carried out an interesting analysis of the phenomenon, Via della Viola suffered a structural abandonment, all stores were closed and derelict with windows broke down and trash left inside. This is what Kelling and Wilson (1982) describe as the dynamic of "broken windows" (literately in this case), when there is a persistence of urban disorder and vandalism, they reinforce criminal behaviours. This was the scenario until 2012, when the association started its activities; the founders expressively stated the idea of a participatory and creative renaissance of Via della Viola instead of asking for more control and police patrols. The association project saw in abandoned stores the main assets for their purposes; these had not an economic reason to be on market because there was not a passage during day and night, people in Perugia were scared by this place and drug dealers, thus they stayed away. Members elaborated this idea: they set up agreements with the various owners of street stores and obtained the free-use of their spaces for one year in exchange of an internal renewal for each shop. This first step provided the association with 12 free spaces for one year, then they opened a call to action for artists, whoever desired could use the spaces as atelier for one year; the initiative had a great success and they occupied all the shops. This idea triggered a process through word by mouth in the city spreading the news that something was going on in Via della Viola. Artists recalled people in the street and reactivated this area bringing back people there. Moreover, association members decided to discuss with local drug dealers and explain why their presence

frustrated residents and asked them to leave the street. Fiorivano le Viole has brought many periodical initiatives in the street in order to induce people to fight the fear and take back the area. Between December 2011 and January 2012, the association threw the first event, a Christmas market with children activities; then it proposed a summer festival with movies and theatre shows, maybe anticipating the future arrival of Postmodernissimo. Over the years, what has really emerged as the most popular Fiorivano le Viole event is “Alchemika” the extravagant carnival that every September animates the street and involves many busker artists; every year it grows and calls more people becoming the key symbol of Via della Viola regeneration. The last initiative (January 2019) was the inauguration of the public space “Balù”, the only one that the association manages directly, realised with European funds for cultural activities. It hosts community activities for every target from children to elder people, these are language courses, theatre workshop, music events, vernissages, food and drink events or various courses.

In the whole process, the main factor are the artistic activities; they have had the force to re-shape the street and attract people there. Physically, walls and venues have changed their aspect; they are no more derelict places but host artistic installation, graffiti, paintings, and colours everywhere. It is clear that Postmod found here the right place for its home; since the beginning, co-operators have had a synthon with the residents in the association because they have a common aim; the art as core of citizens experience of their urban setting. The collaboration sees a mutual sustain in many aspects; first, both the initiatives bring people in the street and improve the discovery of their activities. Secondly, they have contributed in the physical renewal of internal spaces and external look in the street embellishing the place. Thirdly, many annual event see the collaboration among these two realities and other businesses and organisations in the street. Nowadays, many former ateliers are small businesses and everyone participates in Via della Viola permanent activation because they enjoy seeing the street coloured and people living it, a “synergy” among the two organisations and new businesses for a common interest. The constant flow in and out the street is a force that keeps alive all these projects and avoid the re-appearance of negative phenomena; Via della Viola represents an interesting example of participatory bottom-up regeneration experience. Public authorities have not had a role in all this process; residents have autonomously led this and structured their objectives and initiatives under the main idea of an “open cultural public space” where people can enjoy art in all its forms.

5.6.5 A Successful Experience or a Risk for Gentrification?

Inevitably, the sociological analysis arrives to question the great success Via della Viola has, thanks to the two protagonists. Before 2012, the dereliction scared Perugia residents and kept them distant from this street, now this place is widely frequented and people come here to hang out having a drink or dinner. Therefore, the question arises spontaneously, is Via della Viola going into a gentrification process? Reasonably, the question is valid because according to Loretta et al. (2008):

“Gentrification is the transformation of a working class or vacant area of the central city into middle class residential and/or commercial use.” (Loretta et al., p. XV, 2008).

Therefore, it is interesting to see how this risk is perceived; after the one year free-use, Fiorivano le Viole gave back all stores to owners, then they could decide what to do and the totally easily re-rented the spaces, someone to the artists who were there, others to new businesses such as night bars and restaurants. Remarkable in this sense is Florida’s work (2008) on “creative class”, and Via della Viola can be an excellent case; the theory suggests that new economy of cities must be based on this new class of gays, youth, bohemians, professors, scientists, artists and entrepreneurs. Nevertheless,

this triggers the gentrification phenomenon, which causes a high rent increase and concentration of new facilities for middle-class bourgeois citizens for higher prices (Loretta et al., 2008). During the work on field (January 2019) all spaces were permanently occupied and many association activities were going on thus was possible to observe the street in this current setting and use. Many people arrive there for their genuine interest in this place and the renewed beauty in the street.

Postmod co-operators, Fiorivano le Viole volunteers, and citizens interviewed do not see a problem in terms of gentrification and non-accessibility for those who are not middle-class. In their opinion, everyone can enjoy the street; the main barrier, which is a general issue for the entire old town, is the physical accessibility for those who live outside the old town. Generally, Via della Viola still remains a student spared-house areas because it is difficult to access it by car and refurbishment works cost a lot thus landlords prefer rent to students who have lower pretensions. In order to have a more complete idea on the real estate market, the research takes advantage of four real estate agent consult on Via della Viola. According to these professionals, people know about the area renewal but there is not a massive interest in renting houses and spaces in this area. First, families prefer zones where they can easily drive and park; secondly, the area remains distant from the more frequented zone in old town. Referring to houses and stores prices, which indicates effects of gentrification in neighbourhoods (Loretta et al., 2008), agents say there is not an increase in rents or sq. m. costs because all the old town area still hears the real estate crisis. Comparing with the prices before 2008, houses and commercial spaces are cheaper than before because it is difficult to rent or sell it. Moreover, many buildings in via della Viola requires refurbishment works. Prices for renting and selling in this area are in line with the semi-central costs²⁸. Therefore, it is not possible to talk about gentrification because certain effects are not viewable in this case. It is recognizable the artistic renovation and the presence of new businesses but gentrification normally brings also a social composition change that here is not tangible right now. According to real estate agents, most houses in the street are students' spared-houses and people do not put via della Viola on the top of their residential preferences.

5.6.6 Umbertide Project – The Cinema Metropolis

The Umbertide project takes its name from the town close to Perugia where it is situated. In 2018, Postmod began a collaboration with a two locals for managing the theatre in the town, Cinema Metropolis. The two new co-operative members are old friends of the Postmod founders and they share the same passion for cinema; these two friends decided to start a project in their town in 2009 and gave to Umbertide a new cinema theatre. Before 2009, the town hall obtained European funds for regenerating an old church and transform it into a new social venue for public events. The local authority decided to open a call looking for local associations that desires to carry out activities and initiatives for the community. The two friends won the call and started to run the new theatre proposing movies, shows, social events, and hosting local association initiatives. After many years, they see in this place a possibility for a job, running it as a business open every day instead of some hours during weekends. They were in contact with Postmod members who agreed to give an hand; the decreasing resources that the town hall can spend in cultural activities has been compromising the Umbertide theatre activities thus the manager have looked for a business model that allows incomes and economic sustainability. In 2017 begun the collaboration, Postmod provided a professional training at its theatre in Perugia and sustained the two friends in searching funds for refurbishing the building and buying new equipment; legally, the Postmod is the new manager of Cinema Metropolis and the two friends are Postmod employees. In august 2018 begun the new Postmod branch in

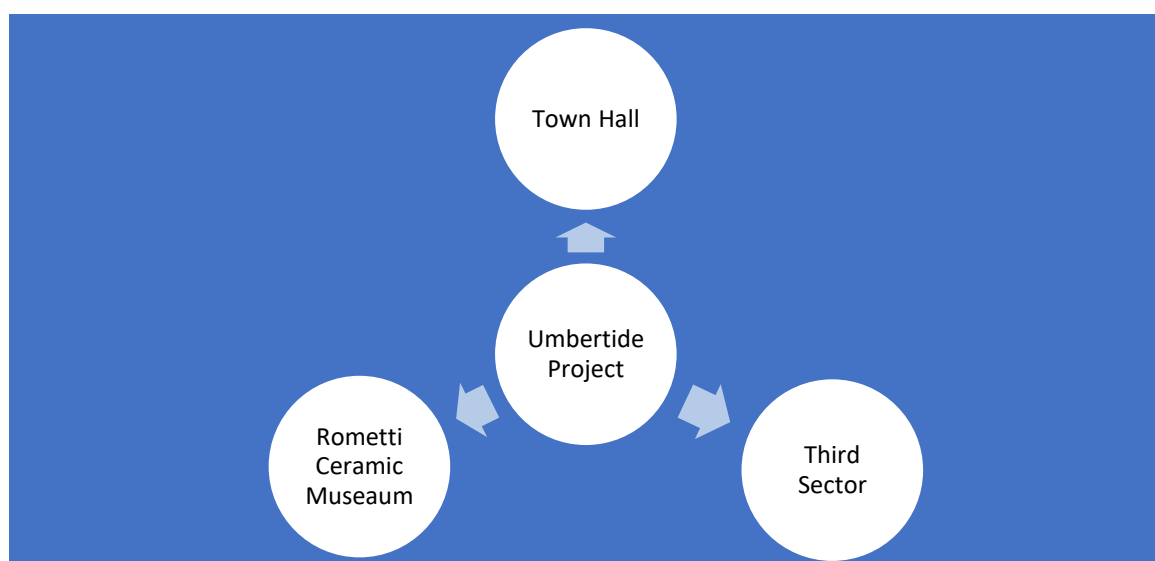
²⁸ Duff and Phelps REAG Report for Grimaldi Real Estate (2018)

Umbertide; clearly, it required a specific business plan calibrated on a different social and economic context. Umbertide is a town with 16,640 people close to Perugia, it does not have many facilities and people used to drive to Perugia per leisure activities, thus, the Umbertide theatre is the only theatre in that town. At the beginning, co-operators decided to propose commercial and mainstreaming movies so they could retain new local customers with particular focus on under 18 years of age because, as one of the operators in Umbertide explains, they normally cannot move outside the town until they can drive.

“We use the space also for parties and music concert because is the only place for these things in Umbertide, we want to work with teenagers so we can provide them with interesting things and cultivate a passion for cinema. Since the beginning, the community has sustained us and has been immediately created a local network with charities, association, and a social co-operative that work with people with disabilities. We are a small town in the province so I think there is a natural inclination to collaborate for community projects.” (Interview 0501, Perugia, 2019)

Alongside the movie theatre, the Umbertide project encompasses other two important initiatives, the two local Postmod members have their own record label and rooms for music bands; they use them to promote events and social aggregation with teenagers. More importantly, Postmod has signed a contract for managing a local museum, the Rometti Ceramic Museum. Rometti is a local company famous for its prestigious ceramic handcrafting; since 1927, it produces ceramic and host artists as visiting in the enterprise for being inspired and growing the firm prestige. Alongside the productive site there is the museum that preserves all the masterpieces but it has had few visitors over the years. For this reason, Rometti firm has decided to collaborate with Cinema Metropolis and create inside its museum an innovative project that combines art in its different forms. The co-operative proposes activities, initiatives, and movies in the museum incentive people to visit and live it; this aims to increase visitors and improve the firm inclination toward art in its whole sense. This project demonstrates the co-operative capacity to networking with its territory and aggregate ideas and resources for the purpose of art diffusion and fruition.

Figure 5.6. Umbertide Project Network



5.7 Conclusions

The first overview on the five case studies provides the research with relevant information. This first part of the Case Study Analysis focuses the attention on community co-operatives in their singularities; as anticipated, Chapter 6 elaborates the analysis through the cross-case analysis methodology and grasps results sectioning cases with main research topics for examining their common and different features.

This chapter shows the contextual elements in each case study highlighting the socio-economic conditions of community co-operatives. Moreover, developing a single case study description before the cross-case analysis allows presenting information and the specificities of each co-operative, which can otherwise cause difficulty as detailed in Chapter 6.

These descriptions explain how social groups behind community co-operatives have begun their projects; in their territories, the occurring of specific socio-economic situations and events have triggered processes for the discussion and examination of them. The particularities of each condition and the specificity of each group compose the mix that generate the peculiar structure and shape of each community co-operative. Despite the same legal form, every co-operative presents peculiarities that distinguish it from others. This demonstrates how various elements collaborate in generating the final shape of community co-operative as an organisation with specific objectives and services calibrated on local necessities and resources. The founders, who are mostly local citizens, know their territories and communities and basing their interpretation of realities on their cultural backgrounds elaborate solutions for their problems. Then, they aggregate people and resources for constituting community co-operatives, which interact with local societies as a product of a collectivism that expresses a proper idea of development and civic engagement.

Table 5.10. Post-Modernissimo Community Co-operative and Social Capital Elements.

| Community Co-operatives Elements | Social Capital Elements |
|--|---|
| Founders' groups | <ul style="list-style-type: none"> • Group of old friends • Same political background and previous common professional experiences • Desire to propose a new approach in the theater business • Access to cultural activities as a political and social action • Be a co-operative as expression of their values of solidarity and mutualism |
| Analysis of local issues and opportunities | <ul style="list-style-type: none"> • Donators and clients' inputs for cultural events • Networking with third sector organizations with similar cultural and political backgrounds • Cultural activities as main focus |
| Mission and objectives definition | <ul style="list-style-type: none"> • Improving cultural offer in the old town • Art as a regenerative factor of urban spaces (shared with Fiorivano le Viole) • Providing citizens and third sector organizations with a social venue for their activities • Re-opening a historical theater |
| Co-operatives' local networks | <ul style="list-style-type: none"> • Fundraising for theater re-opening • Personal relations with other organizations • Third sector organizations promote events at the theater • Co-op founders have particular inclinations for same thematic as the third sector organizations involved • Collaboration with residents' association |
| Frictions with external subjects | <ul style="list-style-type: none"> • Competition with other movie theater, a different approach in running the entertainment business |

Chapter 6. Cross-case Study Analysis and Findings Discussion

6.1 The Cross-case Analysis

This chapter examines the five case studies through the cross-case analysis methodology. The chapter describes the main elements and aspects that provide relevant results for the general analysis of how community co-operatives develop their commitment towards communities, their attitude to creating local networks, and effects that these can have on co-operatives. The analysis framework supports the scientific view of these phenomena, by explaining how social facts take place according to plausible reasons and interrelations. The analysis explores the different social realities, moving from the individual level to the meso level, where relationships among organisations operate.

Semi-structured interviews and notes from the fieldwork provide the research with data and information for examining the empirical phenomena, and to allow interpretation of the facts. In the after-interview phase, transcriptions have been labelled according to the research framework, and results are compared across the five cases. Relevant topics are identified for understanding how social groups form themselves around an idea of local revitalisation, and then create community co-operatives and their networks.

For this purpose, the examination provides interpretations of subjects' choices and their understanding of the world around them. The chapter structure presents results according to a process that primarily investigates individual participants in co-operatives and their contribution with regard to different aspects. Then, the analysis moves to the social aggregation of these individuals, and the main features of social groups that form each co-operative. The focus on these groups also involves the understanding of their ideas and interpretations of local issues and opportunities; in other words, the way they view the social realities in which they live.

The main reason for this research choice is the aim of investigating participants' thoughts on what community co-operatives and community development mean for them. Instead of addressing the empirical findings regarding theoretical definitions and assigning them to pre-established categories, it is interesting to assess what the subjects within social realities think about the research objects. It might be the case that their experiences have generated different interpretations of these concepts; moreover, their interpretations can reveal what kinds of ideas they have of their work.

A further step in the analysis is the examination of how co-operatives, as formal structures with distinct features and characteristics, contribute to achieving the community development objectives. Co-operators have specific reasons for selecting this firm model instead of others, and the analysis must question this choice and its repercussions on internal and external dynamics. Subsequently, it is necessary to pay attention to how local assets influence the processes that lead to community co-operatives' foundation; they are not only tools for co-operative business, but they also establish relationships among local players. This is because community co-operatives' work assumes a particular value in the community development process, by trying to restore local assets that embody particular common values and interests.

Community co-operatives' partners, in terms of their contribution to local co-operatives and the assessment of their work, is another key part of the analysis provided in the chapter. The distinctiveness of the research is its wide view of the contexts where community co-operatives operate; thus, in order to structurally evaluate social facts and how they are determined, it is useful to

enlarge the vision of those subjects that have relationships with community co-operatives, and to understand how and why they establish collaborations.

The analysis framework supports the examination; it provides useful concepts and insights on the social dynamics that lead people to collaborate, and defines a common vision of their realities. These complex systems of meaning guide subjects in their actions and lead them to join collaborations for the general interest. These systems of meaning can be deduced from participants' responses regarding their life experiences, activism, political involvement, education, and ideas on community co-operatives and community development. Social capital theories are widely recalled in the examination; they support the scientific interpretation of social facts, in order to shape conclusions on these organisations and their social connection with communities.

6.2 Individual Co-operators' Profiling

Profiling community co-operative members contributes to the analysis of the phenomenon by providing an overview of people directly involved in these projects. Although the analysis focuses the attention on co-operatives, collective processes, and networks among organisations, it is necessary to identify how each co-operator contributes to its co-operative, and to examine the micro-dynamics that form the basis for these organisations. As the research hypotheses indicate (Chapter 4), the comprehension of community co-operatives might involve the examination of individuals' social aggregation for a common purpose. Every co-operative aggregates a group of people; these individuals participate by contributing their economic capitals, connection to their social relations, inputs from the outside, and spreading the word on the co-operative's activities. This supports the project growth and success; individuals draw on their social relationships and share ideas on community development with local possible partners. Essentially, behind every co-operative, there is a specific group of individuals. Before the examination of these groups' features, it is relevant to examine the characteristics of individualities, in order to understand their contributions under the aforementioned diverse aspects.

Therefore, this section extracts aspects related to individual members of co-operatives and analyses them as key parts of a general phenomenon that generates the community co-operatives and their networks. The analysis classifies participants' data and information by age, gender, education, personal social networks, political and association activism, and their personal thoughts about life experiences that have had an important role in their decisions to join the community co-operatives. The aim is to discuss how individuals, with their personal attitudes, choices, and various resources, contribute to shaping the community co-operatives' mission, especially, the networks and values that enable the community development process. The first aspects are general information regarding the co-operators' composition, such as age, gender and education.

As the research framework explains, social capital elements can be activated among people who are closely associated; this closeness is here argued to be a similarity in terms of the same territory, and a similar age and social identity. The information in this section describes aspects at the micro level that enable the collaboration and realise social aggregation for common purposes. The individuals' belonging to a same territory, similar age, and either a political or civic activism, alongside their involvement in the co-operative, constitutes the basis for improving relations and collaboration among people, in terms of both structural and social capital. Promoters engage people with similar attitudes in their territories, who share same values; therefore, there is an expansion of

social relations, which embody common values that govern the spreading of mutual collaboration through networks.

6.2.1 Co-operators' Age and Gender

As Table 6.1 shows, the majority of people involved in these projects are under 40 years old. It appears that people have an inclination to create and join co-operatives in their younger years; moreover, members comprise people with similar ages. It must be noted that during interviews, many co-operators expressed their conviction that younger people should be the active part of local society in revitalising communities and creating future opportunities.

Table 6.1. Co-operators' Age

| Age | Co-op Founders | Co-op Workers | Co-op Supporters | Total |
|---------|----------------|---------------|------------------|-------|
| 18–25 | 2 | 4 | 0 | 6 |
| 26–30 | 3 | 4 | 0 | 7 |
| 31–35 | 2 | 2 | 0 | 4 |
| 36–40 | 2 | 2 | 0 | 4 |
| 41–45 | 2 | 0 | 1 | 3 |
| 46–50 | 2 | 0 | 0 | 2 |
| 51–55 | 2 | 0 | 0 | 2 |
| 56–60 | 1 | 1 | 1 | 2 |
| 61–65 | 1 | 0 | 0 | 1 |
| 66–70 | 0 | 0 | 2 | 2 |
| 71–75 | 0 | 0 | 0 | 0 |
| 76–80 | 0 | 0 | 0 | 0 |
| Over 80 | 0 | 0 | 0 | 0 |

In addition, when co-operators were asked how they contribute to their co-operatives, they underlined how the spreading of information among their acquaintances is a part of their support for co-operatives. Particularly, certain co-operative founders began the start-up process through their personal social networks in the community; these involved people of similar ages. The results determine a certain degree of homogeneity in these levels.

We decided to begin with three and understand what we wanted to do; nevertheless, for opening the park in the first season, we needed more people. The co-operative's doors were open, so we invited other young residents to join us; they all attended the two meetings we organised to explain what we had in mind with the co-operative. (Interview 0106, Mendatica, 2018)

At the beginning we were five, then we discussed with other colleagues and the group got bigger. (Interview 2010, Trezzano sul Naviglio, 2018)

The co-operative was born inside our friends group in the parish (Interview 0402, Naples, 2018)

"We have known each other since high school (Interview 0510, Perugia, 2019)

Furthermore, founders' groups engage people at young ages; at Brigi, La Paranza and Post-Mod, founders' groups average age is around 30. AnversiaMo has an even spread between over 50 and

under 30 years old. The case is different at Ri-maflow, where the average age stays at around 45; but, as explained in previous chapter, the critical age of these workers is one of the key elements in creating the co-operative and ensuring new employment.

Table 6.2. Co-operators' Gender

| Gender | Co-op Founders | Co-op Workers | Co-op Supporters | Total |
|---------------|----------------|---------------|------------------|-------|
| Female | 6 | 7 | 2 | 15 |
| Male | 10 | 6 | 2 | 18 |

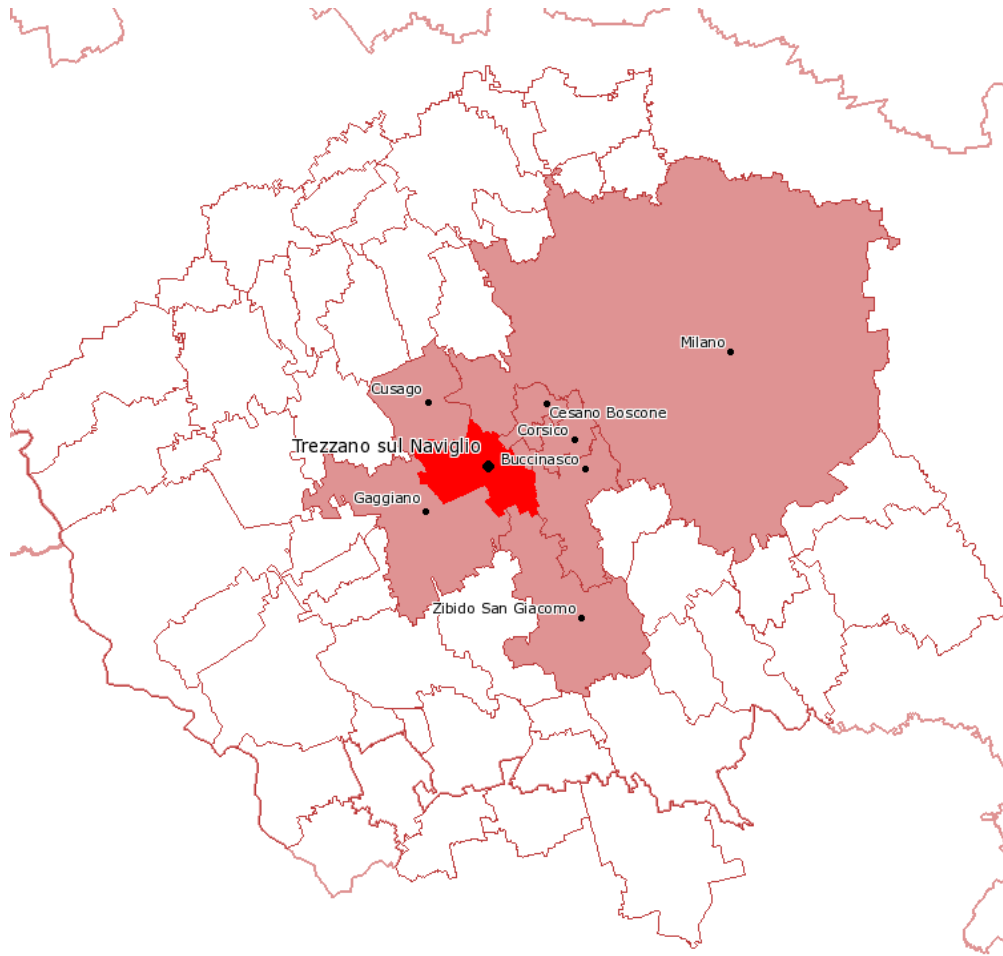
In terms of gender, there is a fair even balance between females and males. Except for the category of founders, there is little difference in the other categories. In 2 out of 5 cases, the principal and most inspiring leader in the co-operative is a woman.

6.2.2 Co-operators' Residency

Table 6.3 shows a significant fact regarding co-operative members; just 16 out of 33 are resident in the same area where the co-operative mainly operates. It is necessary to clarify the concept of “area”; the research here defines “area” as the main place where co-operatives have their activities and aim to have a direct impact. To clarify, the specific areas of action for each co-operative are:

- Mendatica for Brigi
- Trezzano sul Naviglio for Ri-maflow
- Anversa degli Abruzzi for AnversiAmo
- Rione Sanità for La Paranza
- Perugia Old Town for Post-Mod

It should be noted that Trezzano sul Naviglio is loosely defined as the “area” for Ri-maflow, because the co-operative aims to enlarge its networks to the entire Milan area, and it has established a national network with similar organisations. As the map shows, Trezzano sul Naviglio is embedded within the metropolitan area of Milan, which has an indistinct urban structure that encompasses many other municipalities.



Nevertheless, the majority of Ri-maflow’s activities take place in the Trezzano sul Naviglio municipality area. Moreover, Post-Mod is based in Perugia Old Town and has its main clientele here, but it generally refers to the entire city as its potential audience.

Table 6.3. Co-operators who are Resident in the Co-operative’s Area

| Co-op Founders | Co-op Workers | Co-op Supporters |
|----------------|---------------|------------------|
| 10 | 5 | 1 |

The figures show a general trend that these co-operatives have local membership; generally, 1 out of 2 members are resident in the area where co-operatives decide to operate. Other members live close to these areas, and have various interests that motivate their involvement into the co-operatives.

“We all knew each other because we live in a small village.” (Interview 0106, Mendatica, 2018)

“Here, most of the relations among people and organisations are inevitable because we live in the same territory.” (Interview 0402, Naples, 2019)

In Mendatica, certain members are not permanent residents, but they have relatives in the village and used to spend summer holidays there; otherwise, they live in nearby villages. In Trezzano sul Naviglio, a dense urban area outside Milan, many members live in towns around Trezzano and

commute every day to Ri-maflo. In addition, Post-Mod’s members live in Perugia but not in the Old Town; they chose their current location because they were interested in that specific venue for their project. Despite a notable share of non-residents, other reasons justify the bond with the areas where co-operatives operate, such as a particular feeling for those places, relationships with co-operators, or appreciation for the project.

6.2.3 Co-operators’ Education

Table 6.4 illustrates the co-operators’ educational levels; the largest proportion of co-operators obtained the high-school diploma.

Table 6.4. Co-operators’ Education

| Education | Co-op Founders | Co-op Workers | Co-op Supporters | Total |
|--|----------------|---------------|------------------|-------|
| Primary School | 0 | 0 | 0 | 0 |
| Middle School | 3 | 0 | 1 | 4 |
| High School | 8 | 7 | 2 | 17 |
| Bachelor’s degree (4 years) | 1 | 2 | 0 | 3 |
| Bachelor’s degree (3 years) | 3 | 3 | 1 | 7 |
| Master’s degree | 1 | 1 | 0 | 2 |

Combining the categories of “4 years Bachelor”, “3 years Bachelor” and “Master’s” reveals that 12 out of 33 co-operators are graduates. There is a generally high level of educational background, even though the majority of co-operators are not graduates. This table represents the official aspect of what Bourdieu (1986) calls cultural capital. Bourdieu regards official education certificates as the concretisation of cultural capital; thus, generally, co-operative members contribute their knowledge to the co-operative’s work.

As another key aspect of cultural capital and individual know-how, co-operators hold personal competencies that form part of their contribution to co-operatives. For example, Brigi employs workers from the local Pro Loco association for managing the park; they have brought these skills into the new co-operative, and thus make a key contribution in terms of professionalism. In addition, Ri-maflo, AnversiAmo and Post-Mod members were already trained for their jobs before the start-up phase. This represents an important aspect, because it demonstrates co-operatives’ capacity to aggregate people who, as well as common needs, also have common capacities. Furthermore, those members who did not have a basic preparation for job positions with the co-operatives, such as most of La Paranza’s staff or Brigi workers, in terms of tourism and online marketing, have acquired necessary competencies within the organisations.

Therefore, there is a threefold effect: community co-operatives keep professional know-how regarding the territory, and also encourage new members’ employment, while developing new working skills for members who need to acquire new competencies for the work in co-operatives. It is possible to affirm that community co-operatives have positive effects on both their internal membership and their communities in terms of cultural capital. In addition, the innovation of this model lies in workers’ capacity to gain a more general view of their own social realities, by connecting specific issues to the general context, and developing a community project. Community co-operatives

provide a further step in the co-operative model's evolution because they are not simply workers' co-operatives: they question their local economies and devise innovative solutions for both maintaining professional skills and knowledge, and enhancing capacity-building.

6.2.4 Co-operators' Political Activism and Third Sector Involvement

Political activism is a relevant element in the analysis: as pointed out in Chapter 2, Italy has been experiencing a deep political crisis, in terms of political participation and trust in public institutions (Bordignon et al., 2018). The aim of collecting such data is the possibility of interpreting community co-operatives as a new pattern for local activism, which redresses the previous involvement in political parties. As Raniolo (2013) explains, political parties have had a key capacity to create a strong identity, based on ideological associations with one side or another. Throughout their internal and external dynamics, by confronting oppositions and enhancing the political idea within the party, these organisations have strengthened social identities in every community and promoted an active bottom-up participation. After the disappearance of traditional ideological parties, there might be a gap in the social structures that provide people with social identities and possibilities for civic activism in local societies. As Borzaga and Zandonai (2015) point out, community co-operatives are benefitting from a new wave of civic engagement. Thus, people's participation in political parties must be investigated, in order to assess their distance from the formal political sphere, and their interest in a new concept of local activism.

Despite a significant degree of participation, 13 out of 31, the majority do not participate in political life; indeed, in many cases, respondents strongly underline the rejection of any kind of connection with politics. According to certain interviewees, their involvement in community co-operatives is a political action, even though it is not ascribable to traditional political frameworks. This confirms a general agreement among co-operators regarding their views and ways of acting in society; the majority do not want to see political implications in community co-operatives, so politics must not be involved in these structures.

Table 6.5. Co-operators' Political Activism²⁹

| | Co-op Founders | Co-op Workers | Co-op Supporters | Total |
|--------------------|----------------|---------------|------------------|-------|
| Never | 8 | 10 | 2 | 20 |
| Moderate | 2 | 1 | 0 | 3 |
| Active | 2 | 1 | 1 | 4 |
| In the past | 5 | 0 | 1 | 6 |

Despite this clear trend towards a non-politicisation of community co-operatives, these projects can have their roots in political thoughts and activism. Co-operatives' founders tend to be more involved in politics, either in the present or in the past. Indeed, in three cases there is a certain degree of political activism in the co-operatives' DNA. First, Ri-maflo has a clear political message behind its actions, and without any doubt, the three main leaders interpret their actions within a Marxist framework. Nevertheless, in this case study, there is a low level of political involvement in workers,

²⁹ Table indicators: Never (the subject has never been a member of a political party or group). Moderate (the subject is interested in politics but is not a member of a political party or group). Active (the subject is a member of a political party or group). In the past (the subject used to be a member of a political party or group in the past).

because although they agree with their occupation and fight for the factory's recovery, they do not have a political background; rather, they have developed a certain understanding of political actions through their factory occupation. Notwithstanding, they declare their non-political attitude, and do not want to see any political party implications in their organisations. As the research explains in section 6.9 on partners, despite the workers' interpretation, Ri-maflo has a huge appeal to external entities that have a certain type of political attitude, due to its political nature. The second key example is AnversiAmo: its founders collaborated thanks to the political ideas of a former candidate for the mayor's office in Anversa degli Abruzzi. Therefore, the community co-operative idea was born with a strong and significant political spirit, and all founders of AnversiAmo have either previous or current political experience. Thus, it is plausible to say that political activism has been a common element in the formation of this co-operative. The third case is Post-Mod: in the interviews, the founders declared that the co-operative is rooted in their past political background; this means that the political element played a strategic role in forging the theatre idea. However, despite the relevant past experience, Post-Mod has no elements that are ascribable to politics.

This shows that political implications may or may not have a role in the individuals' involvement in the co-operative projects, and that this aspect influences the co-operative's formation; thus, people with the same inclinations regarding political activism are more likely to form groups. In addition, people who do not want to be involved in politics but desire to do something for their community join together, with a clear understanding of the non-political implications of their actions. The interpretation of this information can lead to the conclusion that certainly, political backgrounds have a role in the creation of community co-operatives by concretising certain political ideas. The background of self-management, alternative economies and bottom-up civic actions provides fertile soil for community co-operatives, due to activists' bonds with their communities. The "Think Global, Act Local" motto has inspired thousands of people, many of whom have strived to do something for their local societies; and community co-operatives provide them with a way to realise their idea. Nevertheless, they are aware that in order to succeed, they must compromise their political thoughts with other parts of local society; because community co-operatives are inclusive enterprises, they need to avoid having clear political positions. From these considerations, it is possible to see how the structures described by Bourdieu act and work. Political ideas recall certain meanings and symbolic powers that address people's choices; while on the other hand, they also divide people between those who believe in certain political ideas and those who oppose them. Moreover, Italy demonstrates a huge and deep crisis of trust in politics and political parties (Bordignon et al., 2019); therefore, people prefer to avoid direct connections with parties. This is possible to see in the behaviours of those who claim the non-politicisation of community co-operatives: these subjects desire to work for a local activism that does not involve political messages, because they want to be and appear as something different.

Table 6.6. Co-operators' Activism in the Third Sector³⁰

| | Co-op Founders | Co-op Workers | Co-op Supporters | Total |
|--------------------|----------------|---------------|------------------|-------|
| Never | 3 | 2 | 0 | 5 |
| Moderate | 0 | 2 | 1 | 3 |
| Active | 9 | 7 | 2 | 18 |
| In the past | 4 | 2 | 1 | 7 |

Table 6.6 gives a different perspective on the profile of co-operators, because it highlights the huge participation in third-sector organisations. The label “third sector” includes various forms of voluntarism, such as charities (both religious and secular), foundations, civic committees, NGOs, and associations. This term expresses strong values in terms of solidarity, voluntarism, altruism and beneficence. Despite the evident overlapping of community co-operatives and third-sector organisations, the absence of a legislative definition keeps open the debate on these organisations' affiliation with the third sector. It is plausible to see a future embedment of community co-operatives in the Italian third sector's definition; but currently, we cannot consider community co-operatives as fully part of it.

As a proof of the plausible future admission of community co-operatives to the third sector, Table 6.6 shows an evident affinity between membership of the third sector and community co-operatives. Co-operators demonstrate a great commitment to the non-profit sector, and this background is a key element in forming the community mission. Moreover, this involvement can explain relevant connections with the third sector; many co-operators are members of other organisations, and they use these connections to expand the co-operative networks within the community. This aspect explains diverse elements that can help to understand the networks between co-operatives and their communities. First, it is possible to see how certain relationships arise from pre-established bonds that a single co-operator brings to the co-operatives. Second, in these relationships, organisations share values and moral norms because they find a common basis in their non-profit status and mission of solidarity. Therefore, the examination shows how structural social capital elements (the relationships) and cognitive social capital elements (values and moral norms) operate within the networks.

Political activism (or not) and voluntarism in the third sector constitute common factors in establishing relationships among founders and other co-operators. These elements determine how people live a social and political life in their communities; for instance, they can find possible partners for future co-operative projects in organisations where there is an inclination towards activism. This is exactly what Putnam (2000) praises about his conception of social capital; the greater people's engagement with social organisations that hold a particular attitude to certain values (such as altruism, collaboration and trust), the more these types of behaviours are reinforced. Here we can see how relationships created within contexts that are already imprinted with civic values can generate new outputs for the common interest. Putnam claims that his idea of social capital produces positive results for societies because people live relationships within structured contexts where they experience trust,

³⁰ Table indicators: Never (the subject has never been a member of a third-sector organisation). Moderate (the subject participates in third-sector organisations' activities but is not an active member). Active (the subject is a member of a third-sector organisation). In the past (the subject used to be a member of a third-sector organisation).

reciprocity and collaboration; therefore, they cultivate these values and transmit them into new organisations. To a certain extent, Bourdieu also explains how this works: people are embedded in their habitus, values and moral norms, and act according to these dispositions in their social life. Politics and the third sector are great providers of ideas, inspiration, values and visions for these organisations. Therefore, it is necessary to understand how these factors function in co-operative relationships with their territories; they can be the basis for certain connections, as well as barriers to others.

6.2.5 Co-operators' Relationships

The previous information gives a general idea of co-operators' general characteristics; moving forward in the analysis, a key aspect is the examination of co-operators' personal relationships. It is necessary to understand how individuals contribute to the co-operatives' growth through their personal networks. Each co-operator has their own relationships, such as parents, relatives, partners, children, friends and acquaintances. Indeed, co-operators' personal relationships represent the first and immediate form of social networks that co-operatives can benefit from. As explained previously, 16 out of 33 members live in the same area where the co-operatives have a direct impact; thus, these members are part of the territorial and social area where co-operatives operate; and they have personal relationships inside these areas. Alongside these, co-operators who do not live in the same areas contribute to the growth of co-operatives with their personal relationships. According to the interview responses, 23 out of 33 co-operators have involved their personal relationships in the co-operative project. This involvement has various aspects: co-operators share with their acquaintances general information about community co-operatives and their objectives, they invite people to participate in co-operatives' activities, and receive general support from their personal connections. In certain cases, these relationships bring other resources to co-operatives, such as shareholders, partnerships, or support in developing parts of the projects.

Table 6.7. Co-operators' Local Networks

| Co-operators who Involve Personal Relationships | Workers who Knew Co-op Founders before Start-up |
|---|---|
| 23 out of 33 | 11 out of 13 |

This network expansion ensures a further spreading of the co-operative's message in local communities, and strengthens co-operatives' bonds with the territories. Moreover, this functions as a way of structuring future advocacy for co-operatives: local diffusion through these networks helps to explain the co-operatives' objectives and services to locals, then they transmit this information to the rest of the local community. What emerges from the fieldwork is the support that these informal relationships can give to co-operatives; co-operators' acquaintances contribute by spreading the message and participating in local debates on the co-operative's role. Inside local communities, people debate on community co-operatives' works and objectives, so these informal networks can contribute to the advocacy of community co-operatives. Even if they do not participate directly and materially to co-operatives, the networks provide useful help in spreading the word on what the co-operatives do and how they function. The personal networks allow co-operatives to expand the first circles of social relationships: as Table 6.7 shows, 11 out of 13 workers interviewed knew the co-operative founders before the start-up phase. This means that founders looked in their personal networks to find possible workers; moreover, they involved those who appeared more interested, and had certain affinities, such as a common background, the inclination or not for politics, the

commitment to non-profit, and similar ages. This first information provides a basis for analysing the features of the groups behind each co-operative (section 6.3).

6.2.6 Co-operators' Cultural Backgrounds

The analysis of individual profiling also takes into consideration co-operators' opinions on their participation in community co-operatives. Each subject replied to the question, "*Do you think there is an element in your cultural background or life experience which has determined your choice to join this community co-operative?*" Replies reveal various aspects of co-operators' personalities and their interpretations of commitment towards communities. The interviews show that many elements of co-operators' habitus are derived from previous life experiences and their familial background; many indicate families' education as the main source of their values. For instance, solidarity is a key factor in their decision to join co-operatives and concretise their desire to do something for their communities. The sentimental bond with their territories is another primary element in their choice, as well as the necessity to face the critical socio-economic conditions of their territories.

"Maybe it is because I was raised here. Growing up in a village, it is possible to learn certain things from old people that you cannot learn at school. My father has always taught me to adapt myself to the situations, so I have learnt to live in this village." (Interview 0119, Mendatica, 2018)

"I want to satisfy my desire for a major sense of belonging to this place." (Interview 0125, Mendatica, 2018)

"When I was a kid, I saw my grandfather fought a lot with local administration to avoid the death of the village. He has been a great inspiration for me, and his example encourages me to do something for my village." (Interview 0303, Anversa degli Abuzzi, 2018)

"My father had a long experience in co-operatives, and he has suggested it to me as a good life experience." (Interview 0305, Anversa degli Abruzzi, 2018)

"Maybe they are those (values) that my family has given to me. Every choice I have taken in my life and the reason why I am here (in this co-op) are tied to them." (Interview 0402, Naples, 2019)

"I and my colleagues have been always involved in local associations." (Interview 0501, Perugia, 2019)

Thus, particular values and previous life experiences have a role in decisions to join community co-operatives. As Bourdieu indicates, people embed certain dispositions that influence their choices; in these cases, co-operators' previous experiences and cultural background in families and organisations have had a relevant influence on their life.

6.2.7 Conclusion

To conclude, co-operators' profiles give a clearer idea of people's characteristics that contribute to community co-operatives' creation and functioning. Co-operators share many features and characteristics; they have a generally high educational level and professional know-how, which fits into the co-operatives' working projects. Generally, they are under 40, with a prevalence of males; activism in non-profit organisations seems to be a common element, unlike political involvement, which is present only in certain cases. Co-operators involve their personal relationships for building co-operative networks, and these bring both resources and support. The interviews reveal many

degrees of subjects' involvement and commitment, particularly the transmission of values of altruism, voluntarism and solidarity from their families; in addition, co-operators and partners express a strong sentimental bond with local territories. Moreover, previous life experiences in non-profit activities shape subjects' inclination to replicate the same behaviours in other contexts. Co-operators' habitus embed these elements and forge the co-operatives' approach to network structuring, as the analysis shows in the next sections. Their personal attitudes towards solidarity, collaboration and trust are reflected in their personal relationships, through which they transfer these benefits to community co-operatives.

6.3 Analysis of Co-operative Groups

Having examined individuals' participation, the analysis moves to a wider perspective on the individuals' aggregation into social groups which form community co-operatives. These groups aggregate people and often also organisations; they are the basis upon which community co-operatives structure themselves. These groups state co-operatives' visions for local territories, begin campaigns for gathering resources, and advocate their actions to local stakeholders and authorities; the key relevance of these groups is the expression of those significances behind co-operatives' actions that are determined by participants' habitus and cultural capital.

Then, these groups spread their vision into communities, and among stakeholders and potential partners; thus, it is relevant to examine the main features of each group, in order to understand these visions and how they create networks according to their social identities. Furthermore, groups' social identities enable the sharing of collaboration, resources and projects, because together they experience the benefits of a trustful and reciprocal relationship. As explained in Chapter 2, the groups of community entrepreneurs assume a key role in developing the community-based enterprises because they shape the firms' identity, mission, objectives, and services. Findings from the cross case studies analysis point out how these groups are the core of each initiatives and they promote collective processes inside them for figuring out possible solutions for local issues using local resources. Therefore, here it is possible to see the change in the paradigm that describes community-based enterprises, from a community action to a minority group action for the community. This section analyses the main results from the fieldwork and points out key information on co-operators' groups.

The examination addresses key features of each group: first, each social aggregation has common past experiences before it is formalised into the co-operative's structure. These previous experiences have a relevant significance for identifying the co-operative's mission: for instance, young Pro Loco members created Brigì; Ri-maflo arose from the Occupy Maflo association; AnversiAmo benefits from local co-operative members' experiences; La Paranza was conceived in the parish group; and Post-Mod's founders were friends who had a common experience in political groups in Perugia. Therefore, the previous social aggregations were not simply groups; they also expressed meanings and values that co-operators brought to the new organisations, and embodied the symbolic power that they refer to. Hence, their previous experiences function as a basis for the subsequent step into the co-operative form. For example, inside Pro Loco, the young residents have grown their bond with Mendatica; in Occupy Maflo, workers became activists; AnversiAmo is the flagship of the local co-operative sector; the association in the parish of Rione Sanità gave the idea for re-opening the catacombs and developing a tourist business; and Post-Mod realises the same political ideas that friends had in the past. As Putnam (2000) explains, citizens experience the benefits gained from social capital in civic organisations, and through relationships within them; thus, they replicate these civic

virtues because they can promote collaboration, participation and trust, to achieve objectives of collective interest. In addition, Bourdieu (2001) points out how the habitus generates practices and thoughts derived from the embedding of social structures; in other words, subjects determine their actions according to their mindsets and previous experiences. In social aggregations, people go through collective processes and consequently, according to their common cultural dispositions inherent in their habitus, create these community co-operatives.

Furthermore, pre-existing groups already have certain networks; these become the basis for the new organisations, for two reasons. First, participants in previous networks have developed a sufficient level of familiarity with co-operatives' promoters; indeed, because there is mutual knowledge and trust, partners translate this value, embedded in social relationships, into support for the new co-operatives. Secondly, the group's former partners recognise these initiatives as valuable projects for local communities, and agree to support them; consequently, they constitute the first circle of the new co-operatives' supporters. This is identifiable in four case studies: Mendatica Pro Loco, the solidarity network for Maflow workers, the other two co-operatives in Anversa, and the parish of Rione Sanità, were all part of previous groups and are now partners of the co-operatives. Post-mod is the only exception: the founders involved their personal acquaintances, but the main structural network for the co-operative's start-up was the crowdfunding initiative before the theatre's re-opening.

Significantly, co-operatives' founders groups are strongly connected with local communities. Except for Ri-maflow's co-operators, who are from Milan hinterland areas, other group components are mostly residents in co-operatives' territories. This means a bond with the community, because co-operators are community members. Inside pre-existing groups, members have grown their interest and passion for serving communities; they understand that their commitment requires self-activation for rescuing their communities from problems and criticisms.

"The idea to move and look for a job in the city, with the traffic, the mess, thousands of cars, for me it is not ok. Here it is better, there is nature, it is a quiet place, we live calmly. This is my lifestyle, I work for the co-op because I want to stay here in my village. I am sure that if I move somewhere else, I will live badly with that change." (Interview 0103, Mendatica, 2018)

"I work in this co-operative maybe because I have a kind of sense of belonging to this place. Mendatica is a village with its houses and nature, but people make the village. This can be a good opportunity for improving the bond with local people." (Interview 0105, Mendatica, 2018)

"I have been here for 20 years, after many precarious jobs. For the first time, here (in Maflow) I have had a stable position with a monthly wage, health insurance and guaranteed holidays. These are many rights for workers, and our parents fought to obtain these rights during the 1960s. We still have nothing, so we have decided to fight to regain these rights, because they went through hell to get them in the past." (Interview 0207, Trezzano sul Naviglio, 2018)

"I am a person who likes to be active and be an active part of this community. I have been a member of other associations in the past, and this idea of a community co-operative for me is something real and concrete. My plan is one day to move to Anversa degli Abruzzi definitely; therefore, this project has a great value for me." (Interview 0302, Anversa degli Abruzzi, 2018)

“If you start-up a community co-operative in Anversa, you really have to believe in it because it is a hard choice, a difficult road, always uphill. It is something you really must believe in and give a lot to, dedicating your free time; every time I have finished my work, I begin my tasks for the community co-operative. People must believe in it a lot, and have passion for it and be willing to make sacrifices.” (Interview 0303, Anversa degliAbruzzi, 2018)

“Before this project, I and my colleagues were involved in this local project (in Umbertide), and we managed the public auditorium, we also used it as a movie theatre. We have always organised events for the territory, bringing other cultural experiences here from Italy or abroad. That experience was really helpful for us.” (Interview 0501, Perugia, 2019)

“Since we were teenagers we have been friends: we met at high school, and then we attended university together. During those years, we founded a political collective, and I think that our social commitment and interest in our community has been transmitted into the Post-Mod project. [...] before the co-op, we travelled a lot in Europe and we saw how theatres work in other countries; it is totally different from the Italian way.” (Interview 0502, Perugia, 2019)

“The desire for social relief and the love for this city are the elements that allow us to believe in this dream.” (Interview 0402, Naples, 2019)

Those life experiences which forge the co-operative’s spirit and backbone are Pro Loco’s activities; protests against the economic crisis; the territorial promotion and conservation of Anversa degli Abruzzi in previous co-operatives; the voluntarism in the parish association; and the precedent experiences in political groups and other theatres. According to Bourdieu’s perspective, participants went through all these experiences with their habitus, cultural and social capital elements, and emerged with the idea of a community co-operative. Since then, they have spread this vision, forged through their habitus, to their groups’ contacts, and have involved them in the new projects. This is possible because, as Putnam states, people trust each other in their relationships, and common moral values govern these networks, based on repeated interactions within these relationships in previous groups.

Despite significant diversities in each case, the outcome is the same; this means that different backgrounds in diverse contexts can generate the same result: a collectively owned business that is devoted to serving local communities. Key elements that appear clearly in each group are connections with communities and the deep need to do something for local territories’ recovery. Perhaps it does not emerge directly in Ri-maflo, which primarily focuses on the issue of the exploitative economic system, but the territorial connection assumes a key role in the idea of “open factory”. In the other cases, cultural elements in co-operators’ backgrounds are key factors because they all have an idea of self-management and self-activation for the community. They feel a commitment towards their local societies, culture and people; therefore, when faced with critical situations which are widely recognised in their networks, and the absence of external solutions, these groups decide to take action and be the solution. Their backgrounds have collaboration, trust and solidarity as the main pillars, so they concretise those dynamics, which Putnam attributes to social capital; these groups foster a constructive engagement with local societies for common interests, and they use their social relationships to enhance positive benefits derived from co-operatives. This idea of a local civil society that translates its efforts into a co-operative for managing local common goods and sharing results with communities, in particular where they suffer more insufficiencies, is the symbolic power that governs the wider networks around these organisations, and brings them resources to grow these initiatives. Although the successful projects achieve a considerable scale, every process begins from

a small group that has a previous common background in other organisations, both formal and informal, and which expresses the idea of self-activation for its community.

As explained in Chapter 3, the examination must move between the structural and functional side of social capital theories. Co-operators, as individuals, active themselves in front of local issues and elaborate solutions according to their habitus and embodied cultural capital. They understand the necessity to aggregate other people in order to share tasks and collect more resources for succeeding in their mission. First promoters normally become the leaders of each group and address it toward certain objectives and select main values for the project. Here is possible to see a first key determination of the partiality of community participation; community members who come out with the idea of the co-operative are few and related to the issues and/or solution. In Mendatica, first promoters come from the Pro Loco group and their parents were founders of this group; moreover, they have good relationships with the town hall. Ri-maflo leaders were sindacalists in Maflo and led workers during the picket lines. In Anversa degli Abruzzi, former candidate to the mayor office is the ideator of the community co-operative idea. In Rione Sanità, the priest has had a fundamental role in aggregating the future co-operators and helping them in developing the business idea. In Perugia, the four friends are main creators and animators of the entire project. Leaders gather around them close friends and well-known acquaintances who can share objectives and support the project; these are the founders' groups that will lead the project and address the community development project toward certain aims rather than others. Moreover, as this chapter explains, they will deeply influence the co-operatives' networks formation and evolution due to their social connections and personal relationships or frictions inside communities. Therefore, it is possible to see here how first social relationship, upon which co-operatives emerge, take place and trigger first basic social dynamics for the community development. It is possible to see how there is not a neutrality in the founders' social composition, an elements mainly underestimated in previous studies, but instead, founders have previous experiences in social activities and community development and know each other from these initiatives and/or for common friendship. Having clarified the formation of these connections, assuming a structuralist view on social phenomena, the analysis involves a more functionalist approach and examine the social networks according to values and moral norms. Co-operative founders previously experienced collaboration and knew each other before the co-operative start up. They all recognize the mutual trust as key value for their work and they affirm this on the base of reinteractions of their collaborations. Moreover, founders follow the leadership and elaborate with it the strategy for the co-operative. They imprint their professional skills, interests, values to these formal structure and address the community development process toward certain objectives according to their interpretation. The networks among them and after with the partners persist thank to these shared aspects which allow the continuation of co-operatives' work.

6.4 Definition of Community Development and Community Co-operative

This section aims to deeply analyse this conception of self-activation for local communities; in particular, the analysis explores the co-operators' personal understanding of community co-operatives and the meanings of community development.

Actions take place when subjects have in mind certain objectives and expect certain results; and community co-operatives, their services and products, are outcomes of collective processes that involve interrelations among participants. Furthermore, involved subjects can experience a continuous debate between their ideas on what a community co-operative is, what others outside the

co-operatives intend by this concept, and the daily practical experiences of co-operating with other players and territories.

Subjects define their visions on objectives through incorporating theoretical notions of what a community co-operative is (cultural capital); they adopt these notions in their daily life experiences, in order to shape their strategies for interrelating organisations and social realities (using their habitus). These understandings create a common vision that embodies those relevant values for co-operatives' functioning (cognitive social capital). The research needs to grasp ideas and considerations on what co-operators think about their co-operatives and the community development work; by analysing this information, it is possible to see convergences towards a certain model.

Moreover, the academic debate considers definitions of community co-operatives that are derived from scientific analysis and theoretical modelling, but does not take account of co-operators' views on their organisations. Therefore, in this section, the analysis considers co-operators' answers to specific questions regarding their ideas on concepts such as "community co-operatives" and "community development".³¹

The aim is to extract participants' understanding of their social actions in the community co-operatives, and their personal definition of community development. The examination highlights co-operators' main concepts and interpretations of their actions and organisations. Having considered these elements, the analysis can identify the symbolism behind participants' actions, and determine how this finds connections with certain parts of local society. Indeed, the theorisation of community co-operatives and community development helps to understand why subjects' behaviour reproduces certain patterns.

6.4.1 Definition of the Community Co-operative

The Italian co-operative movement has produced various publications for general distribution to groups that aim to start-up new co-operatives. Although these materials may have an influence on co-operators' theorisations, their daily work in organisations might have shaped a specific vision that is independent of the general idea. The fieldwork shows a common trend in community co-operatives; although every co-operative is an independent local experience, founders gain huge inspiration from national bodies' description of what community co-operatives are. Consequently, every founder uses their bonds with other members to transmit the idea of what a community co-operative is. This happens because founders are charismatic people who have a capacity to spread their vision among other members. As emerged from the interviews, the majority of co-op members did not know what a community co-operative was until they met the founders and learnt about them. In addition, each founder confirmed that s/he learnt about community co-operatives from national bodies' communication through diverse medias. Therefore, it could be possible that founders' opinion might influence members' idea of what community co-operatives and community development are. Despite the risk of finding a general homogeneity, it is relevant to see what emerges from these answers.

Through examining the diverse responses to these questions (24 interviews with co-operatives' founders and members), it is possible to form a constructive idea of co-operators' visions of their organisations. Participants use different words and images to describe their works and co-operatives, but an overall review indicates four main categories of topics that are common in explanations. The main themes are:

³¹ "Can you define, in your words, 'community co-operative'? What does 'community development' mean for you?"

- “Community/locality/territory”, meaning both the local physical areas and the social groups that live there. These concepts together generally indicate the beneficiaries of co-operatives’ actions, and those who will receive their attention. Interviewees refer to this theme as “the community”, “our territory”, “local people” and “our folks”.
- “Collaboration” means to share objectives and team up for these common purposes. From their relationships, people must promote collaborations for common objectives, while avoiding selfish behaviours. People express ideas on collaboration in different ways, such as “work together”, “go over divisions and collaborate”, “be a co-operative group”, “strive for the general interest”.
- “Group” means an aggregation of people who join and work together; interviewees use this idea to refer to people involved in the co-operative. Co-operators use diverse images to describe the idea of “group”, such as “set of people”, “group of friends”, “staying together”, “join together”.
- “Relationships”: these are social bonds and interconnections among people in the area. Co-operators see relationships as significant elements in their work, and give them great importance.

The following quotes provide indications of these interpretations:

“I would define it as a group of people who try to do something for the community, for others; the co-operative is not just an aggregation of people who want to help each other, but it is an attempt to help everybody.” (Interview 0104, Mendatica, 2018)

“I want to keep the village alive; in general, I want to walk the same path together and believe in the same mission.” (Interview 0105, Mendatica, 2018)

“I think of the co-operative as an enlarged family; it gives disinterested help in developing something for our village.” (Interview 0302, Anversa degli Abruzzi, 2018)

“I can define it as a group of people who work together for a common purpose for the community.” (Interview 0304, Anversa degli Abruzzi, 2018)

“It is a big effort because it is like being a group of friends, but our responsibilities are not only restricted to the co-operative management; they also involve residents’ feelings, and this involvement is both emotional and intellectual.” (Interview 0502, Perugia, 2019)

Despite the community co-operatives’ diverse origins and different geographical positions, members express similarities in their description of their organisations. Even if they assume different forms, the main four concepts have a central role in co-operators’ definitions. These four concepts appear many times in the answers and co-operators give them a value in their definitions. Table 6.8 reports figures regarding the appearance of these concepts in the interviews; the central column shows how many people have used the concept, and the right-hand column how many times the concept has been used.

These results help to deduce a general definition from the interviews. In particular, it is possible to see how co-operators intend their organisations to be a group of people who care about their community and territory; they establish relationships among the group, behind the co-op, and with other local realities, in order to collaborate for common objectives that involve community and territory benefits. This is the main idea behind community co-operatives; clearly, there is a general commonality with the theoretical definition identified in the academic debate. Nevertheless, this description arises from subjects directly involved in these organisations, and emerges from their practical experiences. This is how participants define their social role and actions in their social

contexts; they believe in this view, and consider this the most valuable way of dealing with local problems. The meanings and values underlying this interpretation suggest which kind of habitus people have in their mind, and how they deal with local realities by fostering a vision that sees civic activism, collaboration and positive relationships as the main solutions.

Table 6.8. The Four Main Concepts in Community Co-operatives' Definition

| Concept | No. of Co-operators | No. of repetitions |
|----------------------|---------------------|--------------------|
| Community | 10 out of 24 | 23 |
| Collaboration | 16 out of 24 | 20 |
| Group | 14 out of 24 | 14 |
| Relationships | 13 out of 24 | 17 |

The idea of active citizens who have a strong commitment to their communities and self-organise themselves into co-operatives has gained great symbolic value through the general narrative that has arisen in recent years, thanks to the national bodies' work. As mentioned in Chapter 1, the Italian co-operative movement's evolution explains the current dedication to a new co-operative form that can fulfil contemporary socio-economic needs. It is plausible to say that these people interiorise Putnam's interpretation of social capital as a main strategy to deal with local reality; thus, values of collaboration through social relationships regulated by moral norms to serve a general interest, is an idea that summarises both the American author's theory and people's descriptions of their work. In addition, as Bourdieu states, social agents adopt strategies according to their habitus when acting in their social field. Co-operators' habitus are deeply influenced by the general narration of a new active citizenship, and aggregate resources to structure responses according to this vision. In these cases, the strategies determined by symbolic power and cultural capital assume the form of community co-operatives, as defined above.

6.4.2 Definition of Community Development

As Chapter 2 explained, community co-operatives are outcomes of wider processes for community development. They involve various local stakeholders and aim to improve the communities' socio-economic conditions. However, as this field has its roots in the Anglo-Saxon culture, there is no Italian theorisation for it. Therefore, the research assesses what co-operators think about this concept, by asking them to elaborate their own definition without offering them any suggestions. Methodologically, the question "What does community development mean for you?" was asked after the question on community co-operatives. The following are examples of their responses:

"I would like to think about a more united village." (Interview 0104, Mendatica, 2018)

"It is a future perspective; the co-operative is only the beginning. If we want to survive as a village we need this perspective, as both economic development and a psychological sense of community." (Interview 0117, Mendatica, 2018)

"I think that economic development is the most important part; creating jobs for young residents because it brings wealth." (Interview 0302, Anversa degli Abruzzi, 2018)

“Make better opportunities for this community, from both the economic perspective and service improvement.” (Interview 0304, Anversa degli Abruzzi, 2018)

“Harmony, cohesion, and working as a team.” (Interview 0402, Naples, 2019)

“Engaging the local population more, and involving it more inside the co-operative.”
(Interview 0502, Perugia, 2019)

The results confirm a partial non-familiarity with the concept, because 6 out of 24 interviewees responded that they had no idea what this might mean; others, after an initial hesitation, expressed their ideas. The main thought that emerges in interviewees' opinions is economic development: 13 out of 18 respondents (excluding the six people who did not have an answer) mentioned economic aspects as a possible definition of community development. Secondly, 10 out of 18 people considered the process as a way to improve social relationships or the sense of belonging inside communities. Furthermore, it is interesting that 5 out of 18 respondents also indicated local culture as being a key element for triggering the community development process; they consider culture as important for generating new resources and helping community co-operatives to enhance their services and local bonding. Despite the under-diffusion of community development as a concept and practice in Italy, co-operators' opinions on what this means are close to the theoretical definition. Moreover, there is a general agreement in considering community development to be the realisation of community co-operatives' aims.

6.5 The Co-operative Structure

Chapter 1 widely analysed the co-operative phenomenon in the Italian context; its main features and aspects delineate the theoretical model of what constitutes a co-operative firm. Their collectiveness, democratic governance, “open-door” principle in members' selection, and mutuality, are key characteristics that distinguish the co-operative from other, traditional enterprises. As the framework indicates, the co-operatives' structure is one of the elements through which the research can examine the social facts in reality. Founders make a clear choice to use this form as the legal structure of their efforts. With this decision, they can state their intentions and show these to the rest of the local population. As explained in Chapters 1 and 2, co-operatives can assume a non-profit status and pursue common interests of those who join it. Moreover, the evolution into a community co-operative has expanded the mutual benefits, even to those who are not official members. Thus, the community co-operative's nature is determined by social relations before and after the co-operative's foundation, values embedded inside this structure, and its mission.

This section presents the discussion of results related to the co-operatives' structure; the findings help to explain how the co-operative organisations fit into the community development processes. The co-operatives' main features are found to be matched with members' intentions and community development objectives; for these reasons, they are widely chosen as a formal model for community firms in Italy. Furthermore, the examination underlines those co-operative mechanisms and aspects that allow connections between organisations and local territories.

What emerges from the literature is that the co-operative model operates when people with the same issues and few resources decide to collaborate. In recent years, this model has evolved due to the necessity to democratically govern the collective processes underlying community development. Furthermore, these processes aim to generate resources for local territories; thus, they need formal

firm structures. In this way, community co-operatives have embedded new issues that local groups express in relation to their territories.

Considering that a co-operative organisation arises from the aggregation of people with similar needs, few resources and the same purposes, the research examines the establishment of the five case studies, in order to grasp similarities and differences, and deduce possible elements for the general examination. The five groups have different needs to address, such as a village abandonment (Brigì and AnversiAmo), a factory bankruptcy (Ri-maflow), a compromised socio-economic situation (La Paranza), or the necessity to re-open an old theatre (Post-Mod). Going deeper into each problem, it is possible to see a distinction among the issues in every context: for instance, in certain cases, founders share the same problem, and they see an occasion to connect their issue with the wider context. On the other hand, other co-op founders have seen the problem in the context around them, and they have decided to take action and face it. Ri-maflow and Post-Mod clearly represent the first scenario; essentially, the main problem that gave the idea for the co-operative was strictly correlated with the founders' life, in particular their professionalism. Former Mafflow workers had to experience the factory closure and great difficulty finding another job; while Post-Mod co-operators were all experts in the film-making and theatre management sectors, who did not find possibilities for stable job positions.

“What pushed me to start-up a co-operative is the fact that I am 40 years old and was fired from a factory, and finding another job at my age is very difficult, particularly during years of crisis. I want to try to create my job, not waiting someone to offer me something; the job market, right now, is very difficult. We decided to create our jobs without someone who will exploit us again.” (Interview 0206, Trezzano sul Naviglio, 2018)

“This is a business activity because it has to survive, but it is also a social activity. Over the years, everyone has had their own working and life experience, and then we met again here to try to create our jobs.” (Interview 0502, Perugia, 2019)

In both cases, groups decided to assume the co-operative model and start-up a firm to provide themselves with new jobs; they then considered the idea of connecting their issues with the territories because, directly or indirectly, the problems have roots in the surrounding context. For Ri-maflow workers, difficulties for a re-joining the local job market was the cause, but they have also conceptualised this issue as a wider social problem related to capitalism. As proof of this, since the beginning of their protests they tried to co-ordinate a network of mobilisation with other factories. The economic crisis, the high unemployment rate, and the decrease of local enterprises were issues in the Milan area, as well as in the general regional and national context; this affected workers, and constituted the problem that Ri-maflow aimed to solve. In addition, the co-op structure supports their self-management objective and other embedded social issues. Post-Mod has had a similar evolution: it started as four friends' idea to create stable jobs in the culture industry; they then saw an issue in their local context, namely the absence of an alternative cultural proposal to mainstream movie theatres, and the need for a new social venue in Perugia Old Town. Therefore, they matched their need with a local issue, and created a strong alliance between themselves and the community.

In the other scenario, groups take action and solve a local problem. In similar cases, Brigì and AnversiAmo work to save their villages from abandonment, and try to supply communities with services for enabling permanent residency and keeping the traditions alive. The two co-operatives' founders in any case had jobs and did not strictly need a new firm; nevertheless, they decided to start-up and manage the organisations due to their strong sentimental bond with their territories and

communities. In Naples, the situation lies between the two mentioned above: the priest and the young followers want to fight back against the chronic socio-economic fragilities that affect Rione Sanità; in addition, the new enterprise provides members with stable jobs and adequate wages, which is a key factor in such a context.

“Mendatica needs an efficient way of using its assets that the municipality built; moreover, it is necessary to create new job opportunities.” (Interview 0113, Mendatica, 2018)

“Every person who has joined the co-operative believes in the potentialities and beauty of Anversa degli Abruzzi, and does not want to see this village die.” (Interview 0303, Anversa degli Abruzzi, 2018)

“We had time and energy and we invested them in ourselves, we created the co-operative and this job to give value to the borough.” (Interview 0402, Naples, 2019)

Therefore, in the above three cases, founders do not express necessities directly related to their personal sphere; rather, they point out issues related to their social contexts and which affect their communities. Although they created jobs, they did not need those particular jobs, as was seen in the other two cases: Ri-malow and Post-Mod responded directly to the shortage of alternative professional possibilities for their members. However, the difference between the two scenarios is blurred because, ultimately, all the co-operatives serve their communities, and have structured certain services that have a beneficial impact on their contexts. Nevertheless, the original causes and processes are quite diverse. At this point, the question is: How does the community development objective help the co-operative’s project at the beginning?

Despite their differences, the community mission, as the co-op’s basis and aim, has been a successful choice in all cases, for two reasons. First, the mission connects co-operatives to the community, thus establishing a strong bond of dependency; in all cases, the co-operatives’ efforts are for communities, because they recognise a complementary issue embedded in local social contexts. Therefore, the co-operative’s mutual benefit is enlarged to both members and non-members.

Second, the community mission allows co-operators to advocate their work to the communities, even if the original reason was related to a specific issue for the group. In any case, the co-operative’s mission finds a purpose in the social context where the organisation is established: on the one hand, the community mission enables the growth of particular work projects (Ri-malow and Post-Mod). On the other hand, the main purpose of revitalising their communities and regenerating local assets is primary in the other co-operatives; thus, the job opportunities appear to be a secondary objective, even if they are central to the founders’ intentions. Despite this diversity, community development is always at the core of the co-operative activity. This finding can enlarge the range of possible causes that determine community co-operatives’ foundation. These causes can be both intrinsic (members have a direct need related to the co-operative activity, which can address the social context, and find a connection) and extrinsic (founders recognise general issues in their contexts that slightly affect them, but they feel a commitment towards their community, which can then directly influence their life).

This last consideration leads to another point in the discussion of co-operatives’ structure, as an enabling factor in community development processes and networks’ development. Every group expresses the necessity to create a new organisation for achieving their community development objectives; during their evolutionary cycle, the groups in different ways reach the conclusion that the co-operative model is the best solution. AnversiAmo’s founders group has a stronger background in

co-operative activities, due to the presence of two other local co-operative members in the project; thus, they immediately link the solution for villages' issues to the co-operative model. In addition, Post-Mod's creators had the co-operative idea in mind since the beginning, because they were aware of the necessity to structure a business for their activities. Brigì and La Paranza had a preliminary phase as associations (Pro Loco Mendatica, and the internal association in the parish); then they realised the necessity to form a co-operative. In any case, the result is the co-operative model; as explained in Chapter 1, the Italian co-operative movement is strongly rooted in the national socio-economic context, and it demonstrates the capacity to support collective initiatives for mutual benefits. Except for La Paranza, all the groups have had key support in their decisions, from either Legacoop or Confcooperative. They were convinced that the emerging model could work for their projects; but, in order to deeply understand the key connection between theoretical projects and concrete application, it is necessary to examine the co-operative's principles, and deduce the explanation for this choice. Since 1995, the International Co-operative Alliance has fostered these principles as the main pillars of the co-operative model:

1. ***Voluntary and Open Membership.*** *Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.*
2. ***Democratic Member Control.*** *Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.*
3. ***Members' Economic Participation.*** *Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.*
4. ***Autonomy and Independence.*** *Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.*
5. ***Education, Training and Information.*** *Co-operatives provide education and training for their members, elected representatives, managers and employees, so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.*
6. ***Co-operation among Co-operatives.*** *Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.*
7. ***Concern for Community.*** *Co-operatives work for the sustainable development of their communities through policies approved by their members.*³²

³² "Co-operative Principles", International Co-operative Alliance, Manchester 1995.

The discussion intends to identify community co-operatives development from these principles; the analysis can show how the founders' intentions and objectives lead to the theoretical construction of the co-operative model. On this matter, respondents said:

"We are a group of young people and we are all on the same level. I do not think that another legal form, such as a shareholder company, could be appropriate." (Interview 0117, Mendatica, 2018)

"The co-operative is a form that allows the creation of self-management, the factory without an owner, and the workers' assembly is the central decision-maker." (Interview 0215, Trezzano sul Naviglio, 2018)

"For me, good sense is enough, but today a formal structure is necessary for doing these activities; back in the days, people used to gather together and collectively decide the common path. We needed a legal form and, even if there is not a law for community co-operatives, the co-operatives have done this work for decades." (Interview 0306, Anversa degli Abruzzi, 2018)

"In 2006, we created the co-operative because our amateur activities as an association, such as visits in the borough and the theatre shows, were increasing. We did not know where we might arrive, but we knew that all these activities were more and more required. Many groups began to ask the receipts, so the co-operative start-up was a market necessity." (Interview 0402, Naples, 2019)

"The concept of a co-operative attracted us due to our culture and passion [...] We wanted our co-operative to be a social enterprise; moving from this idea, we decided to engage all the community and share the journey with it. Therefore, from an economic need we created the crowdfunding, we asked to future spectators to help us in financing the project." (Interview 0502, Perugia, 2019)

The first step is to examine the founders' intentions at the beginning of each project. They all wanted to generate a new collective and inclusive initiative for their community, albeit from diverse perspectives, as explained above. This first main decision required a long process of collective thinking and discussion within the first founders group, who then shared this decision with the other future members. In any case, since the beginning the co-operative has been seen as the most reasonable solution, either because someone in the first group knew about this form, or because it had been suggested. Except for Brigì, all the other co-op founders had a sufficient knowledge of what a co-operative is, or they may even have been co-op members in the past, such as many AnversiAmo members, and the priest in Rione Sanità. As presented in the previous section, in Mendatica and Valle d'Arroscia, where Brigì operates, there is no historical and cultural background of co-operative firms; nevertheless, the founders learnt about co-operatives thanks to the regional branch of Legacoop. Even if the groups do not share all the main characteristics, they have acquired the co-operative form because it embodies and enables those groups' key values. First, if the co-operative has to serve the community, it must be open to all the local citizenship; consequently, the "open-door" (first principle) guarantees this possibility. Furthermore, Post-Mod, Brigì and AnversiAmo developed a public process of recruitment before their formal registration; La Paranza increased its membership alongside the economic growth, with a necessity for new staff members to select people in social need from Rione Sanità or Naples in general. Ri-mafrow has had many troubles that have prevented its economic growth, but they hope to enlarge their membership in the future. Secondly, all the co-operatives have a democratic governance, in that an annual general assembly elects the board and makes key choices, and the decision-making process is mostly collective. Furthermore, the co-

operatives prove to be permeable to the external contexts, because partners and externals have possibilities to propose ideas and projects and develop them with the co-operative. All decisions must ensure the co-operative's autonomy (fourth principle), and the working experiences are taught to many members who did not previously know the co-operative model and, the co-operative principles (fifth principle). Generally, these co-operatives fulfil the seventh principle, regarding the concern for their communities: they have improved the co-operative structure, placing this concept at the core of their mission.

“The union is the force. We need to make more people aware and be more collaborative. The co-operative is a form of social control because members can control the activities; we must hold people more responsible and better explain the role of the co-op member.” (Interview 0307, Anversa degli Abruzzi, 2018)

“It must be open to everyone (the co-op), and it is what we are in, anyway; even if many people do not understand or do not know about it, we are open to everyone. The work we do is for this place, for the people who live here. We work to promote Mendatica and bring people here, but not only for our interest; we also want the other local enterprises to benefit from our work.” (Interview 0107, Mendatica, 2018)

Moving forward, there is a general agreement among all these groups on the co-operative model's characteristics, but the fieldwork reveals other commonalities. First, each group has felt the necessity to be a diverse enterprise; they want to be open and inclusive, and have chosen the co-operative form for this reason. Secondly, this legal form is related to the necessity of generating resources for both the project and the community. Despite the variety of legal forms in the third sector (foundations, associations, charities, committees), the five groups decided on the co-operative legal form. As explained above, this model concretises values that it is difficult for a traditional firm to embody, but other forms can also be embedded with these values. The advantage of the co-operative model is its capacity to create business activities with a non-profit status (Peredo & Chrismann, 2006; Vieta & Lionais, 2015). This represents a key element in the structuring of the co-operative's message towards local communities, partners and stakeholders; the non-profit status demonstrates members' intentions in relation to their mission and objectives, with particular attention paid to assets usage. Every co-operative asks for support and participation from local communities because it wants to enhance general wealth and serve common purposes. In the process of generating trust, reciprocity and collaboration, they need to prove that their intentions are aimed at community service and not for personal interests; therefore, the co-operative can provide groups with a business structure that assumes a non-profit status, and this fits into the community development processes. When adopting the co-operative legal form, there is no profit redistribution, and the co-operative's assets are locked; moreover, members take decisions, thus allowing discussion on the co-operative's management, and enhancing the community-interest orientation. Co-operatives have proved this ability by developing the social co-operative sector in response to this necessity (Borzaga & Defourny, 2001; Borzaga & Fazzi, 2011). Furthermore, this contributes to the partners' decisions to transfer assets to the co-operative; Brigi and AnversiAmo have support from local authorities in this sense, while La Paranza takes advantage of the free use of catacombs, despite the December 2018 crisis with the Vatican. This legal form provides a valuable working environment which can host those instances of participation, democracy and openness; they help co-operators to involve other subjects, and advocate their work to the community.

In conclusion, the co-operative model is a justifiable choice for taking collective action in a community development process, for many reasons. Firstly, it supports founders' groups in giving an

answer to their common problems, both intrinsically (members need a direct response to their needs in relation to the local socio-economic context) and extrinsically (members see a problem in their socio-economic context and want to find a solution). Secondly, after the problem identification, groups need a formal structure that allows them to embed and express their values; the co-operative model effectively addresses this issue, thanks to the ICA principles that declare the inherent differences between co-operatives and traditional firms. Thirdly, the groups require a formal structure that permits them to employ members, develop business activities, and generate resources for achieving community development objectives. Co-operatives have proved to be an adequate solution in the past; thus, they are the perfect choice for enabling the local founders' projects within their communities. Fourthly, the community mission, the embedded values for a democratic and open management, and the co-operative's open structure, provide the basis for generating a network with their local communities and socio-economic contexts.

6.6 Values and Moral Norms

As underlined in many previous passages, values have a key role in governing co-operatives and relationships with partners and stakeholders. Their centrality is relevant to the analysis for many reasons; as emerged from the theories on social capital, values and moral norms constitute key elements in the social capital concept. Indeed, the framework sees them as regulators of social relations both inside and outside the co-operative's structure, and before and after its foundation.

As explained in Chapter 3, the main limitation in social capital theories is the difficulty to define tangible aspects of social capital; despite their non-material essence, values and moral norms represent an empirical aspect. Even if they vary among different cultures and social groups, they have a role in each context and determine the functioning of societies and social relationships. Putnam (2000) identifies these objects as strategic parts of social capital because they regulate relationships' functioning, providing a basis upon which participants can structure a system of reciprocal understanding and norms. If people do not respect collaboration and reciprocity, moral norms ban them from relationships. Bourdieu (1990) considers the habitus as socialised norms that guide the individuals' behaviours; they are dispositions that influence how people act and interact; therefore, values and moral norms play a key role in defining how these individuals live their experiences. From a general overview of the five cases, it is possible to assume that Bourdieu's theories accurately describe how these objects assume a role in the social realities and relationships. Values and norms, whatever their features, regulate interactions among individuals and groups; thus, it is necessary to more deeply comprehend these elements. Putnam (1993, 2000) describes how certain types of values and moral norms, particularly reciprocity, trust and collaboration, are central for people who have an active role in civil society. These values and moral norms act in these groups as the factor that determines their activism for local communities and commitment to territories. People continue in these activities and reproduce these behaviours in new organisations, influenced by their habitus, because they experience benefits deriving from these collaborative relationships; moreover, they consider those values and moral norms that govern relationships to be central, and they know that this view of their importance is shared among partners.

The fieldwork gives an idea of how these values and moral norms find their role in these groups. Among co-operators, there is a general agreement that trust, reciprocity and collaboration are the essential basis; without them, it is impossible to run community co-operatives, because these organisations are collective and democratic. As the hierarchy is not fixed and formal, as in traditional

firms, the internal processes for decision-making are longer and more complex; therefore, the absence of these values and moral norms could drastically compromise their functioning. In Chapter 2, the analysis explained why co-operatives are different from traditional firms and require major involvement by their members. These values and norms help to keep the co-operative functioning, and avoid freeriding and loss the internal solidity. Furthermore, the sharing of these values and norms among co-operatives, stakeholders and partners reinforces their collaboration and reciprocal trust; these networks find a common basis in these values and norms, and in the belief that they spread within communities. Trust, collaboration, reciprocity, commitment to the community, and sentimental bonds with the territory are the main components of these social relationships, and the reiteration of interactions inside these networks strengthens both the values and norms, and the relationships themselves.

“All the people in this co-operative believe that this village can survive. If we do not have this trust among each other, we cannot do what we do every day.” (Interview 0108, Mendatica, 2018)

“Trust is the fundamental basis, otherwise we could not have done all the things we did.” (Interview 0207, Trezzano sul Naviglio, 2018)

“People who believe in Anversa and in its potentialities have decided to found this co-operative.” (Interview 0303, Anversa degli Abruzzi, 2018)

“The identity, intended as the recognition of common values, is important. The friendship among people. The desire to do something for the common good. These are the reasons why we chose the co-operative legal form instead of a company limited by guarantees.” (Interview 0402, Naples, 2019)

“In our work there is solidarity and mutuality.” (Interview 0510, Perugia, 2019)

The groups involved in each co-operative share these values and norms; they use these as a basis for enhancing their relationships inside organisations, and fostering their passion and commitment to local communities and territories. Furthermore, the interviews confirm a general agreement among partners; they even see these values and moral norms as pillars for their relationships with co-operatives and their internal functioning. This main finding enlarges the focus on the community. According to many co-operators, their values are not common to the whole community; in many cases, co-operators complain about incompatibility with certain local citizens, and not all the population share their same values.

“Many people do not have love for this place. It seems that they want to send us away, so no one will come here and the village can finally die. Sometimes this is my feeling. This hurts me, and the thought makes me sad and nervous, because I cannot understand why they have these thoughts.” (Interview 0103, Mendatica, 2018)

“Some people understand these values, others need time, but there are many who do not want to comprehend, and act in opposition.” (Interview 0110, Mendatica, 2018)

“I trust Ri-maflo, and I want to give an example. The co-operative is now (October 2018) accused of being a criminal organisation; for us (as partners) there is no doubt that this is not true; the motivation is not simply the political communality, but the fact that we have worked together for years. It is something like, someone will tell me that my wife or my brother are

criminals; I will not believe it because I know him or her. This trust is motivated by practices that have gone on for five or six years. (Interview 0201, Trezzano sul Naviglio, 2018)

“The collaboration is necessary; unfortunately, sometimes it does not happen in small villages, and there are rivalries among families and people. If we overcome these closed mindsets and we help each other, we can do everything.” (Interview 0305, Anversa degli Abruzzi, 2018)

“The capacity to clarify any doubt is not simple; if there is a conflict inside the co-operative or with other organisations or people, we cannot push it away, but must face and resolve it. This implies that huge educational work is needed: if I do not know how to manage conflicts, if I do not know how to deal with others, it can become more complex. Having a sort of North star, an aim, a sign given by our values; this can also help the business side. These values bring us to renounce benefits and work for the community, and they keep the moral level high.” (Interview 0405, Naples, 2019)

“The relationships with our partners are important, we know each other, we know how we work, and this is the reason why we continue to collaborate. If we worked only for ourselves, we would not have these connections.” (Interview 0510, Perugia, 2019)

To conclude this section, it is possible to say that values and moral norms have a key role in structuring community co-operatives and their networks. There is an increasing relevance in the role that these elements play in social contexts; inside the co-operators' groups, they are a vital part of social life, because they regulate the internal functioning and ensure a common basis of values and moral norms. They keep members together, and give a clear value reference for the business activities and co-operative's mission. Enlarging this view, values and moral norms compose the cognitive social capital that allows the functioning of local networks with partners and stakeholders. These relationships have various effects, which are described in other sections of this chapter; what is important to recall here is the pertinence to the moral side of these relationships. Partners join the community co-operative projects on the basis of shared values and objectives; this is possible because there are pre-existing relationships and reciprocal knowledge among local citizens, which connect internal members to externals. As explained before, these relationships are the structural social capital, but they will remain simply relations if they do not embody these values and moral norms. They allow the planning collaborations that bring the participants benefits; in particular, those benefits that are generated inside the co-operatives.

6.7 Direct and Indirect Service for the Community

This section examines each case study in order to grasp the main elements that determine direct and indirect community service by co-operatives. Therefore, the conclusion highlights the main results, in terms of the processual dynamics that determine the identification and implementation of these services. It is relevant to observe that co-operatives and local partners address their efforts towards certain local actions, but these can have also indirect effects on local contexts. As the theoretical framework explains, community co-operatives' mission is the main element that enables the traditional co-operative model's conversion into the recent community co-operative phenomenon. Thus, it is necessary to investigate how the social groups behind these co-operatives have formed their idea of a community mission. Their cultural backgrounds, their sentimental bond with the territories, and necessity to expand the networks are various factors that have a role in this definition.

The community service is derived from the groups' interpretation of their local social contexts; as there are problems, issues, opportunities and potentialities in each context, each group promotes its own understanding of the social realities where they live. Moreover, every group uses what Bourdieu defines as *habitus* to interpret these realities, and they collectively decide what could be the beneficial choices. According to their cultural background, they provide particularistic solutions for local problems. For example, in Mendatica, many residents think that the only solution for their problem is public intervention and the financing of relevant and strategic infrastructures for the relaunch of local tourism, such as new skylifts. This is a specific view of local social problems, which states a particular solution based on ideas and beliefs that a person holds. Comparing this view with the approach of Brigì, which promotes self-activation and civic engagement for local problem-solving, this shows how the co-operatives propose different solutions based on their values, beliefs, and views on local social contexts.

It is important to highlight that there is a general agreement among co-operators, partners, stakeholders and services' users regarding local problems and potentialities, and this constitutes a key point in the analysis. As both Bourdieu and Putnam recognise, there must be a social similarity and a general agreement among social actors, in order to create and strengthen those aspects that forge the social capital concept in their theories. The community service delineation moves from acknowledging specific local problems and issues, to agreement on possible solutions, and local potentialities for overcoming criticisms by communities. Each co-operative needs to focus on a specific issue, because limited numbers of people and resources require gradual work on a specific project; furthermore, the necessity to gather more resources and public attention leads founders to point out a defined issue and work on it. For clarity, a group can declare its opposition to local issues such as unemployment, criminality, and service scarcity; but, in order to begin the process, the local society will ask them how they want to act and what they propose. The group cannot tackle the social issue from the root or in its entirety, but it can improve the situation by shedding the light on it and providing a basic solution. Going back to the Brigì example, the co-operators cannot mend the valley road or re-open/build the skylift, but they can carry out their ideas for regenerating the local tourist sector (slow-tourism approach) and concretise their ideas through the co-operative. How does each co-operative serve its community? The answer reveals how each group theorises its commitment and bases its collective conceptualisation on common cultural backgrounds and life experiences.

6.7.1 Brigì Co-operative

As explained above, Brigì identifies the tourist sector as the key area of its business, because it has had a relevant economic role in the development of Mendatica. Moreover, they manage the adventure park, the local B&B, the tourist office, and many activities for tourist entertainment, such as the old mill. They started the co-operative with the idea of managing the park and B&B instead of leaving them to Pro Loco; they saw this as a business possibility, but also intertwined this issue with personal desires of being able to live in Mendatica instead of moving elsewhere. Essentially, they have "converted" their emotional bond with Mendatica into an idea that combines the necessities of saving the village and generating job positions and resources. Specifically, this bond and the desire to keep the local culture alive inspire Brigì's tourist offer, which adopts a slow approach and encompasses the local heritage. The free use of public assets and the distinctive common of local culture reinforce their idea of a commitment to the local community, which is the official owner of the assets. Moreover, co-operators have a sentimental bond because they are members of the local community, with a strong cultural background in the Pro Loco association; this fosters ideas of voluntarism and self-activation, for keeping the local culture and traditions alive. The co-operative uses public properties for two reasons: first, its legal structure generates revenues that finance wages for workers

who can manage the assets; and secondly, the co-operators have declared their intentions to improve local socio-economic conditions, and the public authority contributes to their efforts in this respect. Brigì is in charge of many tourist activities in Mendatica, but it wants to create benefits for all the tourist operators in its territory. The other B&B and two restaurants have a direct interest in the increasing attention on Mendatica that Brigì is generating. Furthermore, Brigì maintains the mountain pathways and green spaces in remote areas, as compensation for the assets' free use; this permits the permanent maintenance of a local infrastructure for trekking tourism and mountain liveability. Alongside this, they keep the park open and allow public use for Mendatica residents.

“The park is useful for families with kids. The activities we do are for the community, because it is helpful for locals to see people moving around; during the rest of the year there is nobody. Instead, if they see people around it is different, in particular for elderly people who maybe think that everything is lost here.” (Interview 0119, Mendatica, 2018)

General maintenance of the main local assets for tourist activities, and promoting the village through social networks, national sector fairs and newspapers, helps to bring visitors back to the village. Many residents rent their second houses during the holiday seasons, and they too can benefit from Brigì's work. As one partner confirms:

“I think Brigì contributes to the local socio-economic development; it provides many services for the town hall, such as the green areas and park maintenance, because the formal agreement establishes this. For me, it is important that the village does not die, that people remain here and new activities start up, which can provide benefits to other businesses. We do not have to look at the economic aspect; since the beginning, our vision has been the idea to create the co-operative and give an opportunity to young residents to live here, and by developing activities and people can remain in Mendatica. This great value overwhelms the economic aspect.” (Interview 0102, Mendatica, 2018)

Brigì does address a single and delimited issue, namely the necessity for a new managerial model for the park and B&B; but it enlarges its vision to the community, indicating the village abandonment as the main problem, and the tourist sector as a key opportunity to solve it. This is supported by the local collaboration among Brigì, the municipality, Pro Loco, and the other private businesses; everyone recognises the issue, and each agent tries to enhance its effort in the same sector. Brigì is a catalyst for these energies: it can benefit from the public assets, but it applies its efforts for the general interest of the main local economic sector. Its promotion of the territory has an indirect effect on the other businesses, and helps to keep the attention on the valley and increasing the investment in it. A remarkable consequence is the announcement in May 2019 of the re-opening of the restaurant-cafeteria in the central square; an external entrepreneur has decided to buy the licence and re-open the business, which is the only social venue open all year, when the bar in the park is closed. This entrepreneur has been motivated by Brigì's work for Mendatica, and the future potential in this continuously regenerating tourist sector.

6.7.2 *Ri-maflow Co-operative*

In Trezzano sul Naviglio, Ri-maflow carries out its community service by interpreting this commitment in a wider sense, related to the fight for employment. As shown in Chapter 5, it is necessary to examine all of Ri-maflow's decisions through the lens of its political thought. The inspiration from *Empresa Recuperada*, the Argentinian factories occupied by workers (Vieta, 2010), and the idea to create a strong bond with the territory, have shaped the conceptualisation of Ri-maflow as an “Open Factory”.

“From a social perspective, the fact that we consider Ri-maflow an open factory for the territory means that we host various initiatives from the civil society in this area. There are the neighbourhood committees that have meetings here; a social co-operative that professionally trains people with disabilities; many religious groups have their celebrations here. From this point of view, the idea of the open factory has had huge success. On the economic level, we have the Citadel of Arts, which contributes economically to Ri-maflow but, more importantly, provides working spaces for local artisans. Here they can have affordable prices to rent a space where they can develop their micro-businesses; outside this space, paying the market prices, they cannot afford the cost.” (Interview 0207, Trezzano sul Naviglio, 2018).

The group behind the Ri-maflow co-operative suffers from the deterioration of the local economic system due to the crisis; they comprehend that their conditions have arisen from the capitalist dynamics of exploiting workers and communities. Specifically, the Maflow firm moved to Poland, and the previous owner compromised the factory’s financial situation for their own interest. During the hardest years of the economic crisis, many workers protested against factories being shut down, but only Ri-maflow has emerged as an occupied factory. According to two main leaders (Int. 0215 – 0216), in contemporary society, neo-liberal thought has destroyed the working-class consciousness; thus, there is no longer any cause for social class struggles, and workers have no understanding of classes’ power. In order to overcome this mindset and create a new practice for the re-appropriation of labour forces, Ri-maflow perpetuates self-management as a process for changing the hierarchical structure and to free workers from the capitalist domain. This ideological basis is fundamental for examining the evolution of Ri-maflow’s activities. Activists see the main socio-economic issues in contemporary society and in their specific social context: these are unemployment, workers’ exploitation, environmental fragility, social exclusion, racism, sexism, difficulties in accessing decent food, individualism, and the rise of the far right. They theorise a solution in the socialisation of these problems and the aggregation of those who suffer from them; they can share their necessities, aggregate resources (primarily their labour force), and generate results for solidarity benefits among members. Of course, they take inspiration from the old working-class conflicts and mutual and co-operative experience, which Ri-maflow translates into contemporary discourse on political and social conflict. The main outcome is the concept of “open factory”, which means the conversion from a private site for production to a public space where working activities can co-exist with social initiatives. The mission towards the community is the possibility of using the factory space that activists have freed, and developing new activities for the general interest. Alongside this, Ri-maflow activists support many organisations outside the site, and make practical works available. In interviews, workers tell how they have sustained the local community in many ways over the years:

- They have helped the local primary school by repairing computers and installing covers on the windows, allowing the use of the school hall as a theatre and auditorium.
- Inside Bollate Penitentiary, in partnership with the Polytechnic of Milan, they have built a house where inmates can meet their families.
- They have supported the Corsico School of Music when the town hall tried to evict it, and the Ri-maflow hosted many music performances to raise funds for school resources.
- They have helped “Libera Masseria”, a social project for reconvertng a restaurant previously owned by the Mafia into a social enterprise. They have provided technical support for many refurbishment works inside the site.
- They have given political support to many groups and initiatives, such as Ri-make and Ri-park, which freely take inspiration from the Ri-maflow experience. Moreover, they have shown solidarity with many social and political struggles around the world.

From this description and list, it is possible to see how Ri-maflow is establishing its network that does not limit itself to Trezzano sul Naviglio, but extends wherever activists think their support is useful. Nevertheless, the denser network remains in the surrounding area to south-west Milan. Here, Ri-maflow and its partners act primarily to strengthen their political action and generate a sense of self-determination through self-management works. The main areas of action are work, environmentalism, food affordability, and anti-Mafia activism. In this area, the economic crisis has removed thousands of job positions; the industries have left a huge debt in terms of pollution; healthy food for affordable prices is generally a key issue; and the Mafia has had a huge presence and influence here. Ri-maflow's partners share these issues, and they all work and act to implement solutions to these problems. Therefore, they began the protest to address their specific problem, but then they related this to the wider context around them.

“Ri-maflow lives through these relationships with the territory, other organisations, and the citizenship. When we entered here, we did not have money, but we decided not to have debts with a bank, because this is another way to be submissive to a boss. If the bank lend you funds, it will condition your business choices, and we do not want this. [...] We occupied the factory and claimed the property as a social re-appropriation of these spaces and assets, because workers produce the value that owners use to buy the means of production and assets, so workers are the real owners. Nevertheless, after starting the project, we thought about how we could re-activate an industrial site, and we concluded that capitalists aggregate competences, capabilities, assets and labour forces through the capitals; we decided to create this network through mutuality. Therefore, we enlarged our project to all those who were in need and looked for support; they have brought the factories new competencies, knowledge and social demands. This is a concept we take from the Argentinian rescued factories; to open the factory to the territory and invest the primary capital that everyone owns, the work. We invested our labour force and time to implement the mutuality among members and the territory. [...] This happens inside the factory and brings resources, consciousness, ideas, and all these things generate new forms of work. The openness to the territory allows control of what happen inside the site; the owner arrives in a place, exploits local workers and resources, and when they find better conditions in another place, they just leave the first one, with a huge debt in terms of environmental impact. All this work has a dual effect: it creates work that generates mutualism, and it strengthens social control over a production site.” (Interview 0216, Trezzano sul Naviglio, 2018)

The expanded network, of which Ri-maflow is the main node, spreads values and a sense of solidarity to the south-west Milan territory. The engaged organisations find mutual support, and for local residents, Ri-maflow is a place where they can find activities or develop them by themselves. Moreover, the network allows an impact on a wider population than all the participants in Ri-maflow. People can benefit from Ri-maflow's direct and indirect services for the community, because they can access the space, participate in the activities, be part of the local sustainable food network, and support the local social movement against the Mafia presence.

6.7.3 AnversiaAmo Co-operative

The case study of AnversiaAmo requires a specific consideration: due to the premature stage in the organisation's lifecycle (start-up phase), it is difficult to concretely assess how the co-operative serves the community. Nevertheless, it is possible to examine how co-op members interpret the local reality, and what solutions they have in mind for Anversa degli Abruzzi. Like Mendatica and many other villages in the Italian mountains, Anversa degli Abuzzi has suffered the consequences of gradual

abandonment over the decades. Therefore, the main problems concern the rapid disappearance of local services and businesses, which has compromised the village's livelihood. In particular, co-op members see the assistance of elderly people as a key issue, though they also consider many other resources in the territory, such as agriculture and tourism. The agricultural activities can clearly show the connection between problems and opportunities in this territory: on the one hand, the depopulation has left many fields abandoned, but formal landlords have to pay property taxes on land. On the other hand, the co-operative needs assets for improving its activities; thus, it has carried out a strategy that addresses both necessities. In the last season (2018), co-op members contacted many landlords who now live far away or are too old to cultivate the fields, and proposed a collaboration. The co-op can manage the fields, harvest the plants and cultivate them; by starting-up a new business activity in the agricultural sector, it plans to have enough revenue to pay rents in three years. It asks for the free use of each field for the first three years, and they compensate for this with the maintenance. In addition, it aims to support the local tourist sector by providing visitors with a summer camp for children; in this way, there is an increased offer in the summer holidays, and Anversa can attract more people. Complementarily, the co-operative aims to organise a "diffuse hotel" (as explained in Chapter 5); thus, it can provide owners' houses with small incomes from their properties in the village, which otherwise they do not use. AnversiAmo intends that the regeneration will bring more people, create wealth for those who own assets there, and support other local businesses in gaining more revenue from visitors. Nevertheless, the key objective for the co-operative is assisting elderly people; they do not regard this as an economic service, but the idea is to use part of the co-op's resources for activating a basic assistance service in the village. The service will provide people with grocery delivery, transportation to the closest hospital (20 km away), and reduce their social isolation.

"For social work, we want to individuate the real needs in the community, find the weaknesses and necessities. For example, our elderly people who are alone, or the absence of a local grocery and mini-market: we want to provide help for these problems. On the economic level, we are thinking of installing a hydro-electric turbine to generate energy; the revenues from the electricity sales can contribute to the co-operative's budget. We want to cultivate the abandoned fields, always trying to create profit while saving the environment and the community; we know that the co-op always has to generate incomes and re-invest them."
(Interview 0304, Anversa degli Abruzzi, 2018)

It is possible to hypothesise that for the community, the direct benefits will be small incomes from renting properties, both fields and houses, to the co-operative; AnversiAmo can manage the former mini-market and provide a local retail outlet for the population. In general, it is clear that the main intention is to assist the population. Indirectly, the community can trigger the revitalisation of its micro-economy and attract new residents to Anversa. By creating a project for many community service outcomes, the co-operative promotes its activities and engages residents inside and outside the village. The two pre-existing co-operatives contribute to the scope, by devolving the summer camp activity and allowing the use of agricultural machinery for work in the fields. The town hall is considering transferring the management of the local football pitch to AnversiAmo, in order to improve the offer for both residents and tourists. Five landlords have agreed to join the field usage programme, but many others have expressed their interest. Probably due to the possible compensation for the usage, the field project seems to have been successful in terms of engagement; this confirms what is indicated by social capital theories: the strength of social relations and collaboration through material exchange, and the reciprocal conversion from one form of capital to another. The transformation of social capital to economic capital will consequently reinforce social capital if the project provides tangible results.

6.7.4 La Paranza Co-operative

In contrast to the AnversioAmo case study, La Paranza co-operative in Naples is now in the maturity phase, and has a consolidated presence in its community. Rione Sanità has a critical and complex socio-economic situation, which La Paranza and all the network within the St Gennaro Foundation must try to tackle; firstly, they see people as the main resource, as the factor that can trigger the change. Since its beginning, the co-operative project has had a dual main vision: to educate people, especially young people, about an alternative life to the Mafia or illegal model; and to reveal the inherent beauty within the borough. The constant daily work with the local population, and the well-established network with the partners, allow both the co-operative and the foundation to understand the social context, and to have a direct impact on the reality. Focusing on La Paranza, since the start, the idea of serving the community has aimed to address the chronic socio-economic conditions that affect a huge part of Rione Sanità. Unemployment and low educational levels are highlighted as key causes, and La Paranza addresses these problems through its activities. In addition, the necessity to regenerate the ample cultural heritage in the borough has emerged as an issue in co-operators' minds. They linked these criticisms, and devised a business idea and social plan that then became the foundation. One of the founders clearly summed up the underlying idea:

“Creating networks is the antidote to the most widespread criticism that we have in Italy, and particularly in the South: competition instead of co-operation. Doing this in the South means fighting against this logic. The social and solidarity economy is fragmented in the South; this is the reason why we have the foundation: alone we cannot save ourselves; if we do not talk and try to bring everyone inside (the project), nothing matters; or we all need to do this or it is useless. The co-operative has sown the seed; we have to keep our historical distinctiveness, but we must lose something by talking to others. Therefore, in the borough, these young people are the most active and willing, and continue to work for uniting rather than dividing. For us, creating a network is indispensable, because we must be a community in this territory and transmit this idea into the social and solidarity economy’s DNA.” (Interview 0413, Naples, 2019).

The first main outcome of the community mission is to attract outsiders to the borough, thus triggering a process of change throughout this social phenomenon. Since the beginning, the catacombs project has aimed to encourage tourists to visit Rione Sanità, because these outsiders, particularly tourists, can break the psychological barrier between locals and the external world. In this intention, it can be seen how the co-operative fosters direct and indirect effects: the direct effect transforms the idea of Rione Sanità as a closed world; moreover, the visitors' presence also means more potential clients for local businesses. Indirectly, this has an effect on people's mindset, because new presences do not reinforce the idea of Rione Sanità as a dangerous place where local criminals can do what they want; this change has occurred in both external and internal citizens' conceptualisation. This is confirmed in many interviews:

“I give an example: the experience of “B&B Il Monacone” (managed by La Paranza). Before, tourists who wanted to come here did not arrive at the B&B because taxi drivers refused to drive through the borough and urged people to delete reservations, because Rione Sanità was too dangerous. Nowadays, many clients arrive here thanks to taxi drivers, because they suggest Rione Sanità as one of the main attraction in the city. We know this from the client satisfaction survey at the B&B.” (Interview 0405, Naples, 2019)

“Of course now, the situation is different; a few years ago there were shootings, it was impossible to walk down the street. Before, we lived with the constant fear that something could happen at every moment, because something happened every day. Now, people walk in the street serenely, you can see the change. If you read newspapers from two or three years ago, you cannot imagine they were talking about the same borough. This thing continues to grow, because local retailers have joined the young co-operators.” (Interview 0407, Naples, 2019)

Secondly, La Paranza works hard to provide local young residents with valuable alternatives to the traditional patterns of precarious and illegal jobs, or Mafia affiliation. La Paranza is a social co-operative that hosts many former inmates who look for re-integration into society after the prison experience. The co-operative has a particular focus on its borough; through the networks with other social co-operatives and charities that work with children and teenagers, La Paranza provides training and job opportunities. Many current workers had a low educational level and did not know foreign languages, or could not find decent job opportunities in the cultural field according to their training. La Paranza furnishes these possibilities: many workers have improved their education level and finished high school or university; others have learnt a new language; and many have found a proper job due to their education in the cultural sector. The co-operative translates its internal efforts to Rione Sanità, while the “Sisters co-operatives”, Iron Angels and Officina dei Talenti have the same mission. Furthermore, through the St Gennaro Foundation, the local third sectors support educational and training activities, and the use of open public spaces for social aggregation and sport activities for young residents. The physical regeneration is another key point in the mission of La Paranza and St Gennaro Foundation, because they believe that mental change can also happen through environmental change. As explained in the previous chapter, Rione Sanità’s physical structure is deeply compromised, and this appears in its dramatic deterioration. This context has a direct effect on people’s conceptualisation of their life in the borough; for this reason, the two organisations, particularly the foundations, act to regenerate public and open spaces, and to trigger the change in people’s thinking. In recent years, two squares have received a drastic restyling, and three indoor spaces now host activities for children and teenagers. In particular, the Santa Maria della Sanità sacristy now hosts a boxing gym. To conclude, interventions in various fields have both direct and indirect effects for the local population; generally, every action aims to increase the socio-economic development and change the physical setting, in order to address the key issue in Rione Sanità: how people interpret themselves and their reality, and how to change them. A person who participates in St Gennaro Foundation’s activities sums up the sense of all this change:

“Create work to create more resources, and then create more work. Even the children must grow up here seeing that something different is possible; and people were not born evil, but the context where you live and the state where we live teaches us what wickedness is. In all this madness and wickedness, we try to figure out how to survive; we have always stolen to survive, but we must learn that everything belongs to us because the Lord gives it to us. We have to work for our dignity, come back home and be proud of what we are, and what we bring home to sustain our families every day.” (Interview 0408, Naples, 2019)

6.7.5 Anonima Co-operative and Post-Modernissimo Theatre

Remaining in the urban context, the Post-Mod case study offers other interesting insights for examining how these co-operatives directly or indirectly serve their community. As analysed in the previous section, Post-Mod primarily responds to a need that its members express, the necessity for stable job positions in the cultural sector; in addition, the founders felt the necessity to re-open a movie theatre that could offer a selection of high-quality movies. These necessities find a match with

the local social realities of Perugia, where many people had the same feelings about the closure of the Modernissimo theatre. Furthermore, Post-Mod offers an ample social space where other organisations can carry out their activism for specific social and political aims. This is probably the main connection between founders, the co-operative, and the social context: the theatre concretises their political thoughts, and even if they do not present the project as a political action, they have realised a place where culture, socialisation and social demands can co-exist.

“Since we were teenagers we have been friends; we met at high school and then we attended university together. During those years, we founded a political collective, and I think that our social commitment and interest in our community has been transmitted into the Post-Mod project. [...] Documentaries shed the light on many social issues and local associations that work daily on these topics, and help and sustain us in promoting these events. [...] The community scheduling arises from a local social action with the community that expresses its needs. [...] We have replaced the public authority, because at this moment when there are no resources, a private organisation like ours makes a place available for the community.” (Interview 0502, Perugia, 2019)

“In my political experience and cultural background, the co-operative values and the sense of solidarity are essential for my existence. So when we decided to open an enterprise, we immediately chose to be a co-operative because it encompasses all these values. There is a relationship of mutual aid between us and customers; they give us continuous inputs on movies, and we support their ideas and projects by hosting these initiatives here.” (Interview 0510, Perugia, 2019)

Post-Mod is improving its mission towards the local community, even in Umbertide, where it has opened a second theatre. Again, it is possible to see in the Cinema Metropolis project how the community co-operative emerged from a local group; a couple of friends in this case, who had previous experience in the association that managed the theatre. They perceived the necessity to convert the activity into a stable job for two reasons: to allow them to work securely, and to ensure a continuing schedule for generating enough resources to compensate for the decreased public contribution from Umbertide town hall.

“The community significantly sustains us, and not simply because we are the only movie theatre here; since the beginning we have had great support, particularly from local associations that work in this territory. Obviously, there can be difficulties in collaborating in a small community, but here there is a key inclination for collaboration. We are a small community, so since the beginning there has been a gathering of local positive experiences around the project, and we try to keep our organisation open to everyone.” (Interview 0501, Perugia, 2019)

Post-Mod has a clear mission towards these two communities (Perugia and Umbertide), providing them with a valuable offer of movies, cultural events, and opportunities for open discussion on relevant social topics. Alongside this aim, Post-Mod has a key role in the regeneration of via della Viola in Perugia Old Town. As the case study presentation shows (Chapter 5), there has been an immediate connection between the co-operative and the local residents' association. As the founders say in the interviews, they *“entered into the groove already traced by the residents”* (Int. 0502). Post-Mod has a connection with its community: initially with the support of members, and then with all the spectators who want to propose activities; though these people are from different parts of Perugia, or even from other towns. The connection with Fiorivano le Viole allows a direct link with the

theatre's neighbourhood. Furthermore, the collaboration with residents enables indirect work with the local community, in a stricter sense. Post-Mod's co-operators spend most of their working time in managing the ordinary theatre business, and they also organise events inside their space; thus, it is difficult for them to understand what is going on outside the venue and plan interventions. The collaboration helps them to support an active and creative organisation in their neighbourhood, and to have a mutual exchange deriving from the visitor flow that they can create. Spectators who attend shows at Post-Mod pass through the street, and people who participate in Fiorivano le Viole's activities can also go to Post-Mod to watch a movie or have a drink at the bar. The main point is the common view of the local setting and the strategies for keeping the street alive; both organisations recognise the dramatic conditions the street had before their work, and they see the arts as a main means for regenerating their place. This commitment has brought new activities to via della Viola, and nowadays, Perugia's citizens recognize the street as one of the most vibrant places in the Old Town.

6.7.6 Findings

This section highlights how these organisations design their activities in order to fulfil the community development mission. Their actions have direct and indirect effects that nevertheless remain inside the field of community development. These facts are explainable through the commitment that community co-operatives imprint on their activities and members; as the mission determines each choice made at every step, co-operators try to have the widest impact on their communities and earn the greatest benefit for them. Community co-operatives do not restrict their vision to their business, but they enlarge their area of action to the territory; this is possible through collaboration with their partners. Consequently, their actions intentionally overcome the co-operatives' boundaries and reach other people and organisations. As every action has a reaction, community co-operatives' activities generate consequences in their territories, and thanks to their partners, they can expand the impact to local communities.

6.8 Common Goods and Community Assets

In the analysis of community development processes and networks' development, the examination of local assets' role is central. As Chapter 2 explained, the community co-operatives require assets for their functioning, because firms base their production on assets usage. Going deeper in this point, the individuation and acquisition of local assets for the community mission is a key element in the co-operative's structuring: firstly, it indicates which elements should receive the community's attention and can be devoted to the community's benefit. Secondly, assets can embed particular values for communities, or acquire new ones through the co-operative work. Networks can either reinforce these meanings and values, or help the co-operative to acquire assets. Thirdly, the usage of assets with particular community values constitutes a key element in the definition of community co-operatives. Before the empirical analysis, a general overview of what an asset is, and the Italian debate on community assets, can clarify certain aspects of the theoretical conception of these objects. As pointed out in the framework, these elements are interconnected with other nodes which compose the complex structure of community co-operatives.

The economic classification divides assets into two groups, namely tangible and intangible assets. Tangible assets are mainly material objects, such as a building; whereas intangible assets are non-physical, and can give the owner or user a value or an advantage in the marketplace (Downes & Goodman, 2003). As Bebbington (1999) indicates, assets give meaning to the world in which people

live, and they are tools that create meanings for people regarding realities where they live. The usage of assets becomes central in regeneration strategies for both economic and social aspects (Bailey, 2012); therefore, they assume a key role in the community development processes which aim to revitalise territories. Assets lead people to rethink the function of territories and delineate new solutions for restoring them. This is the case of many former industrial areas which have found a new role in the urban context, thanks to participatory processes where, in most cases, local authorities and citizenship have assigned new tasks for them (Bailey, 2012; Bianchi, 2016). Moreover, assets can be central in the creation of local networks, because partners can participate in devolving their properties to co-operatives, or they can be potential beneficiaries of them. By examining the five cases, it is possible to grasp key indications and findings for a general conclusion on the role of assets in processes of community development and networks' structuring. The key point is the discussion of social processes that lead to the community assets' definition; thus, the first step in this section considers how the Italian debate has shaped an innovative symbolic power, which has spread the idea of constructing local collectives' narration in order to create civic groups for community asset management. Furthermore, it is important to understand how the concept of "community assets" and "common goods" has arisen in Italian society, and has found a strategic connection with the community co-operative model.

The idea of "community assets" and "common goods" is rooted in the British debate on local activism; it is relevant to begin the analysis from this context, because here the division between "community assets" and "commons" is clearer. The dissertation aims to demonstrate how these two concepts have overlapped in the Italian context of the social, solidarity, and civic economy. As Ostrom (1990) points out, commons are natural resources that a group of people, which could identify itself as a collective, manages for general benefits. This definition has been extended to other general resources, such as culture, knowledge and information. The governance of commons must involve collective and co-operative actions based on moral norms for the general benefit. Ostrom's theorisation of a co-operative governance of commons has deeply influenced the subsequent debate on this topic. In considering, the possible governance of these commons, and responding to Hardin's famous treatise "Tragedy of the Commons", Ostrom argues against the idea of a public authority and top-down approach, and promotes local co-operation. The evolution of British policy in the last 30 years has fostered this transfer of responsibilities and resources from the central to the local level, in order to increase the idea of a "Big Society".³³ Despite the relevance of this huge devolution reform, the policy framework does not directly address the commons, but instead it conveys that local community can generally have a more central role in generating general interest in their contexts when acting in partnership with local authorities. The legislation proposes the idea of local communities being in charge of managing their local resources.

The British legislation formalises a process for local collective actions that aim to lock assets with particular value for local communities. The Localism Act (2011) establishes various "Community Rights"; above all, it recognises communities as key actors in the social definition of what is an "asset of community value"³⁴. Civic groups, both formal and informal, parishes and associations can support a case for asking local councils to lock certain assets, both private and public, for future projects of collective interest. After registration as "an asset of community value", if the community does not express a further interest in it, the listed asset can be sold; the law allows local groups six months to

³³ Alan Walker and Steve Corbett (8 March 2013), "[The 'Big Society', neoliberalism and the rediscovery of the 'social' in Britain](#)", Sheffield Political Economy research Institute. Retrieved 11 August 2014

³⁴ "Asset of Community Value" Ministry of Housing, Community, and Local Government, 12 September 2011
<https://www.gov.uk/government/publications/assets-of-community-value-policy-statement--2>

present an offer and buy it. After this guarantee time, the asset can be put on the market. This legislation operates to facilitate local communities to be more active in their territories; in particular, communities can have a formal process for defining their local assets as being of social value for them, such as having historical or cultural significance, or a particular architectural value. The British culture shows the differences between “common” and “community asset”, even though the policy framework has translated the collective governance of commons into the devolution reform for community assets. This evolution explains why the society widely refers to certain community assets as “commons” nowadays; they can generate benefits for the collective society, which recognises their general utility. For these reasons, the necessity for collective governance has emerged, alongside the rise of a new consciousness of local community assets. The overlapping has occurred in the social theorisations of community assets as being the contemporary commons, as well as the shaping of a new social role for the citizenship. In the next passage, the analysis shows how this overlapping is present also in the Italian debate, although the circumstances are different.

In Italy, there is a huge interest in commons, and in the community development processes related to them. Nevertheless, the Italian debate has reached a point where the ideas of “commons” and “community assets” are now synonymous; therefore, on the same level there are objects such as natural resources, knowledge or traditions, which are commons; and local assets, which become community assets after a collective process of recognising that they have this role. The main point is the purposes and symbolic power that the idea of “common goods”, a term that summarises the other concepts, has achieved in the community development processes. Fidone (2017) illustrates how the juridical debate and social evolution have revealed new meanings of a “good”: this is an entity, either material or immaterial, with a juridical relevance, and which can assume diverse social purposes. The good’s classification can adopt the concept of “purpose” to determine whether a good is public, private, or common. Generally, “common goods” do not satisfy public or private interests but the common interest, which means an interest related to a specific community; and this connects the concept of commons to that of common goods. Arena and Iaione (2015) go further, and theorise a collective process for defining these as common goods with the participation of local communities. Furthermore, they see an important connection between commons and community co-operatives, because they translate Ostrom’s co-operative governance of commons into a model that engages citizens and allows the organisation to have resources in order to gain non-profit status.

This brief description gives an idea of the theoretical debate on common goods and the related community management and governance; the explanation tries to show how, in the Italian context, the debate on common governance and the repositioning of citizenship’s social role in developing the “common interest” has led to the current idea of “common goods” and community assets. As was found in the interviews, people involved in these experiences use the term “*beni comuni*” (common goods), referring to the British ideas of both commons and community assets. The idea of *beni comuni* appears many times in theorisations of community co-operatives, which have become the flagship form for managing and promoting these collective initiatives in territories. As Arena and Iaione (2015) indicate, the community is the agent that identifies assets and gives them the definition of *beni comuni*. The point is the limits that can emerge in this model, which mixes on one side objects with social value for communities, and on the other, the co-operative as a business model. In addition, Mori (2014) confirms the key bond that connects communities (as subjects that identify the goods) with the goods per se. As Mori points out, the definitional process can be dual: the good fulfils the general interest, so it is common; or the community sees a general value in it.

The discussion evaluates the case study analysis and distinguishes how these assets have assumed the status of common goods, as well as how this element has influenced their subsequent usage by

co-operatives. There must be a caveat regarding the social identification of what a common good is: the recent debate and public diffusion have enlarged the concept to many objects, and the core meaning can lose its original significance (Fidone, 2017). The case studies clearly represent these trends, and show what elements correspond in the community co-operatives' collective understanding of common goods. It is relevant to discuss this point because firstly, these processes also help to define the community development objectives; and secondly, they show how co-operatives use the networks to create the community processes for identifying common goods in their territories.

It must be noticed that even if these assets are considered common goods, they are not all public properties. Brigì is the only case where the co-operative has the management of public properties (the park and the B&B). According to interviewees, AnversiAmo will also use public properties in the future, such as the football pitch. Post-Mod's and Ri-maflo's assets are private, although their respective acquisition processes are different; whereas La Paranza represents an innovative solution for regenerating clerical properties. Therefore, property is not the element that can determine what a common good is or community asset. The investigation must more deeply understand why people involved in the community co-operatives attribute the status of common goods to their assets. In order to generate the idea of common goods and strengthen the collaboration among the co-operative projects, the co-operators use the networks to share their mission and convince partners of their objectives. Co-operatives can ensure their collaboration because they aim to support the local community; thus, whatever the outcome, they will share any benefits with locals. The analysis now highlights how both tangible and intangible assets can work for these purposes.

Co-operatives operate with both tangible and intangible assets, and local territories present both forms. Immediately, the observer can see that co-operatives have tangible assets, such as the park, the B&B, the catacombs, the theatre, the factory or the fields. The process that brings these co-operatives to acquire assets shows how there are collaborations between these organisations and territories, and the construction of a general sense of their future usage. As explained above, the recent wave of civic engagement in commons management has spread a strong symbolic power, which means the idea of an active citizenship that takes care of local commons. Many co-operators in the five cases identify their assets as *beni comuni*, referring to the idea of something that belongs to the local community. A closer look at assets' main features reveals particularities that compose the social conceptualisation of these elements as common goods. First, these assets can operate not only for the co-operative purposes, but they also have a wider range of action; the park in Mendatica is open to all citizens with free access; the co-operative manages the bar and the adventure park structures, but these are just a part of the entire area. Although Brigì does not use the entire park for its activities, it is responsible for its maintenance because it generates revenues from both assets. Ri-maflo converts the typical idea of a factory, as a private production site which only employees enter, into an "open factory", a production site where everyone can access and develop new activities. AnversiAmo will use public properties in the future; nevertheless, it establishes mutually beneficial relationships with landlords for improving agricultural activities. In Rione Sanità, La Paranza sheds new light on catacombs that had previously been abandoned; they use a property of the Roman Catholic Church that has existed there for more than 20 centuries. This deep connection with the territory constitutes the history of Rione Sanità; the status of common goods emerges thanks to the historical presence of this cemetery in the area, and the bond with St Gennaro. Furthermore, the co-operative elevates the catacombs to the status of common goods because they are a key asset in the general regeneration project for Rione Sanità, and the first main element that enables the whole process. Even in Perugia, the historical heritage that the theatre embodies is the main reason for defining it as a common good;

many people in the community preserve a sentimental bond with this place from when it was the Modernissimo, while others have developed this bond recently, as new users.

Alongside the tangible assets, co-operatives also use intangible assets for their businesses. Local traditions, cultures, historical heritage, and professional know-how: these assets can be part of the co-operatives' mechanism. Paradoxically, traditional firms do not consider as assets certain elements here listed, it is difficult to see an economic role for them within a business structure; nevertheless, we must remember that community co-operatives' distinctive features overcome traditional boundaries and encompass new elements. The analysis must examine the reasons that explain why these organisations elevate culture, heritage and tradition to being central assets in their work. Alongside this, there are other aspects that are normally engaged as intangible assets, such as professional knowledge; in fact, this traditional asset can illustrate how community co-operatives generate connections with local territories. Traditions, local culture and historical heritage form the backbone of a community's identity; each element contributes by defining specific traits of identity for local products and local social aggregation. Local traditions strengthen the sense of belonging to a community, which consequently reinforces co-operatives' purposes. In addition, community co-operatives use these cultural elements as a strong point in their business offer. They tie their products to a cultural sense that gives a specific idea of the territory, culture and community where the product is created.

Brigì, AnversiaMo and La Paranza have a profound sense of their local culture, and want to transmit it to others. This element contributes to the definition of services and products. First, they set the objective of preserving this culture: this means keeping track of narrations and conserving old artefacts, such as the pastoral and agricultural heritage in both Mendatica and Anversa degli Abruzzi, embodied in the old mill and the furnace. In Naples, the catacombs contain centuries of history, and tell the current society about the city's origins and roots. Post-Mod has focused on culture as the main asset and product in its business, because the theatre aims to provide people with high-quality movies and promotes offers for students and foreign residents; moreover, there is no charge for tickets during benefit and social events, because they want to keep these accessible to everyone. Professional know-how determines the possibility of starting a firm, and in these cases it has a key role; indeed, at Rimaflow and Post-Mod, professional employability is the main reason for their origin. These co-operators stay together to ensure they can gain a job position related to their professionalism. Maflow's former workers transferred their skills into the new collective firms; moreover, Post-Mod's founders were all experts in movie-making and theatre management, but they could not find adequate job positions. The relevance of know-how as an asset with particular links to the local territory is particularly evident in the Brigì case study, in that the current instructors at the adventure park obtained their professional know-how from courses that the town hall paid for; thus, if the co-op had not saved the park, this public investment would have been lost. Taking a general view of these intangible assets, it is possible to observe that groups involved in local community co-operative projects have expanded the concept of commons. Culture, traditions, history and professional skills serve the community co-operatives' mission; thus, they become part of a private organisation with a common purpose.

The community assets, intended in the Italian context as common goods, take advantage of the theoretical debate on commons management and citizenship engagement in the co-operative governance. Academics, policy makers and practitioners share this symbolic message of local collaboration for the general purposes of avoiding either public control, which seems ineffective, or radical privatisation. Therefore, the individual's responsibility for civic activation assumes a central role in this theoretical structure; alongside the rise of active citizenship, there is a devolution of public

tasks from the general authorities to bottom-up initiatives. Consequently, subsidiary initiatives look for horizontal solidarity rather than a public system that promotes top-down interventions. Thus, citizens become in charge of their local interests; but it is necessary to query if everyone can be an active part of this system. In addition, what happens to those who do not participate?

This process involves local citizens who are animated by civic virtues, and the creation of organisations for managing these resources. Then, the enhancement of networks among civil society and co-operatives generates a common vision for the aims of common goods usage and the sharing of benefits with the community. For instance, Brigi and AnversiAmo work to keep their villages alive, Ri-maflow fosters permanent mobilisations for social and political purposes, La Paranza fights against the dereliction in its borough, and Post-Mod improves the cultural offer in Perugia. Every co-operative uses assets that have a special meaning or a bond with the territory because they signify something in the local context: they are rooted in the local culture and history, and they provide the co-operative with additional value in its work. In all the cases, the co-operatives began their local action because they had criticisms of the use of these assets: Mendatica's public assets management, Maflow's rescue and regeneration, Anversa's abandonment (in both public and private assets), the catacombs' dereliction, and the theatre's closure. The founders groups envisioned a new future for these assets, and they have triggered processes for gaining a local general recognition that these are common goods.

"We have never doubted the fact that these assets are the community's property, because the community has created them for everyone." (Interview 0107, Mendatica, 2018)

"The local kindergarten needed to fix the external playground, and Ri-maflow offered its help; we covered the material costs and they voluntarily worked to fix it. It was very helpful." (Interview 0202, Trezzano sul Naviglio, 2018)

"I think the furnace has a value for Anversa community because it is part of the history of this place." (Interview 0302, Anversa degli Abruzzi, 2018)

"We raised the consciousness that there is a great heritage in this borough but it is hidden; we must value it as others do in many European cities." (Interview 0402, Naples, 2019)

"I think people perceive this as a place for the community because they come here even only to socialise or have a drink; they do not see a private enterprise, they recognise this as an historical theatre in Perugia." (Interview 0502, Perugia, 2019)

When they delineate the future of these assets, they imagine possible benefits for the community; they intertwine the business necessity with local issues, and find partners' support in the mission towards the community. The networks generate those positive benefits that Putnam (2000) points out in his analysis of American society. When moral norms govern social relationships for general interests, they can produce positive outputs for the collective society. Furthermore, co-operatives and partners strengthen their relationships through exchanges, and reinforce the general symbolic power of civic actions for the collective governance of local resources. Projects that arise from assets' dereliction benefit from this emerging view of active citizenship, which fosters positive results through participants' collaboration and shared values. The practical consequences involve the partners' participation in supporting co-operatives' actions, and their material involvement in growing their businesses. Firstly, partners have a key role in advocating co-operatives to the rest of the community. They strengthen the symbolic meaning behind the co-operatives' actions, and supervise their actions and community services which justify the use of common goods. Due to their

commitment to the co-operative's protection of assets, partners devolve certain resources to co-operatives; in certain cases, such as Mendatica, one of the partners is the asset owner. Thirdly, partners bring to co-operatives information and suggestions from different points of view regarding how the organisations must use the assets; thus, various inputs from different sources help the wider understanding of local problems and possibilities, and they can bring ideas on possible new usages of these assets.

In this discussion, the key issue arises when common goods become co-operatives' assets, and a certain and limited group in the local society acquires and uses them to generate revenues and future resources. This is a key topic for the community co-operative model, because it triggers discussions between the co-operators' groups and their partners on one side, and certain parts of local communities on the other. Furthermore, there is a general limitation in the model, in that it could be hard to keep a successful balance between the community mission, which states the common interest, and the business management, which requires incomes and commercial plans for the firm's survival. Here, the problem is that on a theoretical level, this can be a sort of "privatisation", because a private firm, even if collective and inclusive, assumes the control of assets identified as "common goods", for a general interest that the internal groups in co-operatives define with their partners.

6.9 Local Partners: Who they are and what they think about the co-operatives

After the analysis of co-operative groups, a further step in the five cases' examination concerns partners' roles in the community co-operatives' development and functioning. In order to assess this aspect, this section firstly provides a view of these organisations' main features. The main partners' characteristics have a role in defining the collaboration with co-operatives; as theories indicate, an element that enables the functioning of social capital is similarity of social identity. Subjects with a similar social identity and or vision have a major inclination for teaming up and collaborating, thus creating a first basis for further improvement. Then, community co-operatives are used, to enlarge their networks to other members in the community and/or outside it, in order to fulfil their mission. Generally, their first circle of social relationships involves organisations with similar missions and approaches. A second aspect discussed in this section is partners' opinions on what community co-operatives do, in order to assess the concordance between co-ops and partners on the main local issues and opportunities. Consequently, the analysis enlarges the view of how networks are derived in each context, and gains valuable considerations for the analysis of relations between co-operatives and local networks.

6.9.1 Partners' Main Features

Partners can give a different and external view of how co-operatives operate; despite their agreement, partners can also reveal local criticisms and frictions between co-operatives and local society. The fieldwork does not cover the entire networks of each co-operative, but it captures information from the majority of partners involved. Moreover, the analysis involves data from personal semi-structured interviews with partners' representatives, which each co-operative has indicated as a main reference. Therefore, responses are the particular views of subjects who represent their organisations. Partners' representatives are formally in charge of their organisations; they have direct contacts with community co-operatives, and can talk about these relationships because they have closely experienced them.

Local partners are key subjects in the construction of community co-operatives because they help to provide the local community involvement. Normally, they are organisations that operate in the same territory and share the co-operative's vision and mission towards the community, even if interpretations and applications can differ. Partners are public institutions (municipalities or schools), for-profit firms, and non-profit organisations (associations, charities, foundations). Data show the co-operatives' tendency to create collaborations with local organisations; this can be explained through the necessity to enlarge the project mission to other subjects that share same spatial area and live in the community: for instance, 24 out of 35 partners are based in the same area where community co-operatives work. Living in the territory allows co-ops and partners to know the context and have opinions on it; they can have a mutual understanding and knowledge of issues and resources, as well as a reciprocal relationship. The idea of establishing a community co-operative involves the minimum requirement of engaging local society in the co-operative's formation. Certain regional legislation requires a minimum share of the population to be official members (see Chapter 2), but the conception of a local network for sharing the co-operative project depends on the general concept that Italian practitioners and the co-operative movement have in their mind. For this reason, influenced by a certain view of community co-operatives, these organisations tend to involve potential stakeholders in projects. The external partners arrive during a subsequent step in the co-operatives' development, when services are set and activities take place. These partners also share the mission and the project, and desire to support co-operatives in their work.

Table 6.9 presents other key information for the analysis: the classification by organisations' legal status. First, these figures prove the capacity of community co-operatives to form relationships with various subjects from different areas; this shows a useful inclination to enlarge the networks to both public and private sides, in terms of profit and non-profit areas. These connections enable a more comprehensive view of the territory, as partners can collect different resources and information concerning local society. Public institutions have authority over certain aspects, such as education or the assignation of properties usage; non-profit organisations work in various areas and can bring other issues to the common table; for-profit businesses can benefit from community development outcomes and incentivise the co-operatives' actions.

Table 6.9. Partners' Status

| Status | N° |
|------------------------|----|
| Public | 4 |
| Profit | 8 |
| Non-profit | 22 |
| Religious | 1 |
| Political Party | 0 |

Local public institutions see community co-operatives as a valuable tool that compensate for their limitations, which are due to reduced budgets and competencies. Mendatica is the clearest example of how a non-profit form of business can replace public authorities in the management of local assets. In Anversa, the town hall sees the co-operative as the future main promoter of local tourism and assistance activities. Similarly, in Naples, the religious authority lacks the capacity to develop a proper model for revitalising the catacombs. For-profit businesses are part of the same micro-economic system; thus, the development of new opportunities and the entry of new clients into these

systems can have effects on their enterprises. Furthermore, the success of community co-operatives can facilitate new start-ups; for instance, in Rione Sanità’s main square there is now a tourist shop, an economic activity never existed before in the borough because there was not an attractiveness for visitors; alongside, La Paranza assists other groups for developing new co-operatives into the borough. After Post-Mod opening, a restaurant began its activities in the shop on the front door. In Mendatica, every mountain tour ends in one of the local restaurants. Non-profit organizations, with a focus on their local territories and communities, promote the improvement under different aspects. They tackle social issues, preserve cultural heritage, enhance active citizenship and foster solidarity; they translate the objectives into local services and activities that find a mutual exchange with community co-operatives. These realities show a positive view of activism as a concrete change in local contexts; people involved in these organisations consider trust and collaboration to be important values in their work or voluntary activities. These elements closely connect non-profit and community co-operatives, because co-operators promote their projects as a way to solve problems and create job opportunities, instead of making profits and achieving personal objectives. A main commonality among co-operatives and partners is the huge participation in third-sector activism. Table 6.10, which reports the profile of partners’ representatives interviewed for the research, shows this accordance: their profiles reveal people who are strongly active in voluntarism and associations.

Table 6.10. Partner Representatives’ Activism in Associations and Charities³⁵

| Answer | N° |
|-------------|----|
| Never | 7 |
| Sometimes | 0 |
| Active | 27 |
| In the past | 1 |

The main portion of interviewees are members and representatives of associations and charities; many others work in for-profit or public organisations but have an inclination for voluntarism. These life experiences demonstrate the presence in these people’s habitus of cultural elements for activism and altruism. Volunteering develops civic engagement in social issues and fosters a sense of activism instead of assistance dependency; Putnam (1993) attributes a great value to these activities and organisations, which can enhance collaboration and civic virtue in society.

“Yes, there is a certain part of political support and a part of material support. When they (Ri-maflow) needed to fundraise money, or a hand for organising initiatives, we helped. A few years ago, they threw a campaign for a new compressor: we organised a dinner for fundraising money; therefore, our input is a political support that can be translated into a material help, and vice versa.” (Interview 0204, Milan, 2018)

In line with Putnam’s vision, during the interviews, every partner confirmed that they have other key relations besides those with co-operatives. These partners experience other relationships, and can bring them information and outputs derived from their main connection with co-operatives; in addition, they can help co-operatives to gain other connections through their networks. Alongside

³⁵ Table indicators: Never (the subject has never participated in an association); Sometimes (the subject has taken part in certain association activities but has never been an active member); Active (the subject is an active member of an association); In the past (the subject was an active member of an association).

this, every interviewed partner confirmed that values such as trust and collaboration are important for their organisations, and they have a key role in their relations with community co-operatives.

Table 6.11. Partner Representatives' Political Involvement³⁶

| Answer | N° |
|--------------------|----|
| Never | 17 |
| Sometimes | 4 |
| Active | 11 |
| In the past | 3 |

Table 6.11 reports the partners' activism in politics; again, we must remember that partners' representatives provide these responses, and they talk only about their personal experience; nevertheless, these people are those who more have contacts with community co-operatives and have developed these relationships. Political involvement presents more diverse results than third-sector activism, even if there is a strong persistence of participation. Table 6.12 can better explain correlations between partners' political sphere and collaboration: the table splits the figures among the various co-operatives and determines levels of participation. The highest value for political activism among partners is for Ri-maflow, despite having the same counter-value of partners without any kind of political involvement. The case that most shows a political attitude also has more partners actively engaged in political parties or organisations. Surprisingly, AnversiAmo, as the other project with a certain degree of political involvement, primarily due to members' active role in local political dynamics, does not show a similar tendency in its partners. La Paranza and Post-Mod have a certain amount of politicisation in their partnership, even if they clearly do not want to express a political thought; a possible interpretation is their commitment to carrying out social actions for communities' revitalisation in their territories. They point out key issues, such as culture accessibility, employment, social issues and community-led urban regeneration, which can find good matches with local organisations' political agendas.

Table 6.12. Political Participation by Each Co-operative

| | Brigì | Ri-maflow | AnversiAmo | La Paranza | Post-Mod |
|--------------------|-------|-----------|------------|------------|----------|
| Never | 2 | 5 | 1 | 5 | 4 |
| Sometimes | 1 | 0 | 0 | 1 | 2 |
| Active | 2 | 5 | 0 | 1 | 2 |
| In the past | 0 | 0 | 0 | 3 | 0 |

Political involvement can affect people's interpretation of their active role in local society. First, as Putnam indicates (1993, 2000), participation in political organisations and involvement in the

³⁶ Table indicators: Never (the subject has never been a member of a political party or group and does not vote); Sometimes (the subject used to vote but is not a member of a political party or group); Active (the subject is a member of a political party or group and votes); In the past (the subject used to be a member of a political party or group in the past).

political debate are signs of an active citizenship and valuable elements for social capital analysis. Certain interviewees consider their voluntary activities or their community commitment as a political act, though outside the conventional definition of “political activism”, which can mean an active role in an organisation with clear political features. The highest activism in politics is in Ri-mafrow’s network, this being a co-operative that interprets its existence as a political action. It is possible to deduce that the political message behind the co-operative has deeply influenced the network’s formation. The meaning embedded in each co-operative constitutes a key element for partners’ selection and aggregation, because it establishes the first step, the theoretical agreement on the vision upon which the relationship is based.

6.9.2 Interpretation of Network Formation

The symbolic power that lies behind co-operatives is the key factor that enables all these networks. As the section regarding the co-operators’ groups explains, co-operative projects aggregate people who bring values, moral norms, personal thoughts and ideas regarding local issues and potentialities. They tie their interpretations to their habitus, which determine their ways of acting and relating with realities. Messages that underlie co-operatives are key elements in shaping their social identities; they operate in determining partners, because accordance is necessary in order to form a collaborative relationship. Community co-operatives’ idea fosters civic commitment to the local community without any intention to maximise personal profits; this concept leads to the choice of the co-operative legal form, a concrete element that legally ensures the non-profit idea behind the co-operative businesses. Founders state the mission toward the community and present a project for revitalising local assets, which assume the status of common goods, and using them for the general interest. When partners see this at these co-operatives, they will also agree with the whole theoretical structure, because they share many similar aspects, attitudes, dispositions and behaviours.

“Our centre was born during a protest for the right to live in the neighbourhood, against certain urban dynamics which were shaking up that place; we fought against for a major socialisation of our neighbourhood. [...] After a trip to Vienna, where we discovered the Ri-mafrow story, we decided to go there and know more about that place. There began our collaborations; we have tried to give a hand to raise funds for their compressor and re-start the production. We made some silk-screen prints and we devolved all the revenues to support the compressor purchase. I think we raised 5/6000€.” (Interview 0503, Milan, 2018)

“Our collaboration mainly concerns the catacombs’ accessibility for people with disabilities. Another important collaboration is our Festival of Sports in June, for children with disabilities: La Paranza offers all its members as volunteers. We have a mutual relationship of growth, so we try to influence each other; now they are more aware of the disability issue.” (Interview 0401, Naples, 2019)

“There is a great dialogue among diverse organisations in this territory. If you need something, in the touristic or working sector, you know that La Paranza can help. We offer them some of our guys, and we see if it is possible to begin an internship there or in other organisations.” (Interview 0404, Naples, 2018)

The aforementioned similarities function in various ways. Firstly, partners are mostly local too; thus, they can benefit from co-operatives’ activities or show their support and approval for the projects. Secondly, they have affinities in their missions and visions of local problems and opportunities. This is the basis for generating and developing local networks, inside which participants can build and reinforce their vision, and strengthen collaboration and resources exchange

for mutual support. This structure shows the concretisation of Putnam's theories (1993, 2000) on the positive effects of social capital elements; thus, constant collaboration and repetition of interrelations reinforce these networks and expand them. Thirdly, they recognise the non-profit status and the commitment to communities in co-operators' activities; thus, they agree to create a supportive relationship with the co-op. A key element is the reciprocal knowledge, which generally arises from personal relationships between co-op founders and members of other organisations.

“Six or seven years ago, Ri-maflow decided to take a step into organic agriculture in this territory; as it is a firm in this territory, it decided to become part of our network for agricultural production, within a wider view of the ecological transformation of this economy. Nowadays, agriculture is one of the most polluting sectors, so they came to us and said, “We want to add sustainable organic agriculture into our activities.” We got in touch and helped them to make this one of their topics. What we are interested in are their spaces in the factory for product storage, and their project of solidarity logistics. Then, from this first activity, we created Fuori Mercato, which now is an independent political project for mutualism. We gave them a knowledge of organic agriculture, and they gave us a culture of mutuality.” (Interview 0201, Trezzano sul Naviglio, 2018)

“We're thinking of adopting the mechanism that La Paranza used for creating the St Gennaro Foundation, forming networks with the third sector to develop a new economic fabric and human capital. Since the beginning, eight new educational communities have started-up their activities in Rione Sanità. Therefore, we invest more in children, to prevent their abandonment. If today there is a call to provide start-ups with funds, the foundation will certainly present many ideas, and will support these new enterprises in their growth.” (Interview 0408, Naples, 2019)

Practical consequences are various, but the main outcome is the evolving capability to plan actions and projects together. When partners and co-operatives have positive feedback from their relationships and they test their abilities to work together, they tend to improve these collaborations. For example, in Mendatica, the relations with the nearby village Montegrosso Pian Latte began with a summer excursion that Pro Loco commissioned to Brigì. Then, thanks to the positive results and personal relationships, the collaboration has evolved into diverse annual excursions that involve the local restaurant for meals after hiking. The Fuori Mercato project arose from the collaboration between Ri-maflow and local organic farmers and solidarity-based consumer groups. Furthermore, the Anversa degli Abruzzi municipality is considering transferring the management of the local football pitch to the co-operative. The Foundation St Gennaro is the result of a huge amount of collaboration between La Paranza and the local third sector and many events at Post-Mod are stable collaborations between the theatre and local associations. All these relations bring benefits to both the co-operatives and partners: firstly, community co-operatives accomplish their community mission, giving support to these local organisations in realising these co-planned projects. Secondly, co-operatives have economic benefits because these activities generate revenues, and/or lead more clients to know about the services and use them. Nevertheless, what is important is the possibility for co-operatives to learn more about their contexts: co-operators spend a huge amount of time and effort keeping their organisations running, and this can distract from the core mission of community service. These collaborations help to keep the focus on local communities and issues, by always trying to devise new solutions for territories.

“What immediately surprised me during the first meeting (with Ri-maflow) was the great cultural value in their enterprise. I did not see warehouses that reproduce traditional working

patterns, but a vivacity, vitality, creativity and intelligence. These are also characteristics of our school: the creativity, but even the attitude of getting ahead by proposing new things. [...] Later on, we created a wonderful show for them, dedicated to the Argentinian tango, to celebrate the relationship with the Argentinian empresa recuperada [...] What they have done for us is given incredible help in developing our solidarity network. From the encounter with them, we have developed this network; they have helped to put us in contact with other realities and people; furthermore, they help us to find new solutions for our future.” (Interview 0205, Corsico, 2018)

“Our foundation deals with psychiatric problems and it organises events to make people aware of this issue, in particular through movies. The father of one of our patients is a famous Italian scenographer; he is also the foundation’s president, so it was easy to form the connection with the cinema. In 2014, through our relations with local organisations we met Fiorivano le Viole, and we thought of organising movie selections on mental illness problems; there, the idea of the Perugia Film Festival was born, and Post-Mod became the main partner.” (Interview 0505, Perugia, 2019)

As mentioned above, these networks bring both material and immaterial resources to community co-operatives. Partners contribute their views and information on local territories with community co-operatives, to develop collaborative responses to local issues. This allows co-operatives to extend their understanding and have a broader basis for planning their actions and activities. In Mendatica, the town hall and co-operative work together for the village’s safety, ensuring basic maintenance and improving its attractiveness. Ri-maflow incorporates partners’ issues and political claims in this political vision, enlarging the projects to include other social demands. In Anversa, people share ideas for future projects, and pass information on land usage to potential participants. La Paranza integrates its social mission with other projects from partners within the Foundation St Gennaro, such as children’s tutelage, or necessities for urban regeneration interventions. Post-Mod expands its cultural offer through partners’ active participation.

The cognitive and structural elements of social capital have a role in the functioning of these networks; in concrete terms, the extension of relationships between co-operatives and partners grows from first informal contacts to constant relationships with a certain level of formality (agreements or professional collaborations), and these constitute the structural social capital. Furthermore, both sides feel trust and consider collaborations fruitful for their purposes, either for communities or organisational. Going further in the analysis, these elements convert the trust and reciprocal knowledge into valuable resources for participants. Certain partners invite people to use co-operatives’ services or buy their products because partners guarantee their trustworthiness; partners can also play a key role in advocating co-operatives to external observers. Among co-operatives and partners, there can also be economic transactions; instead of supplying outside the community, local enterprises can choose to strengthen local economic relations and reinforce each other. By gaining a specific view of these local networks, the particular nature of each interrelation emerges. Networks assume different aspects related to the objectives formed by co-operatives and partners. Thus, where the main focus is tourism, the network involves mainly tourist operators and develops projects for tourism activities; whereas a local network for creating new social activities engages key local players in the field of social work.

6.9.3 Assessment of Partners' Collaboration

As Table 6.13 shows, partners have a key role before and after the start-up phase. During the start-up phase, 8 out of 11 involved partners are part of the co-operators' personal networks; they encounter co-operatives because members share the project with them, and they decide to join it. The majority of partners (23 out of 34) entered the co-operative's networks after the start-up phase, when they either heard about these projects from their personal networks (10 out of 23), or from information channels such as word-of-mouth spreading or local media (13 out of 23). To sum up, 18 out of 34 partners have connections with co-operatives through personal relationships. Co-operatives establish a first group of partners during the start-up phase, but only after they have consistently enlarged the group, and mostly based on promoting their project rather than co-operators' personal relationships. This proves that other organisations have a certain interest in co-operatives' projects and ideas, and shows how co-operatives structure their structural social capital bonds. Partners' feedback on community co-operatives' work and collaboration with them are positive.

First, 31 out of 34 agree on the fact that co-operatives contribute to the local socio-economic development. Second, and most importantly, there is total agreement in considering trust and collaboration as key elements for the functioning of partners' organisations; this means a parallelism between organisations' internal view and what partners see in the collaboration with co-operatives. These subjects consider the aforementioned values to be important in their realities, so they transfer this relevance into relationships with co-operatives; this proves the existence of those elements that enable the cognitive social capital to function. Generally, partners have a positive opinion of local community co-operatives; they see these organisations as key actors for local socio-economic development. Furthermore, 33 out of 34 partners trust co-operatives and co-operators; this happens thanks to the permanent relationships among organisations and the success of previous collaboration experiences. Practice and material aspects reinforce this feeling and belief in each other. Therefore, 31 out of 34 positively assess the relationship with these co-operatives; nevertheless, 23 out of 34 say that the collaboration can be improved in quantitative and qualitative aspects. Despite the possibilities of improving these relationships, there is a general satisfaction among partners and co-operatives regarding their work together.

Table 6.13. Features and Assessment of Co-operative-Partner Collaborations

| Features | Assessment |
|--|--------------|
| Partners involved in the co-operative start-up phase | 11 out of 34 |
| Partners involved in the co-operative start-up phase on the basis of personal relationships | 8 out of 11 |
| Partners involved after the co-operative start-up phase | 23 out of 34 |
| Partners involved after the co-operative start-up phase on the basis of personal relationships | 10 out of 23 |
| Partners who believe co-operatives contribute to local socio-economic development | 31 out of 34 |
| Partners who consider trust and collaboration are important for their organisations | 34 out of 34 |
| Partners who feel trust in local co-operatives | 33 out of 34 |
| Partners who positively assess the collaboration with the co-operatives | 31 out of 34 |
| Partners who want to implement collaboration with the co-operatives | 23 out of 34 |

As explained in Chapter 3, the research aims to grasp diverse points of view in social realities where co-operatives operate, and partners have a particular vision of these community organisations. Even if there is generally positive feedback on co-operators' work, some partners point out critical issues which can help co-operatives advance in their work. An external point of view can support a wider vision of these organisations, and can add elements to the research which would otherwise be missed if the analysis limits its action to internal participants in co-operatives.

“It is difficult to establish roots in the deepest levels of this community, even if they are a community co-operative. Even now, the presences in the park are limited to those who work there, young people from Mendatica and Montegrosso, and some others. Therefore, many people go around in the park, but are related to those who work there.” (Interview 0101, Mendatica, 2018)

“I think many people in Trezzano do not know what Ri-maflo really is; in a certain sense it is known, but in another way it is unknown. For example, I live in Trezzano, but when I passed in front of this factory, I did not know what it was. I saw the large stripes but I could not understand what was inside. On this point, Ri-maflo's capacity to socialize its project is still underdeveloped.” (Interview 0208, Trezzano sul Naviglio, 2018)

“The co-operative must abandon the false expectation that it can survive only with public contracts from the town hall. For a qualitative improvement, they need to do more. I would like to see young people from Anversa produce something local, but nowadays they do not have the minimum conditions, so they must go outside the village and find other relationships. They can produce whatever they want, which they cannot do alone.” (Interview 0301, Anversa degli Abruzzi, 2018)

“Rione Sanità is now a benchmark for this city and, consequently, it triggers jealousies. [...] Sometimes, I think it is better to decrease the visibility and the fame, or people will talk about

you without any good reason. [...] If the project raises too much clamour, it will attract many conflicts and jealousies.” (Interview 0405, Naples, 2019)

Partners can contribute diversely to co-operatives’ development, even criticizing them; thus, the external view can provide a broader perspective on the co-operative’s community development work. Furthermore, the relationships based on trust can allow the sharing of critical views, because partners know that co-operators can have confidence with them.

6.10 Relationships with Local Public Authorities

Investigating this aspect is relevant for the analysis because relationships between community co-operatives and local authorities represent a key factor; these can be either positive or negative, and in this way the factor influences the co-operative’s approach to the territory. The general examination identifies the relationships with local territories as the main factor that determines how co-operatives work, and how co-operators intend their commitment towards communities. Local public authorities are particular stakeholders; they regulate local society and express the political approach to future developments. Moreover, many authorities are the local assets’ owners; thus, they can support the development of community co-operatives and also, the town hall can transfer local services to these collective organisations. Although this is a general trend which has promoted further collaboration and partnerships between public institutions and the third sector, a positive relationship cannot always be predicted. As the analysis aims to explain, the community co-operative is formed in a social sphere where various actors position themselves and confront each other in order to state their visions; they support it with different resources, such as the social, cultural, and economic capitals (Bourdieu, 1986).

Co-operators participate as actors, play their strategies to achieve objectives for creating businesses, and run them; therefore, they see local public authorities as subjects to deal with in any case, because organisations need approval in order to operate. Public authorities play a key role, as they can either favour or obstruct co-operators for many reasons; on the one hand, local politicians can see an advantage in supporting these organisations because they establish and strengthen key relationships with the territories, and politicians can indirectly benefit from these. The political relationship can find common ground in those values that co-operators put into their co-operatives, such as solidarity, proud localism, or sustainability; politicians may have the same concerns in their political beliefs and share them with these organisations. Moreover, community co-operatives have been pointed out as an efficient solution to compensate for public authorities’ withdrawal from the general administration of common interest, thus favouring the partnership between them and the citizenship. Promoting community co-operatives realises this political view, and supports local authorities in developing a shared management with the local civil society and third sector. On the other hand, local institutions can see these initiatives as a threat to their authority; in particular, those politicians who build their local power on a personalist administration of local services and wealth in general, distributing resources according to their inclinations. The rise of community co-operatives could seem to threaten the concentration of local power in particular hands; consequently, politicians might not agree, or obstruct these co-operatives.

The five case studies present diverse situations and different degrees of collaboration and conflict between co-operatives and local authorities. The most positive situations are in Mendatica and Rione Sanità, where local players have collaborative and constructive relationships. In Mendatica, the co-operative project originated in the agreement between the town hall and local young residents, to

provide a collaborative management of public assets for tourism activities; a formal agreement defines the obligations and compensations of this relationship. In Rione Sanità, the local council openly supports the co-operative in its work; the public authorities favour La Paranza's activities and advocate them to the population. The situation is different in Perugia, where Post-Mod's co-operators affirm that they do not have any kind of relationship with the municipality, except for ordinary bureaucracy; moreover, they have no intentions to modify this situation. AnversiAmo and Ri-maflo do not have fully positive relationships with municipalities, for different reasons; although there is no open conflict between AnversiAmo and the town hall, the situation does not present elements of reciprocal trust. The community co-operative project was part of one mayoral candidate's political programme; despite being defeated in the election, the local politician decided to promote the project in any case, and many co-operators were open supporters of this political side. According to interviewees, there is no conflict, but the town hall does not favour the co-operative activities and often dampens their enthusiasm. The extreme case is Ri-maflo, where there is an open conflict between the co-operative and the town hall: the mayor has declared his total opposition to the occupation, claiming the guarantee of the legality as the main reason for his fight. Activists have a very critical view of the local authority, because they see a huge fury against their initiative, and an incomprehensibly mild position on the Mafia's presence in their territory.

Each case shows a different degree of relationship with the public authority, from a formal situation to an open conflict; it is deducible that the partnership with the town hall can benefit the co-operative, whereas an open conflict or a relationship based on suspicion will obstruct the useful development of local networks. In Anversa degli Abruzzi and Trezzano sul Naviglio, the local population is divided clearly and strongly into groups that either support or oppose the co-operatives, and these situations are difficult to reconcile. Furthermore, these negative relationships require efforts for a continued debate within local societies, regarding the legitimacy of community co-operatives. Organisations struggle to find continued support and justifications for their presence, and they have to face other people who hold opposing views. It must be said that these factions of the local population are present also in the other communities: section 6.11 on citizens' opinions clarifies this point; however, the conflictual relationship with the local authorities heightens these divisions and puts the co-operatives in risky positions, because they might see the obstruction of those activities that ensure their necessary incomes. Bourdieu's theorisation of social conflicts in social fields clearly explains these dynamics, and shows how people and resources are aggregated in order to sustain a particular position; moreover, behind each position there is a symbolic power that has to find its legitimation. Co-operators' personal networks here have a key function, because these people who orbit around co-operatives, along with local partners, constitute a concrete way to strengthen advocacy for co-operatives within the local public debate. Local authorities and political forces must deal with networks and resources that co-operatives can activate to legitimise their position; where there is a positive relationship, they can be also useful for the local public and political power; otherwise, they will be used to defend the co-operative's existence. In the interviews, a specific section is dedicated to investigating these relationships: all the co-operators, partners and citizens responded to two questions on these relationships:

“Do you think that the co-operative is a substitute for the local authorities in the socio-economic development of this territory?”

“Do you think that the co-operative might be more legitimated in its work if it were a public authority?”

These inquiries aim to grasp active participants' opinions on these key relationships between co-operatives and local authorities. It is important to collect information from diverse points of view, and understand how local players assess these connections. Furthermore, the analysis needs to include an examination of how players interpret the recent evolution from a monopolist management of common goods and local administration, to the new features of a collaborative relationship between public and private, for local socio-economic development.

The replies give different perspectives on how co-operatives and local authorities can collaborate; the diverse situations, relationships and political features determine a range of possibilities that variously describe possible configurations and interpretations. In the context where private and public sides have the most formal agreement (Mendatica), subjects maintain that it is not a substitution, but a fruitful and positive collaboration. People think it is impossible to replace the public with private; everyone has their own area, and the innovative collaboration has favoured the compensation where public authorities cannot have a direct impact. As the public partner confirms:

"I do not think there is a substitution. In this collaborative form, I do not see a substitution."
(Interview 0102, Mendatica, 2018)

In Rione Sanità, despite the positive relationship, players think that the co-operative and the whole third sector have replaced public institutions. Over the decades, relationships between authorities and the citizenship have been very turbulent in this borough; people feel the necessity for a further involvement of public authorities, but they are sure that the new non-profit organisations have taken the place of public authorities in addressing certain local issues. Nowadays, the bond between the third sector in Rione Sanità and the local municipality has been restored, thanks to the involvement of the new president of the local council; nevertheless, locals require more interventions, and want to see a major presence of public institutions in terms of security and investments.

"Fortunately, in the last years, we have re-established a peaceful relationship with the local council and Naples town hall after 20 years of their absence. We have decided to begin regardless of the bond with public authorities. We knew that they were a problem rather than a benefit, because there were no services or communication from them. We have worked on their behalf. Recently, we have re-activated the relationships with the local council, which is led by a young guy who has grown up with us." (Interview 0402, Naples, 2019)

Despite a previously negative situation, the current configuration is evolving towards a positive and collaborative relationship. Co-operators and other subjects agree on the fact that there is a substitution, but this condition does not exclude co-operative behaviours among players. Even in Perugia, the absence of direct participation by public authorities favours the idea of substitution by the co-op. There has never been any direct intervention, presence or support, for either Post-Mod or the local citizens' association: first, both organisations have never required this support; and secondly, the town hall has not expressed its interest in supporting the initiatives. Therefore, reciprocal non-conflict and non-consideration has generated in local players the idea that their work has replaced the public authorities' tasks.

"Surely in this area the public authority has been pushed to accept the presence of these entities; these cultural and social initiatives have a key role and they definitely do this of their own will and not due to an indication from local authorities." (Interview 0514, Perugia, 2019)

The belief that they are acting to replace public authorities is strongest in those situations where the conflict is more severe. In Anversa degli Abruzzi, certain co-operators think that their local actions

are necessary to replace the political immobilism. The town hall's position on the community co-operative's project is weakly defined, and it marginally favours the co-op's activities; on the other side, AnversaAmo thinks that many citizens do not support their project because this could risk antagonising the mayor. Despite the negative situation depicted in many interviews, there is room for improvement in the relationship, and this can bring benefits to both sides.

“In Anversa, according to my experience, it is complicated to replace the public authority because we try to do our best, but a certain share of the local population disagrees with our project. If we try to do innovative things, the town hall says no, and insists that we just do ordinary stuff.” (Interview 0303, Anversa degli Abruzzi, 2018)

In Trezzano sul Naviglio, the open conflict spreads the idea of a necessary substitution, because, according to activists, the town hall has no interest in solving certain problems, such as the necessity to regenerate factories and fight the Mafia. Ri-maflow members claim they have achieved recognition of their efforts to save their jobs, even if it has required illegal actions and extreme decisions. Activists agree that Ri-maflow does not entirely replace the public functions of local authorities, but they consider their initiative as a concrete alternative to the absence of valid choices for rescuing the local economy.

“They (Ri-maflow and public authorities) have different roles and cannot be substituted. We can say that if Ri-maflow can survive and have spaces and possibilities for regular work, it can have an important role in the local economy and in the social life, considering the participation and re-activation of people's social activism for their social conditions.” (Interview 0204, Milan, 2018)

Considering this information, the analysis can conclude that the relationship with public authorities is important for the growth of community co-operatives. With this support, co-operatives can gain major security regarding their role in local society. When there is a positive collaboration, co-operators theorise their efforts as a collaboration with public institutions, rather than a substitution and compensation for their withdrawal.

Moving the analysis to the second question, the replies give an idea of people's thoughts about the public authorities' role in local socio-economic development. The aim is to individuate how the private nature of these co-operatives has effects on their territories, and to hypothesise possible differences if a public entity were charge of local development. Responses are diverse among the five cases; there are general considerations found in every context. First, in those contexts with a higher level of conflict, there is a strong conviction that if community co-operatives were public institutions, they could be viewed differently by locals. This is explainable by a public institution having possibly greater legal authority than a private initiative by certain citizens. Generally, people agree that citizens' opinion of community co-operatives might be different, and maybe better, if they were public authorities. Nevertheless, the overall view recognises the importance of community co-operatives as private initiatives that can overcome the static and immobilised public procedures. Interviewees accord a special value to the fact that community co-operatives have brought innovation and regeneration into territories; a task that seemed very difficult for public authorities. To conclude this part, it is possible to see how the private nature of these organisations has had a key role in their action as local developers, because they can have better approaches to problem-solving, compared to public institutions.

6.11 How People Perceive Community Co-operatives: Citizens' Opinions and Notes from the Field

In order to complete the broad examination of the different points of view expressed in local societies, the social analysis considers how local citizens, who are not directly involved in community co-operatives, assess these initiatives. Despite it being the clear intention of this research from the beginning, the analysis has been unable to benefit from many interviews with local citizens. In many cases, there was a reluctance to give answers in a formal interview; for this reason, much information from local contexts where community co-operatives operate is obtained through notes from the field. The main justifications for not agreeing to the interviews were a general diffidence and the use of audio recording. Nevertheless, through dialogues and informal chatting, it was possible to collect certain points of view, particularly those critical of local co-operators. These oppositions might be interpreted as a way for people to freely say what they want, but without any risk of consequences. In any case, findings from the notes reveal interesting information about certain parts of the local population that negatively view these co-operatives. In addition, certain local citizens who agreed with the community co-operatives allowed the recording. Therefore, this section benefits from dual sources: recorded interviews and notes from the fieldwork.

Respondents in all contexts, even those people not directly involved as either members or beneficiaries, have a general idea about the local community co-operatives. In certain cases, when the interviewees did not know about the co-operatives, information was provided which enabled them to express their opinions; but this situation occurred only a couple of times. The most interesting results derive from the notes taken from many dialogues with local citizens; in all contexts, there is a certain degree of criticism towards community co-operatives and their actions. Generally, the result is that certain people in their communities do not approve the co-operators' work and decisions. Many times, co-operators expressed their frustrations with these situations, which compromise their relationships with territories. Clearly, the social context where these dynamics happen deeply influences their forms, and the consequences for engaged subjects.

As emerged in the previous sections on co-operators' profiles and co-operatives' values and moral norms, many co-operators see an ethical barrier between them and certain citizens, due to the non-sharing of these values and norms. Furthermore, there are precedent frictions and conflicts in co-operators' private life, which they consequently bring inside the co-operatives.

First, rural and urban contexts determine different dynamics. The particular frictions inside a 200-person village or a huge urban neighbourhood are diverse, and involve different aspects of social life. Mendatica and Anversa degli Abruzzi are the two case studies located in rural contexts: in both cases, the local population have a general idea of what the co-operatives do; they have been huge news in these small villages, so this news has had a significant and wide spread. For Ri-maflo, La Paranza and Post-Mod, the situation is different; they have spent time and resources to become known in their communities, yet they still have not reached all the population. Interviewed people know about the co-operatives due to different sources, such as word of mouth, local newspapers, or TV news. In villages, the knowledge is direct, and citizens know who members of the co-operatives are; on the contrary, in urban contexts, people are aware of what these organisations are, their work, and locations. The main difference lies in whether there is direct contact with those involved in community co-operatives; thus, in small contexts, there is direct knowledge of those who work and participate the co-ops. By contrast, in rural contexts, people are aware of the co-operative's name, and have an indirect knowledge of them based on media and word of mouth. This key variation determines the different causes of local conflicts between some citizens and community co-

operatives. In rural contexts, the personal relations between co-operators and external people can trigger problems for community co-operatives; as demonstrated in this chapter, co-op members variously contribute to the organisation's growth and success; however, their presence in the co-operatives can also create frictions with the local population, based on previous occurrences. As the interviewees and local people say, in village contexts, disagreements can continue for years, and frictions can involve entire families. It is possible to see this in Mendatica and Anversa degli Abruzzi: people who do not support co-operatives have personal conflicts with co-operators; or they have close relations with people who fight against co-operatives; or they generally dislike those who have created the co-operatives. In any case, the personal relations determine this criticism; in a few cases, citizens' criticisms are based on valid arguments related to management issues or services' functioning. In most cases, criticisms are directed at co-operators and then to the co-operatives; co-op members reveal that they have conflicts with these people because they do not share same visions, values, and inclination for local activism; but they also confirm a certain degree of personal opposition due to other issues. In a few cases, the tone of the critiques was accusatory: in Mendatica, where there is a positive and constructive relationship between Brigì and the town hall, some citizens claimed a possible case of personalism and favouritism towards co-operators. They blamed both the mayor and Brigì members for non-clarity in the management of public properties, and they talked about possible frauds. The extreme level of these accusations shows how conflicts can be deeply embedded in these social contexts; other commentators point to the fact that the three main actors in the village, namely the town hall, community co-operative, and Pro Loco association, are composed of the same three or four families that share local power among themselves. Consequently, many people complain about the co-operatives' management of public assets, because they do not see enough efforts for the community; they explain this fact in terms of favouritism towards young co-operators. If the assets usage is taken for granted, there are no incentives to do a better job. As explained in Chapter 5, this situation led the mayor to open a public call for managing the park and B&B, hoping that this could improve the transparency of public procedure. In fact, there were no other offers for managing the assets, and Brigì continues with a stronger right to do its work.

The analysis must explore this situation of how social conflicts within local society can determine public decisions, and this could even lead to the situation where the co-operative can lose its main assets. In Anversa degli Abruzzi, many people who do not have direct relations with the co-operative, but know people who are engaged with it, have no hope for the village's future, and they consider the co-operative a waste of time. Certain citizens have a direct relationship with the mayor, who has a moderate position regarding the co-operatives: according to other villagers, these people do not want to have problems with the mayor, so they oppose the co-op a priori. Therefore, we can see how social dynamics generate consequences on a practical level, based on pre-existing reasons. As the social capital framework explains, without reciprocal trust there can be no collaboration: trust is based on positive relationships and the respect for moral norms that govern these relationships; thus, people establish relationships with those who have similarities and agreement with them. Social oppositions within local social fields aggregate people into different groups that try to impose their symbolic interpretation of the world. Thus, it is not surprising that co-operators depict conflicts with the local population as a division between those "who understand" and "who do not understand" the values of altruism and self-activation. In the two villages, co-operators identify their objectors as those who do not volunteer in local associations, are not involved in any social activity, do nothing for others, and mostly vote for an opposite political side. These rural contexts show us the functioning of social capital elements and their consequences; the same views aggregate the same intentions, and gather resources to help groups foster their symbolic power as the main framework for interpreting the social

reality. Relationships among people who believe in collaboration and reciprocity express one or both of these beliefs, and they constitute the community co-operatives.

In urban contexts, it is possible to find certain similarities with what happens in rural areas; nevertheless, the dimensions of urban contexts do not allow frictions to develop only on the basis of personal oppositions. Ri-maflo presents the worst case in terms of conflicts inside the society; these are due to the town hall's open opposition to the initiatives. The firm determination of the mayor directly influences parts of the local population that agree on the fact that Ri-maflo must be closed. After the relocation to the new site (May 2019), the main criticism regarding the illegal occupation of the factory ceased; nevertheless, this again proves a certain amount of division inside the community. La Paranza and Post-Mod show a milder situation, according to what it was possible to understand and collect: in Naples borough, few people disagree with the priest's firmly respond to the Vatican's request; one person thought that the priest went too far with his opposition to the request to devolve 50% of incomes to the Vatican. Other critiques refer to the idea that people who do not attend church activities cannot have help from the co-operative and foundation, because people must be in line with the priest's position if they hope for a collaboration. Despite the reasonability of these thoughts, the main point that they highlight is again the division between different meanings and symbolic powers that aggregate people and resources. Co-operators say that the situation is better than in the first years when no one knew what the co-operative was; nowadays, few people criticise the co-operative and most appreciate their work, as the Vatican affair proved. To conclude, Post-Mod and local citizens do not seem to have any kind of friction; co-operators report neighbours' complaints regarding clients' noise during the night; but except for this, nothing relevant emerged during the fieldwork.

6.12 Structural and Cognitive Social Capital

To conclude the chapter, this section analyses the two main features of the theoretical framework: structural and cognitive social capital stay over the entire analysis, because they encompass those elements that enable the entire structure to work. Both the community development process and community co-operative depend on these; without relationships and governing values, the researched objects cannot be created, nor can they function.

The five case studies confirm how structural and cognitive social capital elements have a central role from the start of projects. As co-operators report, they immediately shared the idea with acquaintances in their personal networks. Essentially, the ideas of community service and regeneration of local assets push founders to enlarge the call for action to other people, because, as every case confirms, if a co-operative wants to serve the community, it is reasonable to involve many people in the project. Therefore, founders and supporters also contribute their social connections to the co-operative's creation, as a key resource for the start-up phase. As argued in Chapter 2, social capital is considered a capital because it can make a significant contribution to an organisation's foundation.

The structure of Chapter 6 has clearly represented the evolutionary process by which informal groups achieve formal status as community co-operatives. It is possible to see how structural social capital has a relevant role in constituting not only the formal co-operative, but also the social group behind it. Concrete relations enable the debate inside the community; and through these constant confrontations of diverse views on local issues, co-operative founders can elaborate their idea

according to their habitus, thus developing the co-operative strategy as a *modus operandi* for resolving the community's issues.

“We decided to begin with three and understand what we wanted to do; nevertheless, for opening the park in the first season, we needed more people. The co-operative's doors were open, so we invited other young residents to join us; they all attended the two meetings we organised to explain what we had in mind with the co-operative. [...] Our relations with the territory were fundamental for the project's success.” (Interview 0106, Mendatica, 2018)

“At the beginning we were five, then we debated with other colleagues and the group got bigger.” (Interview 2010, Trezzano sul Naviglio, 2018)

“Personal relations or casual meetings then became opportunities for collaboration, but the encounters do not happen randomly, they arise from common knowledge and the purpose of working as a team.” (Interview 0402, Naples, 2019)

Moreover, community development processes and community co-operatives' projects introduce other topics to the local debate on issues and possible solutions. Bringing the community co-operative argument into the discussion means a consequent introduction of other aspects, such as assets regeneration, future plans for the micro-economy, and local subjects' collaboration. Co-operative promoters and supporters use their structural social capital relations and develop new ones, because they need to expand the network for forming the co-operatives. The community development themes form nodes for these networks; around these topics, promoters aggregate people who are interested in them and are inclined to participate in projects.

“The values are our love for the territory, for our village, and for the work we do in the co-operative.” (Interview 0103, Mendatica, 2018)

“Our values are those of the co-operation and solidarity world, the territorial cohesion within which we work. The entire value structure is preserved by the co-operative form where everyone matters.” (Interview 0307, Anversa degli Abruzzi, 2018)

“Our identity is a key value for us. It is our desire to devote our objective to the common good. Indeed, we did not choose a traditional firm form, but we decided on a co-operative. Alongside, the religious values and the common recognition of Pope Francis as our leader are another element that unites us. The value of human beings is at the core of our planning, and listening to our territory is fundamental, and allows our projects to be bottom-up.” (Interview 0402, Naples, 2019)

“We care about our territory and its development, and also we care about how we work for this purpose.” (Interview 0501, Perugia, 2019)

In addition, these networks proceed in their work because people add values to these relationships and collaborations. These networks do not assemble sporadic social interactions or disinterested relations; rather, they gather people, organisations and resources for shared purposes; and, more importantly, participants live these values, and see how they enable them to manage these relations and obtain general benefits. As the above quotes show, social relations that have these specific values can convert their operation into a stable and formal structure: namely, the co-operative. As explained in Chapter 3, co-operatives can be both facilitators and obstacles to the growth of social capital effects. People concretise their efforts for communities by formalising the structural and cognitive capital into the co-operative structure; this can involve other relations with other people and organisations,

thus transferring the cognitive social capital inherited from its members into this new structural social capital.

To conclude, it is clear that the relationships and the values they embody are key factors in the development of community co-operatives. They are the essential building-blocks for the process, and for the organisations that aim to foster community development in territories. Without these elements, individuals with ideas for revitalising their communities would have few possibilities for improving their projects with other local citizens.

Table 6.14. Interrelations of Community Development Elements, Social Capital Elements and Deriving Consequences

| Community Development Elements |
|---|
| <p><i>Co-operative Structure:</i> formalize founders’ intentions to be a democratic organization and enable the involvement of many people in the decision-making process. It embodies these values and proves to the rest of community foudners’ intentions for a common benefit project.</p> <p><i>Direct and indirect service for community:</i> due to the use of community assets and thanks to the sustain of various people and stakeholders, co-operatives can realize the communities’ interest, according to foudners’ intentions, which are confirmed by people’s participation and sustain. These intentions constitute the main element that enable the co-operative formation. Moreover, partners collaborate with co-operative thank to their mission for the community.</p> <p><i>Commons and Community Assets:</i> at the beginnings, founders see possible solutions using these assets, therefore, they have to convince the community about their objectives. They become co-operatives because they want to ensure the non-profit mission. Then, co-operatives gain these assets through the collaboration with local partners on the base of their aims towards communities. Moreover, they reinforce this use through spreading benefits in the community.</p> <p><i>Collaboration with Local Agents and Stakeholders:</i> community mission requires a wide sharing with communities, in particular with those subjects that can provide key inputs for the issues and potentialities understanding and can become future partners of co-operatives. Mostlry, these collaborations emerge from personal relationships between co-opertives’ founders and citizens in other organizations. Partners contribute with material and immaterial inputs.</p> <p><i>Use and Development of Personal Social, Economic, and Cultural Capital:</i> founders provide the first financial base for creating the co-operatives. Moreover, through their social networks they bring other people into the project, these subjects provide other resources for the co-operative start up and development. Co-operators and partners share same cultural capital.</p> |
| Social Capital Elements |
| <p><i>Structural Social Capital:</i> Founders’ have previous social relationships before the co-operatives’ start up. Collaboration with partners are mostly based on co-operators’ personal networks. Other connetions are made on the base of common projects for same purposes. Supporters sustain community co-operatives both materially (buying shares or devolving assets) and immaterially (providing information or promoting accounting)</p> <p><i>Cognitive Social Capital:</i> Founders share same cultural background, values and moral norms such as civic activism, altruism, and reciprocity; these enable the collaboration inside the co-operative structure. Previous experiences among co-operators ensure the trustworthiness among them. Partners share same values and objectives with co-operators; when the collaboration is based on personal relationships between them, the personal trust is translated into support to the project.</p> |

Chapter 7. Questionnaire on Italian Community Co-operatives

7.1 Main Features of Questionnaire Participants

Currently, there are no official data available on Italian community co-operatives, because a legal definition and a national register do not exist. During the planning phase of the research project (November 2016 – April 2017), in order to identify a possible number of community co-operatives in Italy, the research took advantage of the national bodies for co-operative managers’ counselling (Legacoop and Confcooperative). They gave an estimation of 60–65 existing community co-operatives in various regions. This figure is based on approximate estimations; these organisations do not have any complete register, so they have assumed this figure according to their knowledge. Alongside the data analysis, the chapter reports quotes from co-operators’ responses, in order to support the argument and examination. In many sections, the analysis states the most relevant answers. Not every co-operative is a member of one of the bodies; thus, this is a general estimation based on the knowledge of the bodies’ managers. As explained in Chapter 4, the online questionnaire aimed to reach the majority of community co-operatives through emails. After several rounds of email invitations, 29 out of the 41 invited co-operatives agreed to answer the online questionnaire. This can be considered a positive result, because it represents nearly 50% of the national sector.

This paragraph introduces respondents’ main features, providing information on the co-operatives’ geographical location, their year of foundation, legal forms, and their affiliation to a national body or not. These data demonstrate the sample’s variety, and allow this group to be considered a valuable sample for the general examination. Table 1 shows when the co-operatives officially began their activities.

Table 7.1. Year of Foundation

| Year | No. of Co-ops |
|------|---------------|
| 1991 | 1 |
| 2001 | 1 |
| 2003 | 1 |
| 2008 | 1 |
| 2011 | 3 |
| 2015 | 2 |
| 2016 | 4 |
| 2017 | 3 |
| 2018 | 10 |
| 2019 | 2 |

Officially, a date that signposts the beginning of community co-operatives does not exist in Italy; except for the regional legislations, the Italian Parliament has not yet promulgated a legal definition; therefore, it is difficult to formally define a starting point for this phenomenon. Nevertheless, among the national bodies for co-operatives, there is a general agreement that 2010 can be considered the moment when co-operators and practitioners started to think about this model in Italy. The occasion that generated the idea was the visit by Legacoop’s National President, Giuliano Poletti, to the Valle dei Cavalieri co-operative in the Apennine Mountains. Since 1991, Valle dei Cavalieri has worked for its community in a remote valley in Emilia-Romagna (Bianchi & Vieta, 2019). In 1991, the community co-operative idea was not in co-operators’ minds, but the Legacoop President saw in this experience features of the future model. From this first case, the Italian co-operative movement has developed the idea of community co-operatives. This explanation is necessary for proposing 2010 as the watershed in Italian community co-operatives’ history; before this date there was no notion of the community co-operative, but since 2010, the co-operative movement has developed and spread this concept among communities. Table 7.1 proves how the trend has seen a significant increase after 2010; co-operatives created earlier have converted their missions and names to the community co-operative model, because they have seen a huge affinity between their work and the model. The national bodies’ contribution is significant, and their programmes for developing new community co-operatives prove this commitment. In 2018, “Centro Italia Reload”, a project by Legacoop for sustaining those territories that were severely affected by the 2016 earthquake, tutored and financed 11 co-operative start-ups.³⁷ Later, the 2018 call for “Fondo Sviluppo”, Confcooperative’s fund, supported 28 start-ups³⁸ throughout Italy. Thus, the support provided by these programmes explains the relevant increase in 2018.

Table 7.2. Geographical Distribution

| Regions | No. of Co-ops |
|----------------------------|----------------------|
| Abruzzo | 4 |
| Calabria | 3 |
| Campania | 1 |
| Emilia-Romagna | 4 |
| Lazio | 1 |
| Liguria | 5 |
| Lombardia | 2 |
| Marche | 1 |
| Puglia | 1 |
| Piemonte | 1 |
| Sardegna | 1 |
| Toscana | 3 |
| Trentino-Alto Adige | 2 |

Table 7.2 presents the geographical distribution of the sample; the 29 co-operatives cover the majority of Italian regions (14 out of 20), from north to south.

³⁷ www.legacoop.coop/cooperativedicomunita

³⁸ www.fondosviluppo.it

Table 7.3. Co-operatives' Legal Forms

| Legal Form | No. |
|----------------------------------|-----|
| Workers Co-operative | 10 |
| Social Co-operative | 10 |
| Community Co-operative | 6 |
| Service Co-operative | 2 |
| Agricultural Co-operative | 1 |

Furthermore, the legal form categories prove the sample's variety. The absence of a national law on community co-operatives forces local groups to formalise their efforts into diverse forms. As Table 7.3 shows, there is a general trend towards either the workers or social co-operatives. Diverse reasons can explain these choices: workers co-operatives associate people with the same professional needs and competencies in order to carry out economic activities, or other types, as will be shown in the next sections. This legal form mostly responds to the need for employment and the creation of working activities. Social co-operatives, in particular the type B (see section 1.3.2), which favours the social integration of people from disadvantaged groups, also contribute to creating working activities. Additionally, this legal form allows working activities in order to nurture people's skills acquisition. The six co-operatives that have already named themselves "community co-operatives" are based in those regions that have legislated on this topic; consequently, they can assume this denomination. The last three cases, in the categories of service or agricultural co-operatives, are in line with the general idea of a local co-operative that works to provide services or support local activities. These legal forms help to create useful business management that co-operators will employ to serve the community interest.

Table 7.4. Co-operatives' Size³⁹

| Size | No. |
|--|-----|
| Micro (Fewer than 10 members) | 5 |
| Small (From 10 to 49) | 11 |
| Medium (From 50 to 249) | 11 |
| Large (More than 250) | 2 |

Co-operatives' dimensions is another key element in the sample description. Figures show the general distribution among various categories. This figure reveals an important insight for the general view of the phenomenon: this is the capacity to aggregate a consistent number of members inside these organisations. Formal members are not necessarily also workers; many are just supporters who

³⁹ Adaptation of the Eurostat enterprise size data (https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Enterprise_size)

sustain co-operatives financially with their shares. In certain regional legislations (Abruzzo and Puglia), the law requires a minimum number of members, which involves a certain percentage of the local population; therefore, co-operatives register these members as “supporters”.

It might be interesting to further analyse the differences among co-operatives with different sizes, in order to understand the internal functioning of those with large dimensions, and the extent to which small co-operatives represent their communities. The figures indicate that co-operatives can be either small, medium or large; but in any case, they define their characteristics on the basis of their services for communities. The issue regarding the co-operatives’ size recalls the open debate on the nature of community co-operatives; experts question whether community ownership is a sufficient requirement for determining that a co-operative is a community enterprise, or if its services’ utility for the community is the relevant factor. This point is central to the debate, because it addresses the discussion on the characteristics that a co-operative must present in order to be called a “community co-operative”. How can a micro co-operative represent the community? How can a 250-member co-operative ensure the democratic participation of every member in its decisions, and fulfil each individual’s need? This is an ongoing debate regarding how to determine the general community enterprise concept; what we can see from the sample is that whatever their size, these co-operatives have set their function as the mission towards their communities, and they serve them in different ways.

Table 7.5. National Bodies Membership

| National Co-operative Bodies Membership | No. of Co-ops |
|--|----------------------|
| None | 12 |
| Confcooperative | 7 |
| Legacoop | 6 |
| Both | 2 |
| Other | 2 |

Table 5 concludes this first section on general information. Co-operatives can decide to join a national body for co-operatives, and take advantage of its services. As Table 5 shows, 17 out of 29 co-operatives are either members of one body or of two. Confcooperative and Legacoop are the main bodies for co-operatives in Italy, and they hugely support the rise of community co-operatives in every region. During recent years, they have promoted many initiatives and devoted huge resources, as explained above, to increasing the number of community co-operatives. In their responses, co-operators explain the benefits of joining these organisations, such as fiscal assistance, management and marketing tuition, counselling, and financial support.

7.2 Starting a Community Co-operative: Founders, Reasons and Resources

In order to continue the general analysis on the sociological aspects of Italian community co-operatives, the research here presents the examination of information regarding founders’ main features, initial scope, and resources used during the start-up phase. Initial elements of community co-operatives explain the main features of these organisations; by looking at founders and purposes, it is possible to understand what necessities and ideas motivated the social groups behind the co-operatives.

Table 7.6. Founders

| Categories | No. of Co-ops |
|---|---------------|
| Informal Group of Citizens | 18 |
| Informal Group of Young Citizens | 6 |
| Public-private Partnership | 2 |
| Local Enterprise | 1 |
| Third Sector Organisation | 1 |
| Citizens and Migrants | 1 |

The overwhelming majority of co-operatives began their project from an informal group; certain respondents have specified that young residents formed these groups. This information contributes to the general analysis by providing the main details of co-operatives' founders; the informality implies that people in these groups had previous relationships, and together decided to start-up their co-operatives. This means an autonomous intention to do something for their own community; citizens share the project and create it by themselves. Furthermore, it is notable that 8 out of 29 respondents underlined the young age of their founders; this highlights the commitment that young residents had towards their communities.

"A group of young residents from the local Pro Loco association." (Respondent no. 3)

"Founders are four people who have believed in the project and have created an informal group that could propose ideas and actively participate in developing the co-operative project for the territory." (Respondent no. 7)

"A group of friends." (Respondent no. 11)

"Public authorities and private citizens." (Response no. 12)

The fact that founders groups have mostly had an informal aggregation, rather than the co-operative being conceived inside a formal entity, can also signify the necessity to develop the projects outside other formal structures, and generate something new. The other responses show diverse cases; a partnership between a local public authority and a private firm is another option. Here, the public partner is a member of the co-operative, and takes part in the start-up phase and delineation of the co-operative. In this case, there is a strict relationship with the public sphere; this seems to prove a fruitful collaboration, after the first steps between the public and private sides of local societies. In these two cases, the local town halls have contributed their own economic funds to the co-operatives' foundation. The last three cases see particular forms of community co-operative creation, because behind the collective firms there are not groups of citizens, but other organisations, such as local enterprises or third-sector organisations. Particularly interesting is the case of the community co-operative created by local citizens and immigrants, to enable the survival of a small village. Here the interests go beyond local citizenship, and also embrace the needs and opportunities of new inhabitants of a territory. In particular, this project aims to create collaboration between citizens and guests of a local centre for refugees, asylum seekers and immigrants. This information shows the range of

possible founders behind each co-operative; these organisations can gather citizens, public authorities, private enterprises, third-sector organisations, and even recent immigrants to the territories. Nevertheless, founders tend to be local citizens who look for a formal structure to formalise their commitment to the community, and to create economic activities. Despite the overwhelming majority citing local economic development, the reasons that lead people to create a community co-operative can be various.

Table 7.7. Reasons for Community Co-operatives

| Co-operatives' Aims and Objectives | No. |
|--|------------|
| Local Economic Development | 19 |
| Revitalise Rural and Mountain Areas | 13 |
| Local Services Management | 9 |
| Promotion of Territories | 8 |
| Actions for Young Residents | 6 |
| Protection of Local Traditions and Heritage | 4 |
| Common Goods | 3 |
| Social Integration | 3 |
| Networks Among Local Firms | 2 |
| Sustainable Energy Production | 1 |
| Migrants' Integration | 1 |

Table 7.7 sums up the responses regarding why co-operators began their organisations. These results prove how in different regions, various groups can have diverse reasons for starting up a community co-operative. Each co-operative presents many reasons for its existence; thus, every respondents states more than one of the listed reasons, and generates complex motivations for the co-operative's existence. For example, a co-operative can simultaneously see local economic development, action for young residents, and protection of local traditions, as reasons with the same value and interconnections. Proceeding through the analysis, the examination breaks down these answers and identifies common elements, all summarised in Table 7.7. In the right-hand column, the figures show how many co-operatives indicate each purpose in their responses. The highest result is for local economic development: 19 co-operatives see this as one of their aims and purposes. No purpose excludes another; the most common response to the question involves a complex vision of local problems and possible solutions. Thus, local development can be intertwined with many of the other aims listed. Each co-operative has developed a complex view of its mission, which involves various aspects of the local economy and society.

"Make it sustainable to work and live in the mountains, and give value to our territory."
(Respondent no. 2)

"For creating new opportunities for young residents." (Respondent no. 5)

"Re-evaluation of the territory and economic development." (Respondent no. 6)

“The encounter of two dreams, one of which is about staying, and the other is about emigrating.” (Respondent no. 10)

“The absence of basic services in the territory.” (Respondent no. 18)

“Facilitating the sale of our members’ products.” (Response no. 20)

The main interpretation of the commitment to community development is economic; it addresses the co-operative’s mission towards the advancement of business activities. The second most quoted purpose is the development of rural and mountain areas; this stays in line with the general idea of community development as a process for improving these zones, which need further progress. This idea has a direct link with the fourth purpose, the territorial promotion; co-operators want to open their territories to other people and bring them into their communities, so that these flows can trigger new dynamics for local development. The purpose of local service management confirms the idea that community co-operatives can promote their role as new service deliverers in their territories, who plan these local actions on the basis of local needs and resources. Moreover, the co-operators’ ideas for communities do not remain limited to these; as explained in the previous section, the presence of young residents appears as a distinctive features: six co-operatives specifically underline that this has been the key component in their founders’ groups. Therefore, the activities for young people assume a central position in certain co-operatives, because they see them as the future resources who will keep the territories and community alive. The five case studies in Chapter 5 also demonstrate this, so it is possible to comprehend how the younger generation have a role in community co-operatives. Certainly, economic development is relevant, but community co-operatives go further and regard this as a factor related to other aspects of local territories. For this reason, local cultures, heritages and commons are integrated into the business model because they are parts of the general project for community development. These co-operatives have general purposes that consider communities and territories rather than the firm’s efficiency or profit maximisation. Founders indicate these purposes because they want to tackle issues that afflict their territories. Thus, incorporating purposes that relate to local culture, heritage and commons proves that these co-operators want to go beyond traditional co-operative activities and innovate this model. They use the traditional forms that legislation provides them with, but they see over these boundaries and encompass new aims, to give new answers to their communities.

Alongside this, the analysis has to pay attention to the purposes of “protection of local traditions and heritage” and “common goods”. These results show that some collective enterprises are interested in preserving key aspects of their territory and community. As explained in Chapter 2, the psychological sense of community can be a motivation for activating a community development process, and then a community co-operative. First, the cultural element is key for these co-operators because it provides a deeper sense of attachment to their communities; in order to restore a sense of community, they feel the need to keep alive the local culture that gives the community its essence. Community co-operatives have embedded this spirit, and show the external world their commitment through the recognition and preservation of their local culture. This culture can enrich the co-operative business; tourism shows that local heritage and food and wine production benefit from local traditions, and handcraft preserves traditional products and processes. Community co-operatives, as an intentional expression of their community and local culture, can preserve this heritage in many ways. In addition, the commons management theme overlaps with the cultural and heritage topic. As shown in Chapter 6, even culture and heritage can be considered as a common; moreover, other commons, such as forests, water resources, historical venues or artistic masterpieces, can attract the attention of community developers. These objects bond people to their territories and communities;

moreover, this sentimental bond is used by co-operators for attracting people to the co-operative project, and develops the business in order to preserve these commons and serve the communities that maintain them.

Table 7.8. Funds for Start-up Phase

| Funding Source | No. of Co-ops |
|--|----------------------|
| Only Members' Shares | 12 |
| National Bodies for Co-operative Initiatives* | 10 |
| Regional Funds for Co-operative Development | 7 |
| European Funds | 3 |
| Foundations' Support | 2 |

Table 7.8 concludes this section on community co-operatives' start-up phase; previous information gives an idea of founders' main features and the purposes that lead them to create community co-operatives. It is important to understand how these founder groups have used different resources for starting up their businesses. Co-operatives combine different resources to ensure financial support at the beginning of their operations; in some cases, these sources are combined, by taking advantage of diverse opportunities. Generally, every co-operative begins its activities using profits derived from shares sold for membership; with these resources, they can gain access to mortgages and loans, meaning that all the co-operatives have this basic mix of financial resources. Only 12 co-operatives used their members' resources during the start-up phase, and the bank's support for a mortgage or loan. The remaining co-operatives applied for dedicated funds from diverse institutions. First, it is important to recognise the significant work that national bodies for co-operatives do in fostering and sustaining community co-ops. For instance, Legacoop and Confcooperative have specific programmes for informing, tutoring and financing new projects for community co-operatives. This reveals an interesting element that connects the founders to the national bodies: as the fieldwork has revealed, these programmes help new co-operators to obtain funds for their co-operative, and they also provide these groups with ideas and insights for their local work as community developers. These national organisations have a key role in spreading the community co-operative idea; they promote a particular vision for the new role of citizenship, which must be more active and involved in local issues. Local co-operators tend to adopt these meanings and use them in order to strengthen the symbolic power behind their actions, thus finding a confirmation of their thought in the national bodies' publications.

7.3 Business Activities

Community co-operatives are businesses; and, like any other business, they structure economic activities that generate incomes. Moreover, as the previous section indicates, these organisations have embedded objectives regarding their local territories and communities; these aims shape the business activities and determine their features. Therefore, the necessity to start-up new businesses that serve communities leads co-operators to devise possible solutions that match local necessities with different economic fields. As explained, each co-operative states complex purposes for its activities. It is

difficult for this kind of organisation to limit its action area to only one activity, because the complexity inherent in local socio-economic problems requires a multi-dimensional approach. For this reason, every co-operative has various activities; Table 7.9 summarises results from the questionnaire.

Table 7.9. Community Co-operatives' Activities

| Sector | Activities | No. |
|-----------------------------------|---|------------|
| Tourism | Hotel, B&B, diffused hotel, info-point, website, tourist entertainment | 22 |
| Agriculture | Cultivation, rearing animals, product transformation | 9 |
| Assistance for Individuals | Support and assistance for physical and psychological needs | 9 |
| Culture | Events for promoting local cultures and heritage, museum and historical sites management, theatre and music shows | 9 |
| Green Activities | Gardening, green spaces maintenance, forest services | 9 |
| Services for Children | Babysitting and summer camps | 9 |
| Commerce | Store and minimarket management | 8 |
| Property Management | Sites of interest (e.g. historic buildings or public parks) management on behalf of others | 6 |
| Education | Projects with schools | 5 |
| Food Services | Bar and restaurant management | 5 |
| Maintenance | Plumbing, electrical, carpentry, repair services | 3 |
| Cleaning | Cleaning services and laundry | 3 |
| E-commerce | Sales of local products on the internet | 2 |
| Water Services | Water resources management | 2 |
| Energy | Energy production with solar panels | 1 |
| Migrant Services | Accommodation and support in cultural integration | 1 |

Table 8 provides many useful data for understanding community co-operatives' functioning, their fulfilment of local necessities, and exploitation of possibilities. Looking at the left-hand column, these services can be subdivided into two main areas: some are oriented towards the local population, and others point to external subjects as possible sources of economic incomes. In particular, Tourism, E-commerce and Migrant Services are activities that do not directly address the local population, but aim to fulfil needs that arrive from outside. Alongside these, Food Services, Culture, and Services for Children can interest people external to local communities; in certain cases, these are auxiliary to tourist activities, and integrate the local offers. In the other main area, which encompasses the majority of services, the local population is the main target, and these activities aim to serve their interests. As the literature on community development indicates (see Chapter 2), community

enterprises in general can find a balance between activities for internals and externals, in order to ensure sufficient income sources for their businesses.

The list in Table 7.9 also confirms this trend in the Italian community co-operatives: although the activities for externals are conducted less than the others, tourism is the most important business in the sample. Recalling the results in Table 7.7, the top five purposes in community co-operatives' responses are local economic development, revitalising rural and mountain areas, local services management, promotion of territories, and actions for young residents. The interconnection between purposes and activities demonstrates the match between these two areas, and illustrates how community co-operatives achieve their aims through their activities. Territories present various problems mainly related to liveability and employment; local citizens and organisations understand these problems and work out possible solutions that target potential beneficiaries (local businesses, and residents with a particular focus on youth, local culture and heritage). Collective processes develop solutions for territories and communities, based on potentialities and necessities; thus, the need for new job opportunities, services and resources, mixed with local peculiarities such as culture, environmental resources, agricultural products, and commons, create most of the activities listed above. Moreover, co-operatives intertwine different activities together, such as tourism, food services and agriculture, in order to promote territories, create new job opportunities and preserve local culture. This demonstrates how community co-operatives can be multi-service, in order to satisfy different needs and take advantage of various business opportunities. Traditional firms can run the same activities, but community co-operatives have a precise purpose towards their communities and territories; and behind their formal structures, there are people and organisations that desire to achieve these solidarity aims for community development. Thus, the main difference lies not in the service per se, but in the purpose behind the economic activities, and the subjects who create them.

7.4 The Community Development Mission

In order to fulfil the research objective of understanding the functioning of community co-operatives, the online questionnaire asked participants a question about their own interpretation of their efforts, commitments, and missions towards the community. As in the case study analysis, the research repeats the question to these co-operators, regarding their thoughts on what the community development mission means for them. Specifically, the questionnaire poses the following question: *“How would you define your role in the in the development of your community?”*

As explained in Chapter 2, community development can assume diverse forms, and can establish different objectives regarding the local community. Therefore, it is useful for the examination of the Italian phenomenon to discover how these co-operators interpret their role in the local society, in order to improve the general examination. As discussed in Chapter 2, community co-operatives are firms with a mission towards the community; thus, it might possible to assume co-operators can combine the economic aspect with an enlarged vision of local development. In this way, community co-operatives expand the mutuality system to non-members, and aim to fulfil the general wellbeing.

Questionnaire responses mostly confirm the theoretical description; co-operators believe their efforts go directly towards improving socio-economic aspects of their communities, for their benefit. As can be seen in the following quotes from the questionnaire, the participants have clear ideas on their role and mission.

“We are a point of reference for the innovation of our community.” (Respondent no. 2)

“The presence of our co-operative represents a factor for the survival and dignified life of our community. We propose basic services and an alternative idea of tourism.” (Respondent no. 3)

“With our work we take care of our community’s future. We want to tackle the depopulation and improve our citizens’ living conditions.” (Respondent no. 7)

“What we do is a great help for both the economic and social development.” (Respondent no. 9)

“We do a dual key work: we seek solutions for community and territory problems through the intermediation between individuals and public entities. Alongside, we improve the network among local businesses in order to enhance the tourist offer.” (Respondent no. 14)

“We anticipate the re-evaluation of local heritage richness and the importance of co-operating for achieving advantageous results for the community.” (Respondent no. 20)

“We have a strategic role in developing networks for triggering innovative processes for local development.” (Respondent no. 22)

“We do not want to see our village end.” (Respondent no. 25)

“We aim to create a network for a circular economy, and be the main landmark for it in the territory.” (Respondent n° 27)

Co-operators’ answers indicate how their interpretations can be positioned inside the wider framework of the community development mission. The entrepreneurial projects involve solidarity objectives and set their target the local communities as main beneficiaries of the co-operatives’ outcomes. Moreover, co-operators have a clear role in mind for these co-operatives; they must be at the centre of wide networks in the territory, for promoting general wellbeing. They recognise two main ways to achieve this wellbeing: one economic, and the other social. Thus, the necessity to revitalise local economies and strengthen the community’s social aggregation around common issues, such as the depopulation of rural areas or the absence of basic services, shape the mission of these co-operatives.

In their elaboration of the community development mission, co-operators see networking with the territory as a fundamental element upon which they develop actions and services for their community’s benefit. These quotes express how community co-operatives are both economic and social initiatives for the communities’ interest; and they cannot remain restricted to their formal boundaries, but must link their efforts and actions with the community and territory, in order to fulfil the general interest. The circularity of the process, where co-operators use local assets, enrich their businesses with local traditions, and preserve commons, operates to expand the mutuality to the rest of the community, and help it to face its issues.

7.5 Local Networks

In Chapter 2, the theoretical analysis points out the need to develop a sociological investigation of those local networks that connect community co-operatives to their territories. The questionnaire addresses this objective by enlarging the vision to the selected sample. Chapter 6 analyses specific features from the five case studies through semi-structured interviews, and grasps information from a wide range of local participants. The online questionnaire involves many other community co-

operatives, and targets their local networks, in order to test the hypothesis and strengthen the research's internal validity.

This section examines the co-operatives' local networks and co-operators' assessment of these relationships. The intention is to grasp key information on the main local partners, their support, and co-operators' thoughts on possible future developments. This information provides a useful picture of networks' composition and utility. Each category represents a part of local society that can have a role in community co-operatives' networks; moreover, every category brings significance and resources to co-operatives. In order to establish relationships, partners need agreement on objectives and visions; then, these relationships can bring benefits to both sides.

Table 7.10. Community Co-operatives' Collaborations

| Main Collaborations | No. of Co-ops |
|--|---------------|
| Collaboration with Local Public Authorities | 24 out of 29 |
| Collaboration with Private Businesses | 24 out of 29 |
| Collaboration with Third Sector | 23 out of 29 |
| Collaboration with Religious Organisations | 14 out of 29 |
| Collaboration with Political Parties | 1 out of 29 |

Table 7.10 summarises responses to questions regarding community co-operatives' local collaborations. Each participant has given a description of their collaborations in the territory where they work. The main results indicate a diffuse propensity towards collaborations with local public authorities, other private businesses, and third-sector organisations; religious organisations can also have a part in the local community development process. However, political parties lack any possibility of joining these projects except in one case.

7.5.1 Public Authorities

Respondents indicate local town halls as primary public partners for their projects; as Table 7.2 shows, in two cases local public authorities are members of community co-operatives. Indications from co-operators' answers to the questionnaire delineate three main patterns in relationships between community co-operatives and public authorities; the analysis sums up the main features of these patterns, and labels them as:

- **Constructive Collaboration.** This means a positive relationship, which is the basis for collaboration, partnerships and projects.
- **Neutral Relationships.** There is a mutual recognition of both the public and the co-operative's role, but there is no kind of collaboration.
- **Non-collaboration and Opposition.** There is no collaboration or dialogue, and in the worst case there could be a conflict.

Seventeen cases present a constructive collaboration: town halls and co-operatives have established formal agreements for local services management, or contracts for works such as green areas maintenance, snow shovelling, public sites management, and co-organisation of local events. Co-operators talk about positive relationships of reciprocal support; they feel the support of local

authorities and see their works publicly recognised. Moreover, these relationships can also involve other forms of public institutions, such as regional parks or municipalities' consortia. There is a different situation in seven cases, where there is a neutral relationship. In certain cases, co-operators state that they would like to improve this situation in the future. For instance, a neutral relationship can be caused by the election of a new mayor; thus, both subjects need to meet and get to know each other before beginning a relationship; or a recently registered co-operative needs time to present itself to the local society. Finally, five cases do not have any kind of relationship with local authorities; this does not imply an open conflict, even if a co-operator reports the clear hostility of the local council. Nevertheless, there is no collaboration or dialogue between the organisations, and co-operators feel a certain degree of detachment.

Although there are different possibilities, the majority tend to favour the collaborations with local authorities, because they can establish a dual benefit. Firstly, public, and consequently political, support for community co-operatives can benefit their actions within the community. Public authorities have an important role in advocating community co-operatives to the local society. Secondly, as many respondents confirm, community co-operatives work to support public authorities which cannot operate services management, for example, due to drastic budget reductions. Thirdly, the transfer of these services and the public contracts for local works constitute another source of incomes for community co-operatives. As explained in Chapter 3, a repositioning process of competencies and responsibilities among public authorities, the private sector and civil society has been ongoing since the late 1980s. Citizens enhance their active role in society for the general wellness, and public authorities promote the new policy framework to facilitate this devolution reform (Bombardelli, 2011; Arena & Iaione, 2015). This process concretises its effects through the transfer of local assets and service management.

7.5.2 Local Private Businesses

As traditional firms, co-operatives establish relationships with other private businesses in order to enlarge their commercial networks; for instance, running an economic activity implies the necessity to find suppliers, assistants, buyers, and maybe sellers. As Borzaga and Sacchetti (2015) observe, in various particular fields, such as health or welfare services, the traditional division of labour results in a bottle-neck which excludes demand and supply-side stakeholders. If the governance is exclusive, needs are not properly addressed and innovation is poor. Therefore, it is possible to enlarge the co-operative's networks to other private businesses, as the organisation's innovative capacity is improved by including other firms' opinions in their planning. As Tortia (2009) explains, on a territorial level, it is possible to improve innovation through the relationship networks among economic subjects.

In addition, private organisations might see possibilities to improve their companies through partnerships and collaborations; community co-operatives extend this opportunity and commonly create relationships with other private businesses. The examination of responses provides an interesting idea about the networks: five out of 29 do not consider themselves to have relevant relationships with other firms, but the overwhelming majority have significant collaborations. In eight cases, these collaborations remain limited to a simple economic relationship where the co-operative or the partner provides the other with services or products. In 13 cases, the collaboration involves both sides having an active role in planning local actions; this can mean co-organisation of promotional events related to territorial resources (mainly food and wine, and tourist activities), strengthening commercial relationships in micro economies, sponsorship, and co-planning of local actions in the territories. As Table 7.6 shows, in one case, local enterprises are the co-operative's

founders, and they have created this new organisation as the main tool for promoting their agricultural and tourist activities. In three other cases, some enterprises are supporter members of local community co-operatives. This wide diffusion of local collaboration between community co-operatives and private businesses gives an insight into how these co-operatives approach their commitment to local communities. Firstly, community co-operatives fulfil their mission towards the local population by collaborating with diverse entities; this means that co-operatives not only interact with individual citizens, but also consider organisations and firms as part of the community. This wider view, even extended to private businesses, confirms the idea of “territory” as the sum of diverse entities within the same geographical area. As explained in Chapter 2, the idea of territory also encompasses organisations and resources in the geographical area, as well as the actual population. Secondly, certain private businesses respond positively to community co-operatives’ invitation to collaborate, and do not consider them as potential competitors; otherwise they would not accept. Thirdly, generating new relationships inside local micro economies allows them to grow, thus increasing the economic exchanges. To conclude, the partnerships and economic relationships between community co-operatives and local private businesses favour the community development objectives because they improve collaborations among local economic players, which increases their activities. These collaborations also enhance the local actors’ inclination towards major partnerships for common local objectives. Generally, these relationships fulfil the main point of community development: to improve the capacity to find autonomous solutions to common problems.

7.5.3 Third Sector Organisations

Relationships with this sector are as expected: third-sector organisations have an inherent vocation for solidarity and collective commitment; therefore, many local third-sector organisations may share the community co-operatives’ vision of an active citizenship, facing common problems and seeking collective solutions for them. These organisations comprise associations, charities, committees and foundations; collaborations for activities and co-planning of initiatives are the main concrete forms of these relationships. In certain cases, these can be useful for creating partnerships and applying for funds, by co-ordinating their activities for the general interest. Currently, the open debate on community co-operatives does not allow them to be formally introduced into the third sector, except for those social co-operatives that identify themselves as community co-operatives. Nevertheless, they share many features with third-sector organisations; as the discussion in Chapter 1 illustrates, there is an aspect of solidarity in their functioning, through sharing benefits derived from their businesses with non-members. Community co-operatives aim to understand their communities and help them with their difficulties; thus, a strong alliance with the third sector can benefit the enlargement of the co-operatives’ vision for their territories, and support their commitment by connecting them with a wider share of the local population.

7.5.4 Religious Organisations

Despite the official acceptance of religious organisations into the third sector after the reform in 2016, the analysis considers it relevant to classify and differentiate the relationships between community co-operatives and religious organisations. These entities hold particular significance in terms of their essence and activities; thus, this can influence a co-operative’s choice of whether or not to collaborate with religious organisations. It must be underlined that this research aims to examine the networks by using the framework of social capital theories; thus, the symbolic power held by each involved subject is a key element for the study. As with other categories, religious organisations have their values and moral norms, as well as a symbolic power that drives their actions. This aspect is particularly clear in the case study from Naples, where the local parish has hosted the embryonic

forms of the future community co-operative (Chapter 5). Moving from this consideration, the questionnaire focuses specific attention on religious organisations as local partners. Despite the presence of many religious groups in Italy, Roman Catholic organisations are the only partners indicated by co-operators. Roman Catholic doctrine is deeply rooted in the Italian context, and its organisations are widely spread in this country. Roman Catholicism express a social doctrine regarding civic involvement in solving social problems, with activism as the means of improving deteriorated conditions. These ideas can find a good match with community development theories; throughout collaborations, local civic groups and religious organisations can enhance communities' conditions.

Local parishes are the main partners of community co-operatives; these religious organisations have direct contacts with local communities, in particular with those parts that feel a bonding with the Roman Catholic Church. These bonds with communities help parishes to have a particular view of local societies, because they can make contact with those people and groups in critical situations, and support them. Moreover, local parishes manage huge cultural heritages that are important for the local cultures and traditions. These factors match with the community co-operatives' purposes listed in Table 7.7; these accordances can generate agreement among local players and trigger new dynamics for community development. Unsurprisingly, 14 out of 29 community co-operatives have relationships with local parishes or religious organisations, such as Caritas, the Catholic Church's main charity organisation, which has thousands of branches in Italy; and "*oratori*", the Catholic community centres. Collaborations are concretised in different ways; they can involve the organisation of events, summers camps or children's activities. In three cases, the collaboration formalises the provision of buildings where community co-operatives can develop their activities. Roman Catholic organisations demonstrate a responsible approach to communities; and this attitude finds a good match with community co-operatives and their purposes.

7.5.5 Political Parties

Significantly, community co-operatives do not have any kinds of relationships with political parties. Only one out of 29 co-operatives declared they have "a good relationship" with the local branch of a political party, which has given support to the co-operative. Except for this case, community co-operators clearly express their opposition to having official contacts with political parties. Many co-operators underline in their answers that the co-operatives are firmly convinced that they must be apolitical and avoid relationships with political parties. This can be explained by the fact that alignment with the political position of one party or another can compromise the community development work, and immediately create barriers between the co-operative and certain parts of local societies. It is possible to see again how the symbolic significances behind actions and decisions can determine the local networks. Firstly, the decision to be apolitical avoids relationships with local parties, and consequently with certain parts of local societies that are more involved in politics. Secondly, this prevents possible frictions arising from a political choice that the co-operative can make; however, it must be noted that a co-operative's adoption of a political position requires agreement among the majority of its members, and this can create frictions inside the membership.

"It is not our way of working and thinking (the political)." (Respondent no. 18)

"We think it is better to take different roads." (Respondent no. 23)

"The political has never entered the co-operative's life." (Respondent no. 29)

Despite the long political tradition in many parts of the Italian co-operative movement, community co-operatives do not want to be involved with politics, and clearly avoid any kind of association with it. Acquiring a political position means gaining a strong symbolic power, which inevitably compromises the possibility of being neutral in relation to community divisions.

7.6 Co-operators' Assessment

The previous section presented the main features of community co-operatives' local networks; various categories of partners compose these networks, and related relationships bring inputs to community co-operatives. The questionnaire does not limit its investigation to the types of partners and relationships, but also involves the co-operators' assessment of these networks.

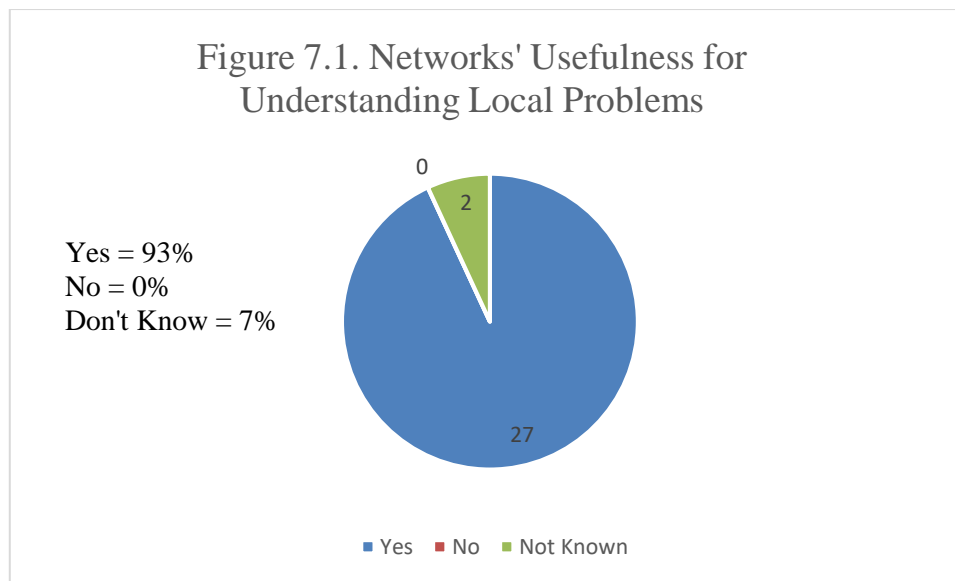


Figure 7.1 presents co-operators' answer to the question, "*Do you consider these relations with local partners useful for comprehending local problems?*" According to 27 out of 29 participants, local partners are useful in this task. Community co-operatives emerge from the collective recognition of a state of need. As the case study analysis demonstrates, and the section on community co-operatives' purposes shows, founders gather together because they collectively observe local realities and feel the need for actions. The purposes that emerged from co-operators' answers to the questionnaire show the necessity of handling these situation with a complex and multidimensional approach. Co-operatives address local issues with multidimensional aims, which link various aspects of the local economy and society. When faced with these complex situations, community co-operatives aim to devise various solutions for the community interest; therefore, the path to achieving comprehension and developing valuable alternatives requires the involvement of local stakeholders and potential partners. In the previous section, co-operators' answers show how these relationships bring them information and resources for their businesses; Figure 7.1 represents co-operators' consideration of collaborations with their partners.

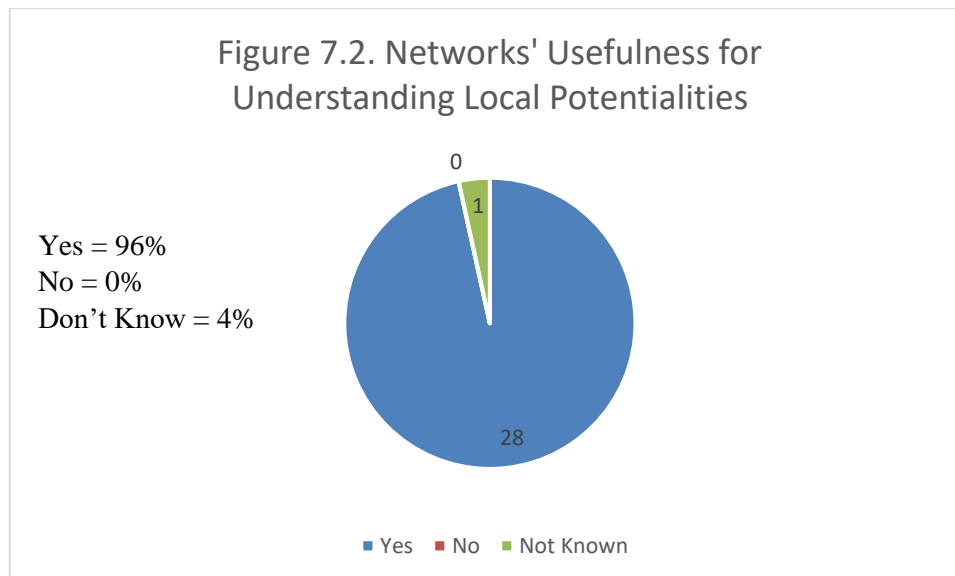


Figure 7.2 presents responses to the question, “*Do you consider these relations with local partners useful for comprehending local potentialities?*” After the examination phase of issues and problems, collective processes move to the successive step, where co-operators and partners can assess the local potentialities that can help to achieve their community development objectives. Recalling the section on community co-operatives’ purposes (Table 7.7), just as problems and issues have a complex nature that intertwines various aspects of the local economy and society, so too do solutions assume an intricate status that requires the participation of various players. Community co-operatives’ purposes range from economic development to social inclusion, and also involve commons management, sustainability, and young people’s centrality. It cannot be plausible for just one organisation to deal with all this complexity and provide local societies with a sufficient level of response to these requests. Hence, co-operators enlarge their networks in order to understand local realities and fulfil their requests; for these reasons, they find the networks useful. These figures prove how local networks are strategic tools for community co-operatives because they support the co-operators’ understanding of both problems and potentialities. Moreover, as the previous section shows, the variety of these partners help co-operatives to have new perspectives on their local societies and territories. Throughout the relationships, co-operatives can access important information because each partner experiences the territory in a different way, and can read the context through another lens. Public authorities, private businesses, third-sector organisations, religious entities: these are all key components of local societies, and have additional relationships with other subjects in the local realities.

7.7 Hostility

The research intends to assess the social realities in which community co-operatives operate; as explained in Chapter 2, the investigation can reveal new important features of community development processes, and relationships between community co-operatives and territories. In order to gain an innovative view of these phenomena, it is important to question the realities with a new approach that also encompasses conflicts within local societies where these co-operatives operate. As the case studies show, certain parts of the population have frictions or even open conflicts with the co-operators. The research intends “friction” to mean opposition between two subjects or points of

view with regard to an issue; the escalation of a friction can cause a conflict, a serious disagreement, or a clear intent to damage the other party.

Reasons can be various, but the key point for the discussion is that these factors determine selections during the networks' development. The idea is to detach the analysis of community co-operatives from the theoretical view of these organisations, where co-operatives are intended as an expression of the whole local community. This assumption leads to the conclusion that the entire social aggregation, which is labelled the "community", constitutes the co-operatives, and that these are direct representations of their communities. Therefore, this section discusses what co-operators report regarding the complete social cohesion in their communities; it demonstrates that conflicts and frictions can occur between community co-operatives and certain parts of the local population.

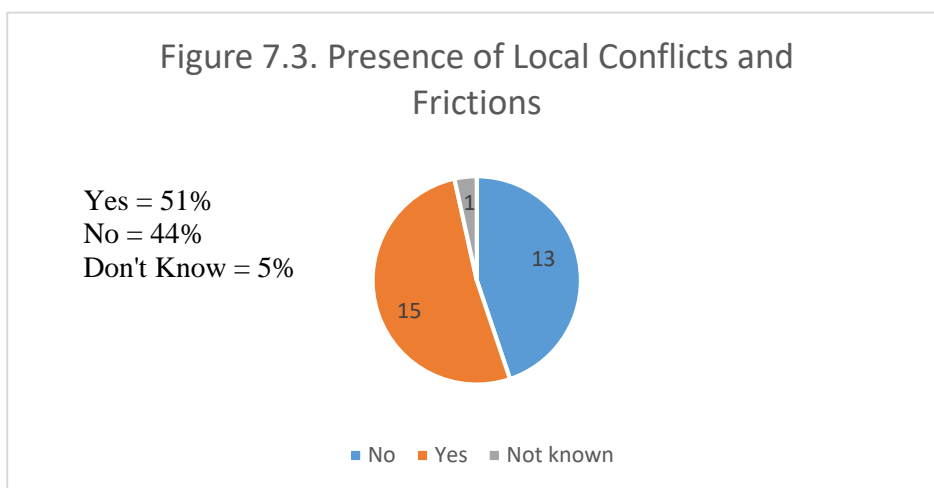


Figure 7.3 reports answers to the question, "According to your experience, are there people or organisations that have expressed opposition or open hostility to the community co-operative?" The question directly addresses the issue, and requires the co-operators' assessment of their experiences. If community co-operatives are a direct expression of their communities, there should be no kind of conflict; however, the results report a different situation: 15 out of 29 co-operatives have witnessed these critical situations.

"Like everywhere else, we believe it is normal that someone obstructs or criticises another person's job. The image that folks have in mind about co-operatives is not positive: we are either volunteers or exploiters of others' work. Few understand the value of co-operatives as enterprises that generate resources for the territory." (Respondent no. 1)

"At the moment, some informal groups and certain entrepreneurs." (Respondent no. 3)

"Yes, a certain part of our community criticises us, but this happens because there is not a general sense of collaboration." (Respondent no. 7)

"Yes, for private interests that conflict with the general ones." (Respondent no. 10)

"There is a general scepticism about certain forms of social aggregation. 'Dividi et Impera' has been the motto of those who have governed this village for the last 50 years. Erasing this thought is a hard task." (Respondent no. 12)

"There are a few sceptics who do not understand what we do." (Respondent no. 19)

“Yes, someone thinks that this co-operative was born for the interests of a restricted group and not for the community.” (Respondent no. 23)

“Yes, there are criticisms, but they are due to the bad perception of what co-operatives are, as an absolutely new concept for our valley. On our part, we have difficulty in finding adequate instruments for communicating our work.” (Response no. 29)

This information provides an idea of what happens in these communities; co-operators have to face public confrontations with other people. In these oppositions, values assume a key role, as they express what lies behind the co-operatives’ actions: the symbolic power of an active civil society that activates itself to resolve local issues. What emerges from these answers is the mismatching between certain visions, values and attitudes among local players.

If we consider friction and conflict as an opposition between subjects based on their ideas, visions and beliefs, this implies that even community development objectives can be particularistic. Despite their solidarity and altruistic intentions, these objectives arise from restricted groups’ theorisations; as co-operators say in their answers, at the beginning they were small informal groups, or people within local entities, who formulated the project idea. Therefore, only a few people agreed to it; they then shared the idea with others, who were probably among their social networks, and were likely to be interested in it, according to their cultural background and habitus. The point is that the community co-operative idea has been spread among subjects in these networks, but this does not imply diffusion throughout the community. As co-operators report, there is no commonality of values and visions between co-operators and certain community members. This common basis, which can be either a structural social capital (people directly know each other) or a cognitive social capital (values and moral norms are shared), can constitute the basis for collaboration. Without this commonality, people do not have an agreement on what the co-operative does and how it carries out this work.

As Bourdieu explains, our habitus govern our modus operandi; in other words, how we act and concretely reproduce the social obligations we have to fulfil, according to our social positions, social contexts, and the aims we want to achieve (Jenkins, 2002; Galioto, 2018). This explains why subjects establish collaborations with some people rather than others, for improving common projects and enhancing communal visions of the reality. As the quotes report, difficulties are experienced in sharing the values, visions and projects with other community members, because there is a lack of mutual comprehension. As also emerged in the case studies analysis, co-operators often find oppositions to their projects in their communities, because these co-operatives are understood as selfish or unnecessary initiatives. What the theories explain is the functioning of social relations and networks around common beliefs; however, other community members do not believe in these projects, even if they are for the community.

Although political factors can be influential, the reasons why people have conflicts and frictions with co-operatives seem to be more general, but attributable to different visions and a non-mutual sharing of values and attitudes. When co-operators explain why there are frictions with certain parts of their community, they bring to the discussion dynamics that involve the social citizens’ perception in their communities, social opposition, and political aspects. Most of these factors are related to Bourdieu’s interpretation of social struggles within fields that use various forms of capital to affirm a certain symbolic power; this justifies the actions and social positions of those who occupy those positions. These frictions might not imply the co-operators’ attempts to conquer the political and social power in their communities, but they certainly show that behind each co-operative there are

social groups with the same cultural background, a shared vision, the need to strive to affirm the validity of their actions, and to aggregate various forms of capital to strengthen these social structures.

7.8 Conclusion

The questionnaire provides a wider view of the phenomenon under analysis. In particular, the examined sample offers an extended perspective on the phenomenon, because the self-selected co-operatives have diverse characteristics and cover an ample range of possible diversities, in terms of stages in their life-cycle evolution, co-operatives' size, geographical position, and business areas. The results present numerous insights for the general examination, and reveal many links with the previous analysis of the five case studies.

The research investigates community co-operatives because this is a recent evolution of traditional co-operatives into a form that can serve community development objectives. The investigation sociologically examines these new organisations and aims to grasp information regarding their patterns of relating with local territories. Community co-operatives have general objectives that go beyond what traditional co-operatives previously accomplished: namely, to satisfy members' needs. New aims and purposes require the innovation of co-operatives' dynamics in order to fulfil community development objectives; these processes involve various local players with different roles and positions in local society, and community co-operatives may or may not have relationships with them. Although the scientific literature tends to emphasise the positive social aggregation in these organisations, this view can miss certain aspects that can be useful for the general sociological definition of how community co-operatives operate. Despite this risk, a particular view that underlines the values of collaboration, trust and reciprocity is necessary, in order to explain how these entities operate; it must be relevant to find a correct balance between the functionalist and structuralist approaches in this analysis. Therefore, the questionnaire targets many topics in its questions on networks, partners, and co-operators' opinions; this is because, on the one hand, it is necessary to see how co-operators address their forces towards certain local subjects; while on the other hand, it is useful to understand how their actions can be incorporated into a more general social structure, where they play particular roles according to their habitus.

First, the main finding from the questionnaire is information about those elements that determine community co-operatives' creation. A general trend sees informal groups of citizens gather because they want to tackle various issues present in their territories. Then, these groups share their views with other relevant local players who can support this work and help co-operators to enhance their actions. The general purposes that co-operatives aim to fulfil gain the agreement of local partners, because these can be either possible beneficiaries or collaborators in the realisation of these projects. In terms of benefits, local enterprises decide to establish relationships with community co-operatives because these might be new clients or suppliers for them. Moreover, by working together, they can enhance the potentialities of the micro economies where they are based. Another potential beneficiary of community co-operatives' actions are local public authorities; they can support them in managing local services and assisting the population with daily needs. Alternatively, public authorities can become dangerous enemies within local society, and can compromise the community co-operatives' reasons for taking part in the general struggle for social affirmation.

Second, the questionnaire shows that co-operators consider their collaborative work with local partners to be extremely important. As found in the section on co-operators' description of their thoughts on community development, networks assume a central role in the community development

process. Furthermore, these results confirm the idea of collaboration being a key part of the wider work, to enhance the community's capacity to self-respond to its needs and take advantage of its potentialities. The research aims to investigate co-operatives' networks; thus, the questionnaire specifically addresses this topic by asking co-operators for information and their assessments. The results indicate a broadly common agreement on the necessity and utility of establishing relationships with local territories.

Third, as found in the case studies analysis, in the questionnaire co-operators also report difficulties with some community members. Frictions and conflicts are part of the local social life, and cannot be kept outside the sociological investigation. The main consequence is a vague assumption of a united general community that acts as a unique entity for the local development; but this is not realistic. What emerges from the research is the role of many active citizens' groups, which spur their community members to be active for their communities. Behind this idea, there is a clear message that citizens must be more responsible for their territories, otherwise nobody will take care of them. When faced with diverse local issues, civic participation can bring people to create suitable organisations for solving problems, and to achieve objectives that a collective recognises as important to society. However, despite this general intention, this does not involve the participation of the entire community. Other members can disagree, on the basis of diverse cultural backgrounds, values and visions. Community co-operators state an altruistic intention for their collective firms, but they have to face the opposition of certain other citizens. This can be risky, because it can cause conflicts and exclude these opposing citizens from sharing in the co-operative's benefits. This issue questions the role of community co-operatives, because if they want to be for all, they cannot exclude those who hold contrary positions. Nevertheless, community co-operatives are private businesses and are not forced to share on this large scale; thus, it becomes a matter of co-operators' capacity to overcome these frictions.

To conclude, the questionnaire confirms the positioning of Italian community co-operatives in the community development field, particularly in the sub-group of asset-based community development. These co-operatives are outcomes of local processes where networking is key to understanding and maximize potentialities. Small groups of local citizens with a particular inclination for solidarity, and a commitment towards their territories and communities, establish community co-operatives in order to find a solution to local issues. Moreover, co-operators strengthen co-operatives' community and territory identity, by embodying local culture and heritage elements when structuring their businesses; they show how the community identity is central to their work. The questionnaire confirms the variety of activities, mostly commercial, that community co-operatives can undertake; this reinforces the idea that their definition does not come from their services' features, but from their mission. Whatever the service, it assumes a real community development value if it is addressed towards local issues, and provides solutions and resources to the local population. Community co-operators point to networks as a fundamental aspect of their work, because they do not form these co-operatives for their private interest or for internal mutuality; they create them to serve the community's interest. Finally, we can see how the expansion of structural social capital has been useful for the creation of these co-operatives, and how cognitive social capital has enabled the collaboration among partners, to achieve this common mission.

Chapter 8. Connecting the Subject to the Setting: Examining Community Co-operatives inside their Contexts

8.1 Enlarging the vision

Chapter 8 carries out a final discussion of the findings from the research; based on these results, the analysis argues for a re-discussion of the examination of community co-operatives, through enlarging the vision of the phenomenon and the correlations among organizations, individual participants, and surrounding contexts. Drawing on the five case studies and the online questionnaire, the analysis theorizes a deeper understanding of the sociological phenomenon through the social capital framework. Final considerations point to the limitations in the academic debate regarding the ontological definition of these community organizations; new perspectives are proposed for studying them, involving more elements and considering a wider view of those social contexts where they take action. The research establishes three main objectives for the investigation of Italian community co-operatives:

1. To analyse the dynamics and social networks that have led to the establishment of community co-operatives, and understand who starts these projects and how they have started.
2. To deeply explore how and to what degree social capital elements have a key role in relationships between community co-operatives and local communities.
3. To assess the functioning of community co-operatives' networks and how they influence the business definition and services implementation.

The conclusions query both the theoretical literature and the empirical examination of community co-operatives; the chapter considers relevant academic positions in social science regarding the research object, and underlines the main limitations in their view of it. Moreover, the findings support a new vision of community co-operatives as outcomes of collective processes that involve certain parts of local societies, aggregated on the basis of specific visions and intentions.

The analysis of community co-operatives' networks and the consequences that these generate is the main pillar of the research. The interest in these aspects of community co-operatives analysis ties with the concern for a deeper understanding of the social reality, which may not appear in the scientific description. As argued in Chapter 2, Italian community co-operatives are a recent phenomenon; therefore, the sociological analysis is at an early stage. The idea behind the research project is to go beyond the theoretical model's formulation and carry out a sociological analysis of the empirical functioning of these co-operatives. Rather than individuate general patterns, the research aims to provide the debate with various insights on the social features that lie behind the theory. The chapter presents research conclusions and highlights degrees of community development, as a collective process that engages various players together with Italian community co-operatives, as a concretization of these processes in their material aspects.

8.2 Theoretical limitations and empirical evidences

The constant debate between the theoretical description and empirical reality of social phenomena generates a continuous evolution of the scientific analysis. This research takes its first steps into the field of community development and the general concept of community enterprises, which here is

used to clearly summarize the realm of community-based, -driven, and -led enterprises. When reviewing these concepts, different perspectives emerge, which present various aspects of social facts and their consequent theorizations. This research can contribute to the discussion and examination of Italian community co-operatives and, more generally, community enterprises, because the analysis explores various aspects that involve the interrelation between these organizations: in particular, the groups behind them, and the contexts around the co-operatives. In order to improve our scientific understanding, the analysis must consider these organizations as outcomes of collective processes inscribed into social, economic, and cultural realities with their specificities. Therefore, it is possible to comprehend how these enterprises work and achieve their objectives through the examination of the social dynamics behind them and the consequent relations with communities and territories established by the enterprises' members.

In Chapter 2, the literature review presented many works and publications dealing with community enterprises and the sub-group of community co-operatives. Various authors see communities and co-operatives as entities with its own status and completeness (Peredo & Chrisman, 2006; Bailey, 2012; Morris, 2014; Flanigan & Sutherland, 2016). This research aims to challenge this idea by proposing a new vision of both. It is necessary to overcome the abstract idea of community enterprises as astatic models and examine their work and functioning as part of a wider network with the territories where certain citizens act in order to carry out social projects with particular values which aggregate determined resources and partners.

The literature refers to community enterprises, and specifically to community co-operatives, as subjects that act and operate as a unified entity. This research proposes a new, particular approach in the examination; it offers a new insight into the complexity that underlies these organizations. Considering these entities as outcomes of collective processes implies the necessity to understand how the social groups behind community co-operatives behave and consider both themselves and the social realities where they are located. Alongside this, the understanding of community co-operatives must expand its awareness to networks with local territories (Bianchi & Vieta, 2018). Groups of people create and manage the co-operatives, but they also establish networks with territories; therefore, the analysis must consider these research objects and de-construct the idea of “co-operative” and “community” into unique entities. Therefore, this section discusses an open comparison between the scientific literature and the empirical evidences obtained during the research. The main objective is the demonstration of a limited vision on the community co-operative phenomenon, and the need to interpret co-operatives as collective entities engaged with their local societies. In order to provide arguments for this hypothesis and prove the narrowness of the community enterprise idea, the research examines the main authors' positions in this theoretical field.

8.2.1 Community Unity

Describing social phenomena requires a certain degree of abstraction, an ability to capture the communal features, structure widely applicable definitions, and derive labels for interpreting the society. This theoretical description forces authors to model and abstract research subjects, and this can generate a risk in transferring the knowledge of social facts. For example, Bertotti et al. (2002) conducted an analysis of social enterprises and social capital; the authors' main objective was to highlight a substantial assumption in the scientific debate on social capital and its effects, rather than evidence. The authors argue that previous publications on social capital have taken for granted certain aspects of social capital and lacked the capacity to correlate the theoretical with the empirical; rather, they assumed that general concepts functioned in the reality.

This research follows a similar path: it queries the theoretical assumption, often taken for granted, that communities, as entities, create the co-operatives, and that these co-operatives foster benefits; though there are few evidences or explanations for how they do this. This theoretical basis does not consider various aspects and objects in the empirical realities, whose existence is intertwined with the studied subjects. Essentially, it is plausible that what DeFilippis (2001) criticizes as “the myth of social capital” is transferable to this discussion, in terms of not accepting the concepts with excessive enthusiasm, or using them as labels whenever applicable. Concepts and sociological theories should not lose their attachment to the empirical side; they must keep open the dialogue with it. Theorists of community development and community co-operatives might fall into the similar error that DeFilippis underlines in Putnam’s work: the overall generalization and the view of the general phenomenon can cause a loss of focus on the individuals who generate these social phenomena.

To clarify, the above references to two studies on social capitals do not switch the attention from community co-operatives, as the research object, to social capital, the research framework. Rather, these two indications underline the necessity to look deeply at the scientific processes and the epistemological consequences that these create. Having stated this intention, the analysis proceeds to the confrontation between the theories and empirical evidences that emerged in the research.

The contemporary literature on community enterprises has its foundation in certain publications that have addressed the debate in the last decades. Peredo and Chrisman’s (2006) paper on community-based enterprises (CBEs) is a benchmark in the definition of this model; the Google Scholar record counts 1109 citations of this paper, demonstrating the huge impact it has had over the years.⁴⁰ Many scholars have taken inspiration from this work, and have based their studies on their definition of CBEs; in fact, even this research includes the authors’ study in the literature review in Chapter 2, because they have signposted a key point in the literature on community organizations. As expressed in the discussion, the community’s level of representation and involvement is a constant issue in the debate on the essence of community enterprises.

It is unquestionable that Peredo and Chrisman’s article considerably contributes to the debate on community enterprises; it underlines the necessity to comprehend relations among those individuals who develop entrepreneurial solutions for their communities’ issues, and to consider the cultural circumstances within which these initiatives arise. Crucially, the two authors maintain that “*CBEs are owned, managed, and governed by the people, rather than by government or some smaller group of individuals on behalf of the people*”; moreover, they point out that “*at least a very large majority of the community will have some degree of commitment to the enterprise*” (Peredo & Chrisman, 2006, p. 316). However, this research finds it difficult to support the idea of a general collective behind CBEs. Mostly, Peredo and Chrisman’s work focuses attention on the functioning of these enterprises, and scarcely understands those dynamics that lie behind the organizations. Although the paper identifies many key factors and addresses the analysis in an interesting way, it fails to provide an overall vision that encompasses the interrelations between individuals and the social facts. Though the study considers the social aggregation around an entrepreneurial project and the cultural implications of this, it is necessary to examine more deeply, and discover how the social groups behind the co-operatives use their culture and assume entrepreneurial behaviours.

With particular reference to the fieldwork, the empirical results show a different picture of social realities. Compared to the average size of each community, only a restricted group of people is in

⁴⁰ https://scholar.google.it/scholar?cites=8257824100269268215&as_sdt=2005&sciodt=0,5&hl=it Consulted on 17 September 2019

charge of these organizations; thus, the research focuses on these social aggregations. Mostly, the social groups encompass community co-operatives' founders, and involve other people who have direct and personal relations with them; therefore, it is not possible to regard this as governance by the people, in the sense of a consistent share of the local population. Peredo and Chrisman (2006) give a proper value to social capital in community enterprises' structuring, but they assess this as a crucial component of the projects' success. By contrast, in this work, the social capital theories assist the understanding of those dynamics that lie behind the formation of Italian community co-operatives; the same framework can be replicated in other researches on co-operatives (Bianchi & Vieta, 2018). The scientific explanation of community co-operatives, and CBEs in general, generates a narration of a wide community engagement; this is because founder groups enlarge the discussion of their purposes with many local subjects, mainly stakeholders, and aim to include most of them in the decision-making processes. This indeed happens, but what is concealed in the literature's description is the aggregation on the basis of common visions and values. Putnam's theorization of social capital partially explains this: the American author points to trust and reciprocity as pivotal for developing collaborative relations and enhancing the civic virtues that improve general wellness; but he does not consider the partiality that characterized the aggregation of these initiatives. When we look at community co-operatives through the sociological lens, it is important to consider the aggregation of individuals and organizations around these projects, and the consequences in the local societies.

Therefore, just as DeFillipis describes "the myth of social capital", it is possible to propose that there is also a myth of community unity. CBEs work for communities and are generally rooted in them, but it is necessary to overcome the idea of an entire active community that unitedly works together for creating CBEs and managing them. Specific subjects with particular attitudes and certain cultural backgrounds create CBEs; they use the idea of "community" for expressing their intentions towards the local population, and to recall an old-fashioned idea of unity and solidarity. Despite the praiseworthy aims, this can cause complications. Above all, scientific description must pay more attention to the use of the "community" concept in explaining CBEs. Results from the research show that the idea of "community" is largely artificial, and connects people with the same beliefs, ideas, vision and backgrounds; social capital theories explain these trends, through which people with similar social identity and common views can further establish relations and improve them for mutual collaboration. As Bauman (2001) argues, in fluid society the idea of "community" is artificial, thus, co-operators must be careful I using this concept and be aware that behind the label "community" lie their conceptualization of it which might not correspond to those of others residents. Hence, the limitation of the community idea lies in the fact that people in a fluid society are have a more individualistic lifestyle than previously (Bauman, 2015); therefore, they look for a new model of social aggregation. In the idea of community they see a shelter, and they share with other local citizens the intention to recreate a unity in their territory. Nevertheless, behind this idea are specific conceptions which address the choice of certain community members rather than others. It is possible to conclude that this new conception of "community" is very distant from the old social structure of community, where people stayed together for survival. This new concept aims to re-establish a social cohesion, but the social capital functioning tends to gather people with similarities; thus, contemporary communities cannot be a whole entity, because they are artificial products of certain conceptions, and the creators of these conceptions aggregate people with whom they have positive and collaborative relationships.

8.2.2 Cultural Specificity

As Lang and Roessl (2011b) underline, "*Co-operative governance also shows normative aspects building on the cultural heritage. Solidarity values provide the normative substance to this form of*

co-operative governance” (p. 724). This cultural heritage, which allows the effects that Putnam describes for social capital, can be part of the community co-operatives because certain social groups with a specific cultural background bring these cultural elements inside the structure. This is a key aspect, because members’ intentions and values direct the co-operative governance towards an open and democratic system; social groups behind community co-operatives aim to foster benefits for their communities, and their intentions are genuine, but they cannot be delivered to all the population. In addition, Peredo and Chrisman (2006) recognize the relevance of local cultural implications in decisions that lead to the community enterprises’ foundation, but they maintain a general view of them, without explaining how these cultural elements enter into the co-operatives. The cultural background certainly has a role in structuring the essence of community co-operatives, and enabling those social capital elements such as trust, collaboration and reciprocity, which concretize the community mission; however, these dynamics involve few community members or particular cultural elements.

Although the previous analysis points out the relevance of culture in social contexts where community enterprises appear (Wilkinson & Quarter, 1996; Peredo & Chrisman, 2006; Lang & Roesll, 2011; Somerville & McElwee, 2011; Giovannini, 2015; Vieta & Lionais, 2015), nevertheless, it is difficult to see how these elements work in community-based firms. This research takes a further step; through the examination of community co-operatives’ history, it shows how specific aspects of the culture intervene within these organizations. Thus, the wider view of the individuals and aggregated social groups behind co-operatives, as well as their networks with local communities, confirm how cultural components have a role in co-operatives. By using Bourdieu’s theory of habitus, it is understandable how co-operators’ and partners’ behaviours go in the same direction. Here, it is necessary to narrow the examination to specific features of these dynamics. People bring their cultural capital and backgrounds into the community co-operative projects: firstly, they provide professional support, and secondly, they characterize these experiences with their cultural views on commitment towards others and communities. Thus, the sociological examination has to bear in mind how individuals shape the organizations according to their needs and visions. Furthermore, community co-operatives share some cultural aspects which express their peculiar aspects. Generally, civic activism forms the basis of each initiative; the research in the field shows that engagement in the third sector provides a communal background for community co-operators. Therefore, we must consider previous life experiences, and how co-operators use them as a framework for elaborating new solutions for their territories. Moreover, they find confirmation and support for their ideas from the national bodies for co-operatives, which support their intuitions and provide them with new insights on the benefits of acting civically for their communities. The sociological investigation can extract these dynamics by examining the interactions between individuals and overall structures such as the national bodies or the mass media; for instance, many co-operators have found confirmation of their belief in civic engagement by looking at other similar experiences that promote local activism for commons and communities on mass media. Therefore, these subjects enhance their conviction regarding their active role in the communities, by fostering their values and interacting with external sources. They structure the community co-operative projects by taking inspiration from the outside, according to their cultural background. For example, Valle dei Cavalieri, the first community co-operative in Italy (see Chapter 6), has become a key cultural benchmark for the community co-operative movement (Bianchi & Vieta, 2019). In addition, Brigi and La Paranza have become famous thank to an effective work of communication and other co-operatives have been influenced by their work. Generally, co-operative leaders are the first to devise the idea, and they find confirmation of their intuitions through these sources. They express these ideas on the basis of their cultural background, such as the civic voluntarism towards the community, the religious belief in social

redemption through activism, or political engagement. Each co-operative follows the path of civic activism, but each arrives at this choice through a different cultural background. Clearly, these co-operatives assimilate these values from their social contexts, but co-operators' role is crucial in defining the co-operative's essence. As Vieta and Lionais (2015) indicate:

“Co-ops become effective tools for community development when they are linked to a broader social and political imagination of alternative development in conjunction with adequate policies and support mechanisms.” (p. 4)

The authors pave the way for developing a theory of co-operatives as valuable tools for community development. The influence of the social and political movement, in combination with an adequate policy framework, enables this phenomenon. The Italian context partially confirms this assumption, but also shows how citizens can achieve the same result simply on the basis of other inputs and insights, such as campaigns by the national bodies that promote community co-operatives. Again, it is possible to see how the sociological analysis can provide a consistent level of understanding, by querying the interactions among involved individuals and the general meanings embedded in social structures above them. The research does not have to limit its vision to the general cultural elements or the particularistic features of co-operators; rather, it must see them as connected parts, which expand their influence through a constant debate between how individuals interpret the facts in front of them, and what the society transmits to them.

8.2.3 Social Distance

A further step in the debate between the theoretical knowledge and the empirical results considers the extent to which communities are part of the co-operatives. As explained above, the analysis must consider that community co-operatives arise from specific individuals' and groups' ideas; thus, it is necessary to determine how to integrate this finding with the academic literature. The cultural analysis shows particular forms of cultural background which shape the community co-operatives' projects. Therefore, the organizations emerge from specific groups that share the same vision. As Bailey (2012) indicates, community enterprises:

“Adopt a wide variety of aims and objectives which often arise either from adverse policies or a sense of neglect, and they select members who are both motivated and represent those interests which can most effectively assist the organisation in achieving its objectives. [...] Full representation of diverse communities on boards can rarely be achieved; experience suggests greater benefits arise from attracting people who are committed to the organisation and the wider community, and gain personal satisfaction from the role they perform.” (Bailey, 2012, p. 18)

As the author notes, the social group behind the organization determines those values which will shape the mission and enterprise structure. Moreover, founders select people who share these values, to give them an agreed basis upon which to build their activities. Going further in this examination, we must add to Bailey's interpretation the repercussions that these choices have within the social realities where community enterprises operate. As the analysis of Italian community co-operatives explains, co-operators' values and intentions deeply influence the networks around co-operatives, and these networks provide the co-operatives with inputs; through the networks, partners help co-operatives to define the objectives and achieve them. This selection also implies exclusion from membership; an aspect that barely emerges in the literature on community enterprises. It is not possible to say that communities create these organizations; but, as authors partially underline and research confirms, a selected group of people with the same values, visions and solidarity interests

forms the co-operatives. Then, they look for support in the community, and establish alliances with partners that have similar values, visions and interests.

Certain segments of the local population are left behind for many reasons; generally, because these people and organizations do not have direct relations with founders, or they disagree with them on the organization's purposes and mission. Those who feel an inclination for trust and collaboration with founders tend to replicate social capital dynamics; they strengthen interactions and collaboration because they value a reciprocal sense of trust, and see how these relations provide benefits to them in different forms. By contrast, those who remain outside these networks can be integrated later, because there is no actual relationship, or they even remain in positions that oppose the organizations. The questionnaire responses confirm the experience of frictions and conflicts; many co-operators perceive the tension with other local subjects, and explain these situations as a matter of different views and interpretations.

Findings from this research show that the process of community co-operatives' formation involves few people as founders of these organizations. Most of the founder groups are small, informal, and gather people with strong relationships, previous experiences in other contexts, and shared values and vision. Then, a few of them theorize the idea, and the rest of these groups agree and improve it, spreading the word in the community and engaging other potential supporters. On the one hand, Putnam's theories explain these dynamics as positive social aggregation for common purposes; civil society enhances them and, consequently, they can generate new features and concrete outcomes, such as community co-operatives that work for the community's interest. Nevertheless, the American author neglects to consider the partiality of these processes; the social capital theories assume the completeness of the community as the promoter and subject of community co-operatives. However, empirical results show a diverse reality where many co-operators have issues, frictions, and, in few cases, conflicts with some parts of their community.

Essentially, it appears ontologically difficult to sustain Peredo and Chrisman's theorization, even if community co-operative projects begin with the intention to work with all the community. Furthermore, many scholars and authors have followed this line, adopting the assumption of organizations and community as unique entities that interact with the social reality as a whole subject. In this research, an objective is to develop a deeper understanding of the social processes behind these organizations, in order to enhance the theorization of community development and the derivation of organizational forms. For this reason, it is necessary to go deeper in the sociological analysis and investigate the reasons why parts of the local population remain external to community co-operatives' networks, and how the remainder influence the co-operatives' functioning.

In order to understand the commitment to community development, the scientific examination has to keep in view this social complexity, which connects co-operatives to their communities. Previous authors focus their attention on internal dynamics that define the community development mission (Peredo & Chrisman, 2006; Lang & Roessl, 2011; Nilsson & Hendrikse, 2011; Somerville & McElwee, 2011). This vision is limited because it does not consider the confrontation between internal and external dynamics, which involves a continuous debate among engaged subjects on local issues, resources, and possible solutions. Networks influence the co-operatives' actions as well, as they are influenced by the co-operatives' objectives. As argued in Chapter 6, networks assume determined connotations related to the community development objectives that co-operatives intend to achieve.

8.3 Community Development Work through Local Networks

As has emerged throughout the thesis, networks are central elements in the analysis of community co-operatives. The examination does not reduce the assessment of networks to merely a tool for connecting co-operatives with territories, but it raises them to the role of a key factor in developing the co-operatives' mission and main characteristics. Alongside this, another key result is the substantial influence that co-operatives have on these networks. Therefore, based on the research findings, it is possible to affirm that a mutual influence exists between co-operatives and networks, demonstrating the permeable characteristics of both.

Firstly, it is necessary to understand why they appear and connect the community co-operatives to their territories; this feature can illuminate mechanisms that allow the co-operatives to become strategic players in community development. Secondly, the analysis improves the explanation of positive effects that networks can bring to their components. It aims to overcome the assumption that networks generate positive effects per se; rather, it is necessary to provide an adequate explanation of their functioning, showing how personal relations evolve into resources for co-operatives, and then partnerships among organizations. In conclusion, the discussion supports the argument that co-operatives and their networks mutually influence each other; the organizations create networks for growing their own structure, and the networks assume specific features in order to respond to the community development mission.

“Communication and the engagement of the wider community are essential as is creating bridges with those organisations which influence the development and quality of life of the locality. This may mean getting deeply involved in local politics, planning processes and campaigning.” (Bailey, 2012, p. 18)

Bailey hypothesizes that community enterprises can enlarge their networks to local organizations. The author takes into consideration the British context, where most of the policy framework for community development in urban regeneration requires the accomplishment of this task. It is possible to see a parallelism regarding this legal duty, and the necessity in many Italian regions to involve a certain share of the local population. Nevertheless, the legal obligation cannot be the factor that determines the rise of networks around community co-operatives, because even in those contexts where there is no legal obligation, community co-operatives develop their own networks for working with communities.

“As our empirical data shows, co-operative members share the same place identity made up of particular place-bound values, such as local autonomy, independence, and pride.” (Lang & Roessler, 2011, p. 725)

The two authors indicate a reasonable explanation for the networks' formation around community projects. The research points out similar data; however, missing from Lang and Roessler's analysis is the presence of a common view on local territory and a shared community vision within the co-operative. As stated in the previous section, the cultural communality among co-operators, partners and stakeholders is a key element; it connects these subjects and creates the basis for the structural and cognitive social capitals that allow the co-operatives to carry out their activities. The place identity and the place-bound values are basic elements for community co-operatives, upon which co-operators shape their organizations and activities. Again, Lang and Roessler (2011) provide useful insights for comprehending the phenomenon:

“The presence of social norms, such as trust, in stakeholder relationships is seen as a potential advantage of co-operatives as public service providers, especially when most of the users of a service are members of the provider organization, as in the case of a village shop.”
(p. 711)

It emerges from the research that there is a considerable level of reciprocal trust among community co-operatives and stakeholders; moreover, it is possible to find trust even between community co-operatives and partners. This is because they built this trust upon previous personal relationships, and then strengthened these trustworthy networks through continued collaborations. Although Lang and Roessl (2011) understand the relevance of studying co-operatives in their social contexts, they use this framework for examining the co-operatives' governance; this research enlarges the view of the phenomenon, and does not limit the examination to internal dynamics. Chapter 2 highlights that this issue is related to the analysis of community co-operatives in terms of their internal rather than external functioning. Moreover, Putnam (1993, 2000) indicates similar dynamics; but, as commentators highlight (Siisiäinen, 2003; Svendsen & Svendsen, 2009), it is difficult to understand how these mechanisms originate.

As stated in the introduction, the analysis keeps the focus on interactions among participants and social facts that they are faced with. In order to understand the networks, it is necessary to begin with the origins of each co-operative: the founder groups. These social aggregations are the first factor that determines the networks around the community co-operatives. Founders use their own social relations for generating the first basis, and then spread the word about the co-operative ideas in their communities. As it emerged in both the fieldwork and the questionnaire, founder groups are informal aggregations of people with already established relations, in many cases with previous experiences of collaboration in other contexts, and a common vision on local issues and possible solutions. Each founder brings to the project their own relationships, such as relatives, friends and partners; mostly, this is due to their need to include trustworthy people who can believe in the founders' ideas and practically support them. We can see here the first materialization of social capital components: structurally, the conversion of social relationships into economic capital happens because people already know the founders, so they trust them and agree with their projects and the values they embody; consequently, they agree to support them by share purchasing and/or assets devolution. Before the material transaction, the co-operative idea achieves a consolidation in participants' minds. They elaborate this and become convinced of it on the basis of their habitus, which lead them to collaborate and become involved in a project for civic engagement.

In this evolutionary process, the community mission and the ideas of regenerating local assets assume a strategic role in determining the co-operative's objectives. Traditional co-operatives follow a similar path: a few convinced founders have an idea regarding a common problem, and involve close acquaintances in gathering sufficient resources and starting-up a new co-operative. By contrast, the community mission leads founders to consider the co-operative as the main form for creating an organization for community benefit. External influences have a role in guiding this choice: for instance, national bodies for co-operatives have invested huge resources in the last few years for spreading the idea of community co-operatives. Their national partners have helped them to achieve those civic groups that desire to start up these co-operatives. The match generates dual positive effects, because national bodies can improve a new co-operatives sector, and also foster a renovated image of co-operatives as a reaction to the market's economic limits and state withdrawal. Local civic groups strengthen their beliefs in their actions through these external reinforcements, which improve the symbolic value of their civic commitment and community services; moreover, these external narrations from national organizations and other community co-operatives instil the idea of networks

as a necessity. Relationships and deriving concrete benefits, which social capital theories describe, appear clearly in these networks. Thus, the networks are established through the community mission and the personal social capital, in terms of trustworthiness and relations, which each co-operator brings into the co-operatives.

The interviews confirm this finding: founders instinctively looked to their personal networks when searching for potential supporters of their ideas, and resources for starting-up the co-operatives. Primarily, founders need support in terms of approval; with other local citizens, and in some cases through public events, they discuss the growing trend in new community co-operatives, and then they collect first resources for accessing loans and mortgages. Other people comprehend and approve the projects, particularly because they have trust in the founders and their inclination for altruism and civic engagement; therefore, they support the projects and enable the social groups to formalize their projects and become a co-operative. Secondly, founders understand that the use of assets with a strong value for their community requires them to develop projects for the community's benefit. In order to alleviate possible conflicts with other community members, they want to have a clear and open position on their projects. As pointed out in the framework, the assets represent a key element in the definition of networks. Primarily, assets' owners may not correspond to the co-operatives, as the five case studies and some questionnaire respondents demonstrate. Therefore, the first step is to establish partnerships with these potential stakeholders. Then, through the networks, the community co-operatives need to generate accountability for their work with the community assets. Using these connections with the territories, community co-operatives can discuss the proper use of these assets with their partners, who have diverse perspectives, backgrounds, and work with different audiences.

Then, networks are useful for enabling community co-operatives to expand their business possibilities; new accords with local subjects improve the community development objectives. These partnerships can involve either economic or non-economic aspects, such as the promotion of local products or the support of other non-profit entities. Being new and pro-active subjects of local micro-economies, community co-operatives can fulfil their missions by improving the exchanges within their realities; furthermore, they can enhance the attention paid to subjects that are external to their territories, and indirectly favour their partners.

As the fieldwork results show, many partners join the co-operative projects after their foundation. In this case, the dynamics are slightly different because the co-operative is already a concrete organization with its own business structure. Therefore, the partnerships arise through the negotiation among organizations with similar objectives and visions. Even if personal relations among co-operators and members of other organizations are key factors in determining the creation of these networks, these collaborations assume diverse aspects because they involve intermediation among organizations. However, fundamental to them are the values and visions that founders and co-operators bring into the co-operatives; as explained above, these values are particularistic and engage certain cultural aspects of the local social contexts. Therefore, even the networks among organizations are determined by these actors and they select some subjects rather than others.

The main outcome of these networks is the strengthening of community co-operatives' social position inside their local societies. By spreading benefits, reinforcing partners' and stakeholders' trust in them, and demonstrating their values as community developers, these co-operatives confirm their intentions to the local society and establish roots in their community as non-profit and solidarity agents that work for the general interest. However, the general interest is defined within the co-operatives first, and then through the networks, which assemble those subjects who share visions and values related to these projects. Bourdieu's social analysis helps in describing these social dynamics.

As explained in previous sections, the founders state their intentions and recall in their actions a certain symbolic power (civic activism versus the community decadence). Then they gather their already existing resources (social relations, economic capital, cultural background, and know-how) to promote their views in the communities, and enlarge their networks for strengthening the necessary advocacy and other resources for running the co-operatives. They develop the co-operative business and the community development objectives through a constant debate with their partners. They spread benefits through the networks, and using these connections, they reinforce their social positions inside the community. Those features that Putnam describes in his studies lead their habitus; these people believe in trust, collaboration, reciprocity, and use them to enhance their efforts and achieve common objectives for their communities, which are defined inside the networks. Therefore, those who are outside these networks do not participate in the definition, may not influence the decisions, and consequently cannot address the co-operative's efforts towards certain objectives rather than others.

Consequently, the co-operators' personal habitus, life experiences and cultural background shape the co-operative mission; in addition, this drives the expansion of networks and the search for new participants to join them. The main finding regarding the networks around community co-operatives is precisely the diversity that each aggregation holds within itself, determined on the basis of the community co-operative project. Assuming that community co-operatives are outcomes of collective processes for community development, there are many subjects who participate in every step, before and after the co-operative's formalization. Although the presence of various subjects confirms the community co-operative's attitude to engaging locals, the analysis must examine these aggregations more closely. Discussing networks in general terms can be misleading, because there can be the risk of abstracting the research objectives and missing their peculiarities. As the research proves, networks around co-operatives exist, participants recognize them, and they assess them positively. Nevertheless, an issue arises from the factual observation: are all the network equal? Surprisingly, the answer is "no". Each network presents its own characteristics: local challenges, possibilities, and consequent projects shape different networks. It is possible to propose that co-operative projects shape the networks that they need, and select the partners who can more be suitable for their mission. Looking at the case studies, there are differences among the networks involved; some tend to engage businesses rather than non-profit firms, because the mission is more oriented to the economic development over the social benefits. In addition, those networks that are more dedicated to social inclusion and innovation look for those local partners that can fit into this mission and provide valid support for it. Clearly, nobody is excluded a priori, because although the co-operative mission tends towards one option or another, it regards other entities more favourably when they express a similar mission and concern for the determined objectives.

This section has examined the processes behind networks and their consequent features. The focus is on how community co-operatives, as an assemblage of local citizens, create connections with other locals, stakeholders, and then partners. Networks are not neutral to the community development objectives; these shape the networks' features and determine the participants within them. Nevertheless, the research aims to provide a new vision of the relations among community co-operatives and territories in the processes for community development. For this reason, the next section examines the frictions and oppositions within the communities related to these projects.

8.4 The issue of local frictions and conflicts

In the community development field, it is necessary to overcome the idyllic image of communities as unique essences where the population can find the perfect balance among its members. Mostly, the academic literature provides a positive view by describing those territories where community organizations emerge and achieve success. The analysis has already indicated this theoretical limitation in the previous section; however, this part is dedicated to the examination of social frictions, which may give rise to conflicts, as well as their causes and possible consequences for community co-operative projects.

The research here defines “frictions” as those animosities caused by divergences among locals, in terms of their desires, opinions, or previous disputes. The research reports diverse frictions in these communities, due to differences in people’s viewpoints, diverse political positions, or familial issues. In the worst cases, friction can escalate into conflicts, a serious disagreement, or can cause diverse forms of fighting, not necessarily physical.

In community development studies, consideration of frictions and conflicts has been marginal; few authors consider this issue in their analysis. Craig et al. (2011) underline the risk of an identity segregation when communities think about themselves and interact with other social groups in the same territory. This can be a serious risk with regard to the improvement of a community identity because it can foster bonding and negative social capital dynamics, by uniting people with similarities against others. This must be considered in the community development assessment; nevertheless, the research also aims to point out another issue: it considers whether or not community development actions, specifically community co-operatives, themselves trigger frictions and conflicts inside local societies. The findings report situations of tensions related to these projects; thus, it is necessary to provide an explanation. Previous analyses do not refer to such situations; they consider community development processes as acts for reconciling conflicts, as certain community development studies indicate (Ilvento, 1996; Mansbridge, 1999; Henderson, 2005). This section discusses implications connected to the rise of community co-operatives in their territories; it questions the empirical data from the research, and suggests interpretations of the fact that in many situations, a share of the local population is opposed to these initiatives.

Clearly, community development processes, and their outcomes, such as community co-operatives, provide more benefits than tensions and conflicts; otherwise, we should not have so many international experiences and consequent literature on their positive results. Nevertheless, the necessity to support and justify this field has led practitioners and academics to give more attention to remarkable positive outputs, rather than possible negative effects that the organizations have in their communities. From this consideration emerges a question: Do community co-operatives only generate benefits and social aggregation? The inquiry is legitimate because it is difficult to assume that these organizations provoke only positive effects. As Ilvento (1996) indicates, in communities, social conflicts appear as outcomes of social interrelations; therefore, the analysis has to look again at the social networks inside communities, in order to understand the social reality. However, in this case it is necessary to focus on personal relations that co-operators have with other members, in order to comprehend these frictions. Moreover, the research differs from Ilvento’s analysis, because that author indicates community developers as a potential solution for conflicts. This research, however, points to another issue: how the rise of community co-operatives triggers frictions, assuming that previous critical situations and antecedent personal conflicts can have effects on the community development projects.

As Hustedde (2009) points out, carrying out community development processes means creating symbolic power; in other words, as Bourdieu also indicates (1979), the people involved share social meaning, but not all are engaged in these processes. Hustedde (2009) deduces in his analysis that people give different meanings to objects and matter; thus, community development processes help to create these meanings. However, even this author regards community development as a means of bringing peaceful agreement in the community. He properly underlines the social structures and aspects that can lead to conflicts, but does not seem able to determine if these solutions can cause other tensions. He supports the idea that community development can restore unequal situations where the power creates imbalances in resource distribution and decision-making impact, but does not consider that community development initiatives might replicate the same dynamics. Though community co-operatives are products of social interactions among individuals with similar social identity and cultural background, the solidarity values that they embody help the organizations to avoid these selfish consequences; these values guide co-operators in spreading positive results among community members. As Lang and Roessl (2011) state:

“Co-operative governance also shows normative aspects building on the cultural heritage. Solidarity values provide the normative substance to this form of co-operative governance.” (p. 724)

This appears to be a trustworthy interpretation of the social facts that emerged from the fieldwork and the questionnaire, but a deeper sociological view of these dynamics reveals how the solidarity works firstly within established networks. These networks are among people who know each other and have previous positive experiences of collaboration, or who mutually acknowledge their trustworthiness. This is one of the reasons for the networks' limitations: they first encompass those subjects who have relations with co-operators, and then the networks' enlargement involves other subjects that minimally share those values and visions which community co-operatives want to establish. It is not a matter of open conflict with other community members, but mainly an issue of the need to ensure the co-operatives have valuable supporters and trustworthy partners. Consequently, these community members will be the first to benefit from the co-operative's action; therefore, other members may complain about this distribution because they see an unequal distribution, and the exclusion of some parts of the population from the networks.

The main point is that community co-operatives are community-based and asset-based initiatives; this means that community members, not externals, create them and use local assets for improving these projects. Therefore, these subjects and objects are not neutral entities within the local contexts, but have relationships and personal experiences within the community co-operative projects. Indeed, what co-operators experience in their communities is the divergence between their point of view and the interpretation of social facts, thus creating the “antagonist” positions that often compromise their work. The main divergence between the empirical realities analysed in the research and the theoretical description is the role that community co-operators can play in their own contexts. Co-operators are mostly community members, which means that their personal experiences as well as their social relations are part of the community co-operative project; but what the theories do not consider is that their frictions and oppositions within the communities also become part of the co-operatives.

This clearly emerged in the fieldwork, during the interviews. After various rounds of discussions and research in communities, local personal frictions appeared as the main cause of many divergences between co-operatives and other external subjects. The rural context seems to be the main setting for these dynamics; this is explainable by the reduced dimensions of these communities. In small villages, people are likely to know each other due to the small size of the local population. As the subjects said

during interviews, many complaints arise from those who have precedent issues with co-operators; therefore, they translate these negative views from the subject to the object, the co-operative. Social capital theories help to read these social facts; when people have weak relations and these are based on suspicion, disbelief and hostility, there is no collaboration, and there might be an inclination to negatively view what the others do. This happens in many communities to different degrees, but it also occurs in many co-operatives, as both the fieldwork and the questionnaire confirm.

Moreover, the usage of assets with community value leads some locals to complain about the fact that a private firm, even if collective, can have exclusive use of them. This is a weak point of the community enterprise model, as the analysis also shows in the next section. The restrictions on public institutions' actions, and the former model of public authority as the sovereign entity in generating and managing the common wellness, is still in many people's minds. As explained in Chapters 1 and 2, the radical change in the political framework during the last 30 years has led public and private forces to be repositioned in society. Public authorities now have less resources and responsibilities; conversely, private organizations have been pushed to have a new active role, to participate in the social life, and create new patterns for managing local resources and services. The previous political vision remains in the minds of many people, who consequently cannot accept and comprehend the rise of community co-operatives and their use of community assets. Moreover, as already recalled, co-operatives have not benefitted from a good reputation during recent years, as explained in Chapter 1. These general social facts and political frameworks have repercussions on local societies where, on one side, civic groups proclaim their social aggregation, voluntarism and civic engagement; on the other, people see these initiatives as particularistic projects, which gather determined social groups in order to exploit local assets, while hiding the reality behind the sociality of these projects.

Social capital theories are the framework of this research because they support the interpretation of these facts from the perspectives of aggregation, values and social conflicts. However, we need to expand our usage of Bourdieu's theories in order to understand the reasons for these social dynamics within the contexts analysed through the fieldwork; then, it will be possible to theorize the replication of the same dynamics for those co-operatives that have expressed concern over conflicts in their contexts.

Respondents report frictions on the basis of different attitudes and ways of thinking about commitment to their communities. Co-operators see their work as a way to respond to local issues through the self-management of local resources and the activation of civic forces for the common interest. For this reason, they cannot understand why certain citizens make criticisms of them. The theory of habitus provides a reasonable interpretation of these facts; co-operators have a certain cultural background that has given them those dispositions which form their habitus. These habitus influence their actions and interpretation, and help them to form a group with others who have the same dispositions. Co-operators reproduce what their habitus has internalized over the years; people might not be fully conscious of this, but they feel that their actions must follow the internal moral reasons that they find to justify these choices. These actors play in the social field according to their habitus and strategies; therefore, they will replicate what they have embedded in their past experiences and learnt as being something "right to do". Nevertheless, as there is not a total agreement among all the social actors inside a social field, frictions are therefore inevitable, because each subject, and then each group, will try to prove and demonstrate its idea of life. As Galioto (2018) underlines, for Bourdieu the idea of action overcomes the Weberian rational choice; in the social field, the social actor acts unconsciously because their actions are inscribed into the field. The actor is a player who constantly perfects their strategy in order to gain social affirmation and confirm their social position. Co-operators express those values that enable the social capital's functioning, as Putnam describes;

they believe in collaboration and civic engagement for bottom-up initiatives that aim to tackle local problems. On the other side, other subjects with different dispositions in their habitus replicate the same dynamics that Bourdieu depicts. They “play their game” and act according to their habitus. As co-operators describe, these people belong to different social groups that are less involved in civic participation; there are often different political views, so the aggregation towards one group or another can even assume a political inclination, thus enhancing the rivalry among local factions.

The absence of common experiences of collaboration, the lack of relationships and the shortage of trust are identified by Putnam (2000) as the main problems in the creation of social capital. However, the American author misses a key point in his description, and consequently the following literature on social capital in local development has adopted this bias: that people behave according to their cultural background and social position. Co-operators respond to their social identity and act according to their cultural dispositions, which derive from their personal history. These aspects generate the *praxis*, in other words, the actions. In their narrations, co-operators describe those who obstruct their work as being disengaged from local social life, and without the right values for understanding their commitment to the community.

The co-operative structure is a direct outcome of co-operators’ habitus, because this legal form allows the concretization of those important values for co-operators, such as direct participation, the democratic governance, and the non-profit status. In interviews, these elements clearly emerge in founders’ explanations of reasons for this choice. The concretization of these values and moral norms is the co-operative form that governs collaborations and is based on reciprocal trust; these are the components that enable the social capital benefits, according to Putnam. Despite the co-operators’ desire to show their clear intentions to benefit the community, there are some remonstrations against this choice. The co-operative form is a combined *praxis* that embeds co-operators’ values; nevertheless, some locals perceive this choice as a selfish decision. As Chapter 1 explains, recent scandals in the co-operative movement have damaged the reputation of this model; some citizens report a certain degree of suspicion after scandals in recent years. This element also compromises the relations among co-operatives and particular shares of the local population.

The main consequence is the constant work needed to reinforce the co-operative’s justification to exist and operate in the community; social capital theories can explain these mechanisms. In those contexts where trust and reciprocal recognition are stronger, co-operatives have fewer difficulties in operating. They do not need to debate their role and functioning with the local population, but they fully operate on the basis of their proven commitment towards the community. La Paranza is the best case in this sense; by contrast, AnversìAmo and Brigì receive more criticisms, because some players in their social contexts oppose their activities. Therefore, the social capital elements (social relations, trust, and proven collaboration for the common interest) enable local approval of the co-operative’s work. On the contrary, where there is a lower level of those indicators, the co-operative has more obstacles in delivering its activities. Again, social capital theories help in the comprehension of social facts: through the structural social capital, regulated by the cognitive social capital, co-operators gather consensus on their projects, thus reinforcing the values underlying the co-operatives. The progression of the co-operative’s work strengthens the networks. Although these dynamics benefit the co-operative’s functioning, the opponents take forces from co-operators because they are continuously involved in discussions on their role in the community. On the basis of these networks, partners can participate in these debates and sustain the co-operators’ positions, because they share values with them; they have experienced collaborations and derived benefits, so they can trust the co-operative’s members. Local frictions and conflicts reinforce alliances among co-operatives and their partners, as well as keeping others away from the organizations.

“Communities are outcomes, not actors. They are, however, outcomes that affect and constrain future possibilities. Communities unquestionably matter, but they are not actors that exhibit any form of agency. This might seem like a semantic argument, but this first problem leads to the second one. That is, no place (a community, a region, or whatever) is solely a function of the internal attributes of the people living and working there. If communities are outcomes, they are not simply outcomes of the characteristics of those within them, they are also outcomes of a complex set of power-laden relationships—both internally, within the communities, and externally, between actors in the communities and the rest of the world.” (DeFilippis, 2001, p. 789)

As DeFilippis reminds us, Putnam’s social capital’s positive effects might appear concrete and viewable in the reality, but they are restricted to those who participate in civil society. This argument can find a match in this research because, as shown in Chapter 6 regarding co-operators’ and partners’ profiles, there is a high level of third-sector participation. What can be the benefit for those who do not participate in civil society? This question raises various concerns regarding this model, and in general, the theoretical and political framework which generates the community co-operative model. The main risk is a vicious cycle where those who do not participate are further excluded, and are therefore more isolated, and continue to not participate. The problem is rooted in the model, because it is not the co-operators’ willingness to exclude other people, but the dynamics, which lead these organizations to avoid certain connections. Co-operators need supporters and partners who offer them immediate support and long-term collaboration, otherwise the co-operative’s creation would be longer and more complicated. Co-operators have their own social capital, which means pre-existing relations with people and organizations that they can trust and see as potential partners; therefore, they primarily look to them for their networks. Alongside this, co-operators have pre-existing ideas about whom they do not trust, for various reasons, such as political opposition, previous life experiences, or familial frictions. Consequently, these subjects will be kept away from the project, and in response, the excluded will view the project as something opportunistic because it uses community assets. These dynamics emerge from the fieldwork; this is an aspect of community development that does not appear in the literature. This is a key limitation in the model, because those who are more proactive in their communities tend to match the profile of community co-operators; but they are not neutral subjects who enter communities as externals, without any kind of relations with other citizens. Rather, they bring to the co-operatives both fruitful relationships and their frictions. For this reason, community co-operatives cannot reach all the community, and certain parts of the local population will consequently act in an opposite way to the co-operatives.

Practical consequences can be difficulties in achieving a full comprehension of local issues, or impediments to gaining certain resources. The worst situations can arise if the co-operatives’ opponents are organizations, because these gather many people, move resources in the communities, and move them against the co-operative. Therefore, this is the main limitation in this model, and thus opens the discussion on the next topic for concluding the research: how these co-operatives can find a balance among their different features.

8.5 The perpetual balance between entrepreneurial and community essences

As various authors underline, it is possible to talk about “community enterprises”, and in this specific case “community co-operatives”, when there is a contemporary presence of an entrepreneurial organization which devotes its mission to the local community (Wilkinson & Quarter,

1996; Peredo & Chrisman, 2006; Lang & Roessl, 2011; Bailey, 2012; Mori & Sforzi, 2018). Mori (2018) defines this balance in the Italian community co-operatives; he underlines the similarity with the more general model of the community enterprise, as an organization that structures its business in order to continuously produce services and goods to position itself in the market. This firm pursues the “community interest”, which means the consideration of all community members as potential beneficiaries of the enterprise’s activities. Moreover, these activities can generate direct and indirect benefits for community members. In conclusion, community members can be either actual or potential beneficiaries, in both direct and indirect ways. As Bailey (2012) confirms, community enterprises continuously struggle to achieve the “triple balance”, among economic performance for income, social impact, and environmental sustainability. Therefore, community co-operatives are constrained by a dual obligation: on one hand, the economic duty, because they are firms, and on the other, the community mission. The research reveals that co-operators find it difficult to reach a permanent balance between these two obligations.

The examination provides a picture of community co-operatives as outcomes of collective processes for community development. Specific social groups lie behind each co-operative; they aggregate people and resources according to their visions, values, and project necessities. These groups struggle for this balance, because they accept the challenge to revitalize their communities by using local assets, which in many cases have a strong value for local societies. The main criticisms are, on the one hand, the need for an efficient and productive business in marginal territories and disadvantaged economic conditions. On the other hand, the managerial complexity derives from the social negotiation for local assets usage. The findings reveal complex situations where co-operators strive to achieve their objectives; despite their solidarity intentions, they have to deal with the primary essence of their organizations: the enterprise.

First, co-operators report huge frustration, due to the complex bureaucracy and struggles for achieving market positions that allow them to ensure constant incomes and keep the co-operatives active. This is not a secondary issue, because this point highlights the paradox that community co-operatives, and the social and solidarity economy in general, have to deal with in order to survive. Despite their great contribution, the law and the market consider them in the same way as traditional firms; however, co-operators have to spend more energy in planning their community development activities involving local partners and stakeholders, and designing particular solutions tailored to local problems. Though community co-operators face this problem in their contemporary experiments to innovate the co-operative model, the same critical issue has also involved many previous generations of co-operators.

Chapter 1 illustrates the Italian co-operative movement’s evolution, demonstrating how much this issue is rooted in the co-operative model. Since the consolidation of co-operatives into the economic system, co-operatives’ members and managers have wondered about possibilities to strengthen their collective businesses, such as adopting new managerial approaches and entering into diverse economic fields to generate more income, and thus ensure the organization’s survival and stabilization. Traditional co-operatives gather members with similar needs related to a specific economic field; moreover, they operate in business areas which allow them to expand their firms, such as commerce or industrial production. As Chapter 1 explains, the managerial efforts to increase production and expand the business led the co-operative movement to maximize its efforts and consolidate its current position in the Italian economy. Nevertheless, the switch from a “reactive” to an “integrated” model has caused the loss of the mutuality essence and transformed many co-operatives in massive ordinary firms. Despite their recent appearance in the Italian context, community co-operatives face a similar issue regarding their status; moreover, they are the flagship

of a renewed centrality of mutualism. National bodies for co-operatives invest huge resources in the promotion of this model as the most innovative solution for restoring local economies, regenerating community assets, and enhancing social aggregation in the territories. Community co-operatives are a reaction to the economic crisis and the state re-organization, but they look for economic stability, as this can cause an integration into the economic system, in order to ensure their survival. More than other forms, community co-operatives have to demonstrate their social value and community mission, but this can compromise their possibility of staying in the market.

This model's main peculiarity can also be its principal weakness; as pointed out in Chapter 2, community co-operatives can operate in economic niches and marginal territories because they do not pursue economic profit as the main objective. On the contrary, being in conditions where earnings are marginal, community co-operatives have to struggle for survival, while keeping the balance with their community mission. Therefore, community co-operators also fulfil their community mission by renouncing other profitable possibilities for their professionalism, and staying in their territories. During the start-up and growth phases, co-operators report many difficulties because they have to simultaneously ensure work for their firms and provide benefits to the community; and they have to do this as soon as they can, in order to demonstrate their commitment. As co-operators report, it is difficult for them to run co-operatives with these tensions; in particular, at the beginning, the firm needs to be known in the community and develop its professionalism, as well as to present itself to the community. Co-operators communicate their project to the population and share many aspects with it, but for most citizens it is difficult to comprehend this new model, and they prefer to see concrete results rather than theoretical projects. Therefore, alongside the material necessities for running a co-operative, community co-operators have to deal with the local population with regard to community service features.

This is another paradox, because official members look for an efficient method to run the business; but simultaneously, they open the discussion on their work with the community in order to gain a sufficient level of accountability from the local population. Compared to traditional firms, community co-operatives receive certain advantages, such as the access to assets or the local authority's support, because they state the community benefit as their main mission; nevertheless, they suffer from the complex social structure behind their actions. Moreover, we should not take it for granted that advantages for co-operatives compensate for these critical issues. Public authorities cannot assign allowances to co-operatives because this constitutes an "unfair public aid"; for instance, in 1999, the European Union decided that public authorities could not directly assist social co-operatives, and community co-operatives could be configured in the same way.

Parallel to this "internal" weakness, community co-operatives deal with another limitation: the necessity to negotiate the co-operative's mission and functioning with partners and the community. Clearly, community co-operatives do not delegate all decisions to public discussion or collective decision-making processes; an elected board is in charge of the main choices, and members' general meetings address the main direction for co-operatives. Nevertheless, the idea of serving communities and working for their general interest, along with the use of community assets in many cases, convinces co-operators to keep open the dialogue with territories, and to discuss their objectives with partners and local population. Interpreting these facts through the relations with territories leads to the definition of people's ideas on community co-operatives according to their experiences. Results show a misunderstanding between co-operatives and some community members, because the activists desire to support the community but they firstly need to run the business; other residents expect results for the community, but they do not contemplate the idea of a private business that works for the general interest by using community assets. As Lang and Roessl (2011) explain:

“The community’s identity is based on two institutional themes: (1) residents’ emotional link with the place and (2) the encounter of divergent imaginations of the neighborhood. Thus, within the context of community co-operatives we argue that the institutional element that gives meaning to reciprocal interaction, labeled by Scott as ‘cognitive element’, can be specified as an ‘imagination of the place.’” (p. 724)

Their findings confirm results from this research, regarding the connections between co-operatives and territories through an emotional bonding that people have with their locations. The crucial point is this emotional bonding: citizens have diverse “imagination of the place”, which might not correspond with each other. Co-operators have to work intensively to socialize their image of the place, and it is not certain that everyone will accept it.

The main discrepancy arises between the vision of a new sense of community and the enterprise’s action. These co-operatives use the community’s image for shaping their mission, but there is a basic incompatibility. Using Tönnies’ distinction between “community” and “society”, it is possible to explain the basic incompatibility that appears in the open dialogue with parts of the local population. Even if many partners and stakeholders agree on the fact that these co-operatives are genuinely trying to re-establish a sense of community in their territories – an idea that embodies values such as reciprocity, solidarity and collaboration for the common interest – other community members see this as an unfair appropriation of the community concept. The paradox lies in the diverse nature of community and co-operatives: How can a private enterprise regenerate the social organic system of communities? The co-operative, as a form of enterprise, is a product of society, where economic systems determine social relations.

8.6 Community Co-operatives: a political matter

Politics has appeared many times during the research, as a subject that intertwines itself with the community development field and community co-operatives’ existence. In this section, the research does not view politics as the regulatory force that operates above society and addresses people’s life within it; instead, it is interesting to find reasons why people see community co-operatives as a new model for aggregation, rather than political activity. To be clear, the research refers to political activities within parties, which have been organizations able to aggregate masses since their foundation in the 19th century. Then, with particular reference to the Italian case, people have developed a critical dissatisfaction with political parties. As explained in Chapter 2, there has been a dramatic haemorrhaging of trust in political forces and public institutions in Italy. Therefore, people search for new patterns that satisfy their needs for participation, social aggregation and activism, which were fulfilled by parties in the past.

Drawing on the findings of both the fieldwork and the online questionnaire, it is possible to see how community co-operatives want to mark a distance from political parties. Two results particularly highlight the co-operators’ rejection of political implications for their organizations. First, in the fieldwork, interviewed co-operators do not show a particular inclination for participating in political parties, and most strongly underline their intentions to have nothing to do with them. Secondly, the online questionnaire reports a high level of non-collaboration with political parties.

The rise of community development processes in Western countries corresponds to the de-industrialization process. Of course, many signs of community development practices appeared earlier, but the most significant initiatives have taken place from the 1980s. Alongside the necessity

to rescue local communities from dramatic economic changes and social transformations, top-down policy frameworks have promoted civic initiatives for revitalizing urban areas, and then the model has had an expansion in rural contexts (Phillips & Pittman, 2009; Craig et al., 2011). As Wise (1998) underlines, community development practices have had a role in favouring local political activism since the 1960s and in the following decades. Nowadays, the approach is slightly different, because people see in community development an interesting tool for engaging in local activism, but they do not want to have links with politics.

Social capital theories provide a useful lens for reading these social dynamics; dissatisfaction and distrust do not favour the creation and improvement of relations with politics. First, the Italian co-operative movement has sought independence from political parties since the 1960s, as explained in Chapter 1; this process has had a consistent increase since the 1990s scandal of “Mani Pulite”, which demolished the traditional political and economic power of the main parties in Italy, leaving a gap. Secondly, people do not trust political parties due to the events of systematic corruption that have happened in the last 30 years. Therefore, people seek a new model for participation that can allow them to express themselves outside pre-established frameworks such as the political parties. In this sense, community co-operatives are a concretization of these aspirations; they materialize people’s desire to make an effective change in their territories and aggregate subjects around projects for the general interest. Therefore, co-operators expressly avoid the political arguments, because they do not want to compromise their projects by risking the creation of barriers if they introduce politics into the discussions on community co-operatives. As a counterproof, Ri-maflo and AnversìAmo, the two experiences with a greater political attitude, have problems in developing their networks and aggregating people and organizations with similar inclinations.

8.7 Conclusion

The research points out various features, characteristics, issues, and potentialities of Italian community co-operatives; the analysis encompasses diverse perspectives and moves the focus from the individual to the organizational level, in order to examine the dynamics that result in social facts. Seeking an open dialogue between social structure and individuals’ will is a constant in the research project, and this perspective enlarges the vision of the social objects under examination.

To delineate the final conclusions on Italian community co-operatives, it is necessary to recall the summary of their main features from Chapter 2; the literature review underlines the general conception of community co-operatives, which identifies this as a key organisational model for promoting community and economic development (Wilkinson & Quarter, 1996; Nembhard, 2004; Peredo & Chrisman, 2006; Lang & Roessl, 2011; Somerville & McElwee, 2011). Co-operatives can empower local people through capacity building, reinforcing community identity, advocating local interests in proper institutions, and revitalizing the local economy (Majee & Hoyt, 2011). These co-operatives develop a locally oriented strategy because their membership is rooted in the surrounding social context. Thus, there is a mutual exchange between not only co-operatives and members, but also an enlarged sharing with local citizens (Mori, 2014, 2017), due to the social mission and the assets’ particular value (Bianchi, 2019). The community assets assume a strategic role because they establish an alliance among co-op members, local authorities and citizens, for fostering social benefits in the community. These co-operatives have embedded their social relations with their context because they are key elements of wider processes of community and economic development, which

begin from a collective recognition of needs and necessities. Summarizing this, Mori (2014) suggests that community co-operatives theoretically:

“Do something for the community with the community’s participation through an enterprise” (Mori, p.17, 2019, own translation)

This research adds new elements to the community co-operative explanation, because it enlarges the view of the phenomenon by integrating it into the social contexts where it takes place. The rootedness in the social context affects the co-operative’s development. Local community members fund these co-operatives according to their culture, values and visions, in order to collectively tackle local socio-economic issues. Differently from other firm models, community co-operatives can operate for non-profit reasons and share their outcomes with non-members. Therefore, members’ contributions, in terms of values embedded in the organization, are crucial for an understanding of this phenomenon. Moreover, their open structure and the inclination for collaboration develops bonds and ties with territories and local societies.

8.7.1 Community Participation vs Mission

Conclusions must now enter the debate on community participation and community mission, these being the main factors which can determine the “community” aspect within co-operatives and community development organizations in general. Recalling the debate described in Section 2.2.3.6, the research can confirm the thesis that one side of this debate does not determine the “community” aspect of these organizations; rather, it is the interconnections between these two aspects that generate the community development outcomes. The Italian community co-operatives’ population presents various cases, from three-member co-operatives, which is the minimum number that constitutes a co-op, to large co-operatives that involve thousands of people. Moreover, the community participation has become a mandatory requirement in many regional legislations; however, even co-operatives in other regions or those formed before the legislation approval have developed a certain degree of community participation through networks, and addressed their organizations’ community mission.

It is not relevant whether community participation in the co-operatives or the community mission is more important, because both contribute to the achievement of the organization’s objectives. Firstly, community co-operatives have to serve the community, even if it does not fully participate in the collective firm; otherwise, the organization fulfils its own interests, which mainly correspond to the owners’ wishes. For this reason, the community members’ involvement is also necessary, because they can lead the co-operative towards appropriate objectives for fulfilling the community mission. It is complicated to establish a primacy between these two aspects, but according to the research conclusions, it is also unnecessary to define it, because there is an interaction that involves both sides.

Networks have a key role in keeping alive the interaction between community participation and community mission. On the one hand, the simple affirmation of a community mission is not sufficient to determine that a firm is a community enterprise; external subjects can intervene in communities that are in a state of need, and start up enterprises with the clear aim of revitalizing the communities for their benefit. Although the aim is directed towards the local population, the absence of community participation in their formation and decision-making process means such organizations cannot be defined as “community enterprises”. On the other hand, a massive engagement of the local population does not automatically generate the community spirit inside a co-operative. For instance, many Italian consumer co-operatives count thousands of members in those communities where they have a modern supermarket, but they lack a clear aim to directly fulfil the community needs, as community co-operatives should specifically do.

The research findings show that co-operators begin their path for creating community co-operatives by wondering how they can do something for the general interest, or in other words, for the community wellbeing. As pointed out in Chapter 2, the community co-operative topic intertwines its features with the wider debate on commons; this new civic movement for the local participatory governance of commons has triggered a public debate on citizens' role in generating and participating in the general interest, locally translated into the community wellbeing. Partially, this element re-proposes the theme of new patterns for participation which can replace political activism. Rather than having an active role in political parties in order to either influence or promulgate policies for the general interest, people prefer to act locally for the community wellbeing. As Arena and Iaione (2015) observe, the withdrawal of the national state's monopolistic idea of the general interest has allowed the citizenship to enter the field of collaboration with public authorities, in order to define what the general interest is.

To conclude this debate, the research addresses the issue of the search for a balance between the community participation and the community mission. Community co-operatives have to serve their communities and promote an active engagement with them; networks with key stakeholders and privileged partners who can enhance the co-operative understanding of territorial issues are strategic. Therefore, when discussing community enterprises we can enlarge the consideration to the entire sector, if there is a significant service for the community, which benefits many subjects rather than only a segment, and if the local members fund the enterprise and involve external stakeholders and partners, for the implementation of community development benefits.

8.7.2 Limitations of the model

Community co-operatives demonstrate their contribution to socio-economic development in various ways; they substantially evolve the co-operative firm model towards the community development sector, thus generating a useful tool for territories. These initiatives gather diverse subjects and push them to create new connections inside their community for self-relief solutions to their problems. From particular perspectives, many positive aspects can arise from this model, in terms of a new civic engagement wave, a more sustainable production that is more rooted in those communities where enterprises work, and new sense of belonging in people's own communities. However, despite the possible positive aspects that many observers can point to, the research aims to examine social facts rather than proclaim the benefits of this model. The results show that the community co-operative model presents limitations in its applicability and, consequently, in the fulfilment of its objectives.

Firstly, community co-operatives are enterprises; the analysis has already widely discussed this topic in the previous sections. Nevertheless, it is necessary to stress this aspect: the constant need to achieve sufficient economic performance for ensuring the business's survival, and the entrepreneurial attitude that can be generated by the managerial approach, can conflict with the community development aims of these co-operatives. Community development involves issues and areas that cannot be addressed with an entrepreneurial attitude. Moreover, certain community development activities do not generate incomes; therefore, although they might be carried out by community co-operatives, they cannot be central for these organizations, because enterprises primarily need to be profitable. As explained in previous sections, co-operators witness a huge difficulty in finding a stable balance between the enterprise's adequate performance and the community development mission. Results from the fieldwork reveal that people have expectations towards the co-operatives either because they truly believe in a new community aggregation, or because they have pressing necessities and need help. The point is that enterprises are limited in fulfilling these expectations; if necessary,

co-operatives may even have to charge customers for their services. Furthermore, as the start-up and growth phases take years, co-operatives may become fully operative only after a long period of evolution and positioning in the market. The most successful cases have taken years to achieve their current efficiency level; therefore, community co-operatives can be valuable solutions, but they are not immediate solutions for local issues.

Secondly, each co-operative was born thanks to a few local leaders who guided other community members on a long path; this can be a difficult task, and requires patience and perseverance. Leaders are charismatic people who inspire others and convince them of the co-operative idea. Certainly, the outcomes involve collective participation and the contribution of many other members; nevertheless, the leadership emerges as the key factor in either the success or failure of the project. The limitation is the vital necessity of this leadership for projects; without such leadership, there is no social group, and consequently no possibility of starting a co-operative. Future research can further investigate the strategic role of leadership, specifically by profiling the group leaders. This research has not paid great attention to this topic; but according to the results, it is possible to maintain that in each case study, at the beginning of each project, there were one, two, or at most three people who were strongly convinced of their ideas for the communities. This is not a secondary concern for the development of community co-operatives, because it means that in each community there must be people who can produce a valuable idea, even if they are mostly inspired by external factors, and can lead a group to start up a co-operative. Leaders have appropriate backgrounds which allow them to prefigure the future solutions for their communities; in addition, they have strong relations in their communities, and already have a certain degree of social recognition of their leadership role (e.g. president of an association, priest, or candidate for mayoral office). Moreover, this leadership has to be able to develop a stable network with the territory. This weakness can also provide insights for focusing major attention on those programmes that aim to support communities in starting-up their co-operatives. Nevertheless, it is difficult to affirm the possible applicability of this model in all circumstances, as community co-operatives need fertile cultural and social soil where they can grow and expand their networks.

The third limitation, strongly intertwined with the issue of leadership, relates to social capital. Similar to Putnam's interpretation of social capital in Italy (1993), the main limitation in the community co-operative model is the fact that it can easily prosper in those contexts where social capital elements are strong; or, according to Putnam, where there is already consistent civic activism and concern for their communities. Consequently, what is the situation for those communities that have a low level of collaboration and few previous experiences of collective collaboration? For clarity, as social capital theories remain the research framework, the analysis does not consider social capital as an object; therefore, we are now examining those elements which compose social capital, such as collaboration, civic engagement and reciprocity. Following Putnam's arguments, where there is less social capital, there is less public efficiency and less civic activism; but if these two are key elements for creating new community co-operatives, how can this model expand into those territories that need greater support? In certain aspects, the fieldwork contradicts this supposition: Rione Sanità and AnversiaMo are two communities where there is no relevant record of civic society or co-operation. Despite these preconditions, they are both interesting projects. La Paranza is a flagship for the entire community co-operative movement; an interpretation of this success can be the partial extraneousness of the two founders. At Rione Sanità, the priest comes from another neighbourhood, and has significant previous experiences in social co-operatives and relevant cultural capital. In Anversa degli Abruzzi, the main founder has had a 30-year career in co-operatives, and inspired many other projects in the social and solidarity economy, but he does not hail from the village. Therefore,

the issue of significant leadership is critical. In other cases, many co-operators have had experiences in political organizations or other third-sector entities; they have already witnessed the consequences of social aggregation, and improved their social networks through such organizations.

The main critical issue related to both leadership and social capital is the difficulty of imagining local leaders for each village, neighbourhood or town in Italy, who can plan community co-operatives within a supportive social context. Levels of social participation and activism are not the same in all the territories; this means that certain communities may begin this path with inherent disadvantages. Discussing this issue requires revealing the deep political roots that community co-operatives have; even if they demonstrate a reactive attitude to market failure and economic marginality consequences, they respond to a wider reform of the economic and political powers. Similarly, in the UK, community enterprises have been the main outcome of a more complex neoliberal political framework, in which the Big Society is the tip of the iceberg (Bianchi, 2016).

Even Bourdieu in his writings (2004) examines the contemporary economic system; he indicates the two main postulations upon which it is based. The economy is a model separated from the real world; it operates according to universal laws, which governments should not interfere with; the market is the optimal force for regulating production and exchanges for a fair distribution. Obviously, the French author did not witness the 2008 economic crisis, and could point out how these regulations have failed in their intentions. This is very probable, because Bourdieu criticized the distance between this economic model and the public sphere, which had lost its central role in society. Due to the decline of the Hegelian and Durkheimian vision of the state providing collective initiatives for the general wellness, there is a vacuum in this realm; therefore, citizens look for new patterns for aggregating themselves, and to generate valuable solutions for their interests. The critical issue is the mixture between these spheres: the neoliberal agenda has pushed these citizens towards the search for a political, social and, most importantly, economic independence. The limitation lies in the use of an enterprise model to compensate for the reduction of public institutions for the general interests.

Community enterprises are tools for the devolution of responsibilities to communities and local authorities, in order to make the public sphere more efficient and citizens more involved in their local societies. However, this model conceals a key weakness: it fosters the idea of “self-activation” as a main factor in the rise of local initiatives for community development; however, it misses the inequalities inherent in many territories, and the disproportion in communities’ capacity for social aggregation. Recalling Putnam’s study on Italy (1993), how can we expect to see more community co-operatives in South Italy, where they are more necessary, if the social capital elements are fewer? More generally, how does the society relate to those communities that cannot produce sufficient social capital elements for starting-up community co-operatives? Nowadays, the community co-operative movement is at the beginning of its path, and its promoters enthusiastically spread the word in the country, providing positive feedback from flagship co-operatives that have achieved encouraging results. Notwithstanding, it is necessary to consider the possibility that many co-operative projects can fail in their mission and be shot down; as explained above, many co-operatives operate on the edge of economic profitability because they decide to serve their communities instead of maximize profits. Therefore, what can we expect those communities to do, who experience the failure of local community co-operatives? Will they “lose their social capital” and be left without any solution, just because they could not keep the co-operative alive? This is a critical issue, because in most cases the academic literature shows the successes rather than the failures; it examines the dynamics and factors that determine the functioning rather than the dis-functioning. In general, in the last 30 years, the third sector has been pushed to find its own autonomy and provide itself with the sufficient resources to survive in the private market, a realm based on profit maximization rather than community and

solidarity benefits. In addition, social needs and complexity have increased, and require more attention and work; therefore, more professionals care about these issues and provide constant assistance for new social problems. Nevertheless, the inherent weakness in this system is the idea that social service and community development must “stay on their feet” economically; but how much prosperity can these areas produce? Co-operators face a huge and hard task because they sincerely want to support their communities, but the enterprise management, assignment of duties, and possible frictions over the private use of community assets, cause difficulties for co-operators.

The fourth main limitation that emerges from the analysis of networks and their functioning is the impossibility of representing the entire community. This point has been partially analysed in previous sections: community co-operatives bring the concept of “community” into the entrepreneurial structure, which requires economic efficacy and efficiency. Community co-operators have to find the balance between the enterprise management and an adequate engagement with the local population; but again, this can cost co-operators huge amounts of energy and resources. Enlarging the vision on this issue, it is possible to see how it has deeper roots in the society’s evolution. Recalling the differentiation between “community” and “society” (Tönnies, 2012), the original idea of community expresses a population’s unity, due to circumstances that forced people to live the same space and stay aggregated for common survival. Moreover, the mechanical solidarity could keep people together; there was an implicit assumption that this was the natural social order, where subjects live in the same place and mechanically collaborate for their survival (Durkheim, 1996). Then, the industrial society generated a new social order and new relations of power; these had been compensated through the rise of the national state and welfare system that compensated people for social necessity, something that families and communities had previously done, because the state was in charge of the general interest of all the population (Migliavacca, 2008; Arena & Iaione, 2015; Bauman, 2015). However, in the fluid society, with the fall of solid institutions, citizens look for a new model of social aggregation and activism for the general interest. Many of them see the idea of community as the solution, for a new social cohesion and the fostering of collaboration and solidarity. As argued in Chapter 2, the contemporary communities are artificial; hence, people who theorize them believe and want these. The criticism is the fact that those who desire community theorize it according to his/her visions, ideas and cultural background; this creates a particularistic image of community and creators see these as the only possibility to get ahead local issues.

These limitations highlight the model’s applicability for the wide range of socio-economic problems that communities must face in these times. The co-operatives engage the positive civic energies that communities express, but it is necessary to deal with these limits. Furthermore, scientific examination and practitioners’ narrations on these facts must be careful not to convey an excessively positive and idyllic image of community co-operatives, because those who most believe in bottom-up initiatives for their communities and territories will invest huge resources, both economic and otherwise, in these ideas. Thus, it is necessary to be honest about what these co-operatives can do, and the criticisms they may face.

8.7.3 A More Complete Definition

In conclusion, by enlarging the vision of the phenomenon, it is possible to understand the wider complexity inherent in those dynamics which exist behind community co-operatives. The analysis promotes an examination that considers interrelations among individual subjects, their social groups, the organizational structure, and the surrounding contexts.

Going further in the sociological exploration, and drawing on results from this research, the theoretical definition of community co-operatives must begin with the social groups behind each organization. The literature discusses “co-operatives” as autonomous entities, but social groups behind these formal structures shape all the main features which determine community co-operatives’ strategies, services and networks. Therefore, it is better to refer to specific “social groups” rather than communities as the founders of community co-operatives. By switching to this vision, the analysis alters its structure and focuses the attention on wider dynamics, both internal and external.

Behind these social groups, there are local members who have a strong cultural background in civic activism and third-sector experiences. They privilege bottom-up activism rather than top-down assistance, and develop a strong sentimental bond with their territories and communities. These individuals have personal relations with each other, and in many cases they have previous experiences in other organizations; this common background constitutes the basis for the social groups behind community co-operatives. Those social capital elements are necessary for beginning the co-operatives, and determine their background. The actual social relations (structural social capital) and the trust built on shared moral norms for collaborating (cognitive social capital) are the fundamental elements for the social group’s consolidation.

A further important step involves the generative ideas for community co-operatives: these depend on the social groups behind the co-operative, which express diverse shades of community development, such as being more inclined towards economic development, social aggregation, or environmental sustainability. One idea does not exclude another, because community co-operatives can be multi-goal and address different objectives (Bianchi & Vieta, 2019). Of course, the social group becomes the leader of this vision within the community, and looks for partners for its project. The groups provide their own interpretations of issues and facts regarding the community’s problems and suggest their own solutions, which generally involve the regeneration of local assets. Moreover, these solutions consider the local culture and heritage, and aim to use these elements to characterize the future co-operatives.

The co-operative legal form is a consequent choice; the Italian co-operative movement’s history demonstrates the attitude this form has taken towards fostering socio-economic benefits for those who have the same needs and few resources. Furthermore, national bodies for co-operatives have invested huge resources in the promotion of community co-operatives as a tool for community development, in order to support communities in facing various problems; these include rural abandonment, service scarcity, unemployment, assets abandonment, or social desegregation. This promotional work helps local groups in structuring their ideas into concrete projects, and accessing funds for the start-up phase. Founders see the co-operative form as the best choice because it embodies key values such as active participation, democratic governance, and mutuality. The material structure expresses the ideal values that co-operators want to bring to communities in order to devise solutions. They see the active role of local citizenship as the main solution for local problems; thus, the co-operatives allow them to formalize this value.

Founders promote the co-operative projects as providing self-reliant solutions through active participation in their communities, and ask for citizens’ support. The dynamics behind the local networks reveal how these connections rely on personal relations; founders primarily search their personal networks for potential co-operators and partners who will support the projects. When these potentialities concretize the support, there is a conversion of social capital elements into economic capital, in terms of share purchases, assets transfer and financial support. Partners and stakeholders

share similar cultural backgrounds, so their habitus lead them to support these projects and promote active citizenship for community development.

These networks are important for community co-operatives because they connect the co-operatives, or more precisely the co-operators, with other parts of their communities. Partners can be both public and private entities, who contribute with different inputs to the community co-operative's growth; particularly relevant are the public authorities, which can either favour or oppose the co-operative's action. Partners participate in the networks for two reasons: they can benefit from the co-op's activities, and they see their support as important in helping their communities to face local issues. Moreover, they contribute by advocating the co-operatives to the rest of the community and public authorities.

Having widespread consent in the community is fundamental; as social capital theories explain, when there is trust and agreement on objectives, based on reciprocal knowledge, participants involved in these relations can benefit in different ways. Subjects accord more benevolence and collaboration to those whom they trust; this generates more occasions for planning future activities and initiatives, thus improving the virtuous cycle. Furthermore, community co-operatives need this kind of support, because running an enterprise efficiently, to produce valuable results for the community, can take many years; co-operators use community assets and gather resources at the beginning of their projects, with the promise of future benefits even for those who are not official members. This entire structure vitally depends on those elements that social capital theories regard as essential for improving general wellness and collaboration.

Community co-operatives demonstrate their value for local communities by running businesses that directly or indirectly improve the local wellness. Even if not all community members benefit from these activities, they are designed to respond to major issues in their territory, using its assets and embodying the local culture and heritage elements. Moreover, partners' support helps these communities to spread these benefits to a wider population. Community co-operatives invest resources for improving their services, or in external projects for the general interest. Despite the limits in representing the community, solidarity values and the inclination towards altruism help co-operators to spread benefits among other community members, both as individuals and collectively.

To conclude, it is possible to support the thesis that Italian community co-operatives are asset-based community enterprises that specific groups of community members, with similar cultural backgrounds and previous knowledge of each other, create according to their vision of local problems and resources. They can operate in various economic sectors; the services per se do not define the community service, but the tailoring of these services to local needs and resources establishes the essence of community enterprises. Community co-operatives' functioning depends on their capacity to create and keep active local networks with partners and stakeholders, both private and public.

8.8 Research Limitations

This section discusses the main research limitations; it also suggests possible future development, in order to further fulfil the research objectives and improve the knowledge of the social phenomenon under examination. The main limitations are due to the necessity to embed the schedule into the time allowed by the Ph.D. course (three years), and the resources available for the travel expenditure. Therefore, the fieldwork could benefit from more case studies and longer periods with each co-operative, in order to grasp more information. Spending more time within each context would enrich

the case studies analysis with more inputs on every co-operative; in this way, the researcher can improve the knowledge of local social settings and develop major relations with locals, to gain a deeper understanding of the social dynamics among them. This can provide a further comprehension of these relations, by helping the researcher to observe co-operators' networks with territories, and how other subjects respond to their efforts for the community. Furthermore, the research could enhance its internal validity by considering more case studies; the cross-case analysis could reinforce its final results by enlarging the sample to more community co-operatives and developing certain areas of the examination, such as the comparison between rural and urban contexts, or the "growth" and "maturity" phases of the life cycle.

Alongside these considerations on the case studies analysis, it is possible to hypothesize another limitation in the research, regarding the absence of an international comparison between Italian community co-operatives and other forms of community enterprises. Clearly, this could switch the research objectives to a completely different aim, such as the understanding of Italian community co-operatives' peculiarities in relation to other cultures or policy frameworks; nevertheless, for future research, it would be interesting to analyse these differences, and delineate which elements enable the Italian model and define it.

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Appendix 1

Interview Format for Co-operators

1. Age.
2. Gender.
3. Level of education.
4. Where do you live?
5. Are you from this community?
6. When did you begin to work in this co-operative?
7. What was your previous job?
8. Why did you leave your previous job?
9. How did you hear about this co-operative?
10. When and where did you discover this project?
11. How did you meet the co-operative's founders?
12. Why have you decided to become a member?
13. How do you evaluate the working experience in the co-operative?
14. Are you member of a third sector organization (e.g. association, charity, religious organization)?
15. Are you member of a political party?
16. Which has been the element of your cultural background that played a key role in your decision to become a member of this co-operative?
17. What does it mean for you "community co-operative"?
18. What does it mean for you "community development"?
19. How does the co-operative promote the local socio-economic development?
20. Do you consider the co-operative as the adequate legal form for your activities?
21. Why?
22. According to your opinion, what are the values which enable the co-operative to function?
23. Do you think these values are shared among your community?
24. Do you think that the co-operative's assets can be considered assets of community value?
25. Why?
26. Do you think that the use of these assets can trigger conflict between the co-operative and the community?
27. What are the issues of this territory?
28. What are the potentialities of this territory?
29. What is your opinion about the local civil society?
30. What are the local civic society organizations?
31. Do you think this is a collaborative territory?
32. Why?
33. Who are the co-operative's partners?
34. Why have you chosen them?
35. Have they been involved since the beginning or they have joined the project in a second phase?
36. How do they contribute to your project?
37. Have they participated the project with some of their resources?
38. How often do you meet these partners?
39. Are there official agreements between the co-operative and them?
40. Do you trust the co-operative's partners?

41. Do you think it could be possible to start up the co-operative without partners' support?
42. Have you involved your personal relations in the co-operative project?
43. Do you consider trust and collaboration as important value for your co-operative?
44. Do you think that the co-operative is substituting the public authority in the socio-economic development of this territory?
45. Do you think that the co-operative can be more legitimate in doing its work in front of the community if it was a public authority?

Additional part only for co-operatives' founders

1. What was the issue/opportunity/need that has given you the idea for this co-operative?
2. Who has had the idea?
3. Who has been involved in the co-operative foundation?
4. How have these initial relations brought necessary resources for starting up the co-operative?
5. How does it work the co-operative?
6. How do you take decisions?
7. Do you promote public meetings for debating with the community about your work?

Interview Format for Co-operative's partners

1. Age.
2. Gender.
3. Level of education.
4. Where do you live?
5. Are you from this community?
6. Are you member of a third sector organization (e.g association, charity, religious organization)?
7. Are you member of a political party?
8. Has your organization been involved in the co-operative foundation?
 - If yes, how have you contributed?
 - If no, why?
9. Can you explain the collaboration between your organization and the co-operative?
10. How do you assess this relation?
11. Does the co-operative return you in any kind of support?
12. Do you think you can implement this relation?
13. Have you trust in the local co-operators?
14. Do you consider trust and collaboration as important value for your co-operative?
15. What are the issues of this territory?
16. What are the potentialities of this territory?
17. What is your opinion about the local civil society?
18. What are the local civic society organizations?
19. Do you think this is a collaborative territory?
20. Why?

21. Do you think that the local community co-operative is contributing to the socio-economic development?
22. In which way does the co-operative contribute to the socio-economic development?
23. Have you other collaborative relations?
24. Which are the relevant organization for the success of your entity?
25. Are there individuals or organizations that have a conflict with the co-operative?
26. Do you think that the co-operative is substituting the public authority in the socio-economic development of this territory?
27. Do you think that the co-operative can be more legitimate in doing its work in front of the community if it was a public authority?

Interview Format for Local Citizens

1. Age.
2. Gender.
3. Level of education.
4. Where do you live?
5. Are you from this community?
6. Are you member of a third sector organization (e.g association, charity, religious organization)?
7. Are you member of a political party?
8. What are the issues of this territory?
9. What are the potentialities of this territory?
10. What is your opinion about the local civil society?
11. What are the local civic society organizations?
12. Do you think this is a collaborative territory?
13. Why?
14. Do you know the local community co-operative?
 - If yes, continue with the interview.
 - If no, explain the co-operative history and then ask opinions.
15. What do you think about the co-operative?
16. Have you ever had occasion to use its services?
17. Do you think that the local community co-operative is contributing to the socio-economic development?
18. Do you consider trust and collaboration as important value for the local socio-economic development?
19. How do you consider the relations among local public authorities, private sector and third sector?
20. Are there individuals or organizations that have a conflict with the co-operative?
21. Do you think that the co-operative is substituting the public authority in the socio-economic development of this territory?
22. Do you think that the co-operative can be more legitimate in doing its work in front of the community if it was a public authority?

Appendix 2

Online Questionnaire

1. Co-operative's name.
2. Legal form.
3. Address.
4. Number of members.
5. Is the co-operative member of a national body (i.e. Legacoop or Confcooperative)?
6. If yes, which one?
7. What was the issue/opportunity/need that has given you the idea for this co-operative?
8. How have been the co-operative's founders?
9. Have you used funds from dedicated programmes for starting up co-operatives?
10. If yes, which one?
11. Which are the services provided by the co-operative?
12. How do you consider your role in the local development?
13. Do you collaborate with the town hall?
14. Do you collaborate with third sector organizations?
15. Do you collaborate with religious organizations?
16. Do you collaborate with political parties?
17. Do you collaborate with private enterprises?
18. Do you consider these relations important for understanding local issues?
19. Do you consider these relations important for understanding local potentialities?
20. How is your most important partner?
21. Do you want to implement your relation with the territory?
 - If yes, how?
 - If no, why?
22. Do you think there are individuals or organizations that have a conflict with you?
 - If yes, how?
 - If no, why?
23. Do you think that the co-operative is substituting the public authority in the socio-economic development of this territory?
24. Do you think that the co-operative can be more legitimate in doing its work in front of the community if it was a public authority?