**Italian Social Cooperatives and the Development of Civic Capacity: A Case of Cooperative Renewal?**

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**Abstract**

This paper situates Italian social cooperatives within the broader development of the Italian cooperative movement to explore the impact that Italy’s two major cooperative confederations, Lega and Confcooperative, have had in shaping social cooperatives’ civic capacity. Acknowledging that the capacity of social cooperatives turns critically on contextual factors related to the distinctive political, cultural, and legal environments in which they develop, my focus is on social cooperatives’ connection to the Italian cooperative movement, more specifically the extent to which traditional cooperative umbrella associations have fostered and/or impeded social cooperatives’ capacity to generate civic capital. In addition, by illuminating the ways in which long standing state-society interest groups, as represented by Italy’s two principle cooperative confederations, influence the development of “new” social actors, the paper seeks to provide a better understanding of the process of adaptation within the organizational culture of the cooperative movement.

**Introduction**

Much has been written about the weakness of Italian civil society. Heavily influenced by the politics of the Cold War, Anglo-American scholarship in particular has tended to focus on amoral individualism, familialism, and social hierarchy as key factors in explaining chronic corruption and political instability in the Italian South, thus paving the way for contemporary analyses which tend to attribute the weakness of Italian democracy to a general lack of social capital. Less recognized is the fact that Italy has spawned a variety of vibrant social movements, chief among them the student and worker movements of the late 1960s and 1970s, the deinstitutionalization and social center movements of the 1980s and 1990s, as well as a thriving cooperative movement.

Although the latter is often relegated to the annals of 19th century Italian history, the Italian cooperative movement continues to be of particular interest in understanding contemporary developments in Italian civil society due to its continued importance in mobilizing workers, consumers, and communities.
which includes the recent flourishing of social cooperatives. While the first Italian social cooperatives appeared in the early 1970s, since the late 1990s they have become the dominant form of social enterprise in Italy. Totaling approximately 1,479 organizations in 1993, by 2005 the number of active social cooperatives had reached an estimated 7,363.3 Blending elements of traditional mutual societies with a contemporary form of social entrepreneurship to provide a variety of traditional and non-traditional services, programs, and activities in the areas of social assistance, education, health, recreation, and labor force integration, Italian social cooperatives represent a unique hybrid form of organization. Yet, what makes Italian social cooperatives particularly distinct from other community organizations is their connection to the cooperative movement.

Situating Italian social cooperatives within the broader development of the Italian cooperative movement, this article explores the impact that Italy’s cooperative confederations have had in shaping social cooperatives’ civic capacity. Acknowledging that the capacity of new generation cooperatives turns critically on contextual factors related to the distinctive political, cultural, and legal environments in which they develop, my goal is to provide a better understanding of the relative distinctiveness of Italian social cooperatives vis-à-vis other so-called third sector organizations (traditional cooperatives, mutual societies, voluntary associations, etc.) and their specific role within the Italian cooperative movement more broadly. Drawing extensively on interview data and primary source material, I look more specifically at the extent to which traditional cooperative umbrella associations have sought to foster and/or impede social cooperatives’ capacity to generate civic capital, understood as part of a broader process of enhancing cultural expression and extending social and economic solidarity to diverse members of the broader territorial community in which individual cooperatives are embedded. In addition to shedding light on the relevance of social cooperatives for the development of Italian civil society, by illuminating the ways in which “old” interest intermediaries, as represented by Italy’s two principle cooperative confederations, influence the development of “new” social actors, I hope to provide a better understanding of the process of adaptation within the organizational culture of the cooperative movement.

**Italian social cooperatives**

Among the more interesting aspects of Italian social cooperatives is that they represent an extremely coherent and consolidated reality. Though a relatively small portion of the so-called Italian third sector overall, they have developed at a pace that has outstripped other types of third sector organizations, not only in terms of aggregate numbers but also in relation to both the scope of their activities as well as their geographical distribution. In addition to providing
traditional forms of care giving and mutual self-help such as day care, residential care, and home help, social cooperatives generate programs and activities related more centrally to social solidarity and community development objectives. They provide festivals and cultural events for communities; puppet theatre and after school programs for kids; temporary housing, counseling, and language assistance for refugees; and stable work, remuneration, and community integration for disabled youth, former convicts, and otherwise marginalized persons in the labor market.

While they developed organically in northern Italy during the late 1960s and early 1970s, in 1991 the Italian government created national legislation establishing a unique legal framework for social cooperatives (Law 381/1991), which has in turn fostered their proliferation throughout Italy. While the first major report on social cooperatives published in 1994 indicated approximately 67% of Italian social cooperatives were located in the north, 15% in the Center and 18% in the South, by 2005, the proportion of social cooperatives in the South had grown to 34%, thus producing a more even distribution throughout the country, with 47% of social cooperatives located in the North and 19% in the Center.

Law 381/1991 categorizes social cooperatives into two types. The first category (designated A-type cooperatives) is made up of social cooperatives that operate in the areas of recreation, health, social assistance and education. The second category (B-type cooperatives) contains social cooperatives that are engaged primarily in programs, activities, and services related to labor force integration, providing stable work and remuneration to disadvantaged and marginalized persons in the labor market. While social cooperatives are subject to framework legislation which is distinctive from that applied to traditional production cooperatives (Law 59/1992), they exhibit a number of related properties, chief among them, paid employment, limited profit distribution, and democratic management structures. While unpaid members comprise roughly 21% of the total membership among social cooperatives, unlike most civic associations, they do not constitute their primary stakeholders. Moreover, they are subject to the same rules applied to other cooperatives according to the Italian civil code. For the most part these have to do with the organizational and structural parameters of cooperative societies (i.e. the regulation of their constitution and liquidation, requirements for membership, the structure of governance, and the budget process). For example, members participate in establishing cooperative policy and in making related decisions according to the principle of "one head, one vote."

In many ways, however, social cooperatives are quite distinctive from traditional cooperatives. Attempting to establish a unique role for them within Italian civil society, Law 381 designates social cooperatives the responsibility of pursuing the common good vis-à-vis the provision of benefits for third parties. To this end, the
law provides for the exemption of “volunteer” members from a variety of regulatory and normative standards applicable to worker members and mandates that disadvantaged workers comprise a minimum of 30% of the total work force in Type-B cooperatives. When combined with tax advantages generated from their fiscal status as not-for-profit organizations (Law 460/1997), such as a reduction of the valued added tax on sales of services, these provisions generate a number of fiscal benefits for social cooperatives unavailable to other cooperative societies. While assigned a particular value as production oriented economic entities by designating economic goals as a means to social ends, social cooperatives tend to subordinate economic productivity to realizing collective social benefits. Assigned by statute a public mandate to “pursue the community’s general interest for human promotion and for the social integration of citizens,” they are distinctive from more traditional cooperatives in that they incorporate explicitly social and civic aims. Members are not the primary service beneficiaries and Law 381 explicitly limits the proportion of unpaid volunteers to 50% or less of social cooperatives’ memberships in an attempt to ensure that volunteer members will be used as complements to rather than substitutes for remunerated workers. At the same time, the emphasis on diversifying membership by incorporating disadvantaged workers, marginalized social service users, and collaborative public and social partners extends social cooperatives’ membership base into areas of the community not otherwise involved in more traditional cooperative enterprises. Thus, as multi-stakeholder organizations, social cooperatives are less oriented toward promoting class interests than they are expanding civic participation and community wellbeing.

It is this unique potential for blending internal mutuality among members with synergies among more and less privileged groups in society that lies at the heart of social cooperatives’ unique contribution to civil society. Thus, beyond their economic capacity for generating efficiency gains, much of social cooperatives’ innovation lies in their ability to generate a broad array of collective social benefits—from socializing need and enhancing participatory democracy to expanding social resources, promoting social inclusion and enhancing the quality of life of communities, particularly their most disadvantaged members. Combining a social care function with citizen involvement, social cooperatives represent an important potential nexus for fostering civic capacity, both in terms of transcending intra-group parochialism and linking resources and ideas across institutional boundaries.

Connection to the Italian cooperative movement

The Italian cooperative movement represents some 71,464 cooperatives, encompassing over 11.4 million members. While numerically smaller than other European countries with strong cooperative traditions, the Italian cooperative
movement nevertheless remains one of the strongest cooperative movements in Europe.\textsuperscript{12}

The Italian cooperative movement is organizationally structured into three tiers: peak level representative bodies at the national level, sector-based regional and/or provincial offices and local level consortia. Individual social cooperatives subscribe to local consortia and/or regional or provincial branches of the cooperative associations and these bodies are in turn linked to national level representative bodies. As the legally recognized bodies representing the Italian cooperative movement, cooperative associations occupy a major role in promoting, protecting and assisting social cooperatives, and serve as the primary intermediaries between social cooperatives and the political, economic, and social arenas in which they operate, particularly at the regional and national levels. While estimates vary, data generated from the Cooperative movement combined with estimates culled from the most recent 2005 national ISTAT survey on social cooperatives reveals that the majority of social cooperatives in Italy--more than 65%--are formal members of a cooperative association, thus establishing a direct connection with the organized cooperative movement.

In addition to submitting to an annual budget review--a requirement for all social cooperatives regardless of affiliation--cooperative association membership entails paying dues in return for technical and institutional support. Social cooperatives also benefit from Law 59/1992, which requires cooperatives to pay 3% of their profits to a general fund administered by the associations for the purpose of facilitating the development of new cooperative enterprises. Among a host of less tangible cultural, political, and social supports include assistance in establishing statutes, information on relevant legal and administrative provisions, project development, and commercial services. In addition, membership affords social cooperatives access to annual cooperative association meetings and general assemblies as well as joint projects and ventures, credit opportunities and a variety of other opportunities, such as conferences and training seminars. Supported through a network of national representative bodies or consortia at the national, regional, or provincial levels, cooperative associations provide an institutional infrastructure through which representatives promote common cooperative interests and ideas to third parties, coordinate and consolidate cooperative programs and activities, and help shape social cooperatives' identity by delineating a set of principles and strategies that form a loosely defined behavioral code of conduct.

Supporting or undermining civic capital?

Culling the Italian literature on social cooperatives, there is much to suggest that cooperative associations' are likely to have a neutral, if not dampening effect

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on social cooperatives’ capacity to foster meaningful forms of social and economic inclusion, let alone cultural expression.\textsuperscript{13} Though guided by strong ethical commitments to solidarity and democratic control, at heart, cooperatives are business enterprises dedicated to serving the collective though the private interests of their members. Forged by workers seeking to assert their control over their labour power and/or consumers seeking to increase their purchasing power, most traditional cooperatives strive for economic advantage for members in the particular markets in which they operate. Indeed many assessments of cooperative’s success (and failure) focus on size and turn over, management structures, and the expansion of productive capacity, which can easily jeopardize the very elements of cooperative enterprise that make them amenable to fostering social inclusion and social capital formation.\textsuperscript{14} Along with the problem of conflicting economic imperatives is the problem of organization. Organizational theorists, from Roberto Michels to Philip Selznick, have long drawn attention to the tendency of organizations to loose their mobilizing force over time to become more bureaucratic and hierarchical and thus less effective in achieving the heroic goals and objectives of their leaders, economic and social alike.\textsuperscript{15}

While these generalized arguments resonate with aspects of the Italian cooperative movement, most notably its high degree of centralization, its capacity to achieve considerable economies of scale through various mergers and acquisitions, and its particular strength in generating competitive business models,\textsuperscript{16} there are a number of reasons why we might expect the Italian cooperative movement to play a vital role in fostering rather than undermining social cooperatives’ civic capacity.

Though all cooperative organizations, as social economy businesses, are linked in some sense to social purposes,\textsuperscript{17} the Italian cooperative movement in particular is rooted in a strong philosophical and material commitment to collectivist organizations “born from a society of people and not capital.”\textsuperscript{18} Developed at least in part as a reaction against the charity and hierarchy of the Roman Catholic Church as well as labor agitation against the vagaries of capitalism, and later Fascism, the charge of political complacency and “ideological sterility” leveled against other European cooperative movements,\textsuperscript{19} has been considerably more muted in Italy. Throughout its history the Italian cooperative movement has played a strong role in the realization of community based collectivist endeavors first in northern Italy and by the mid 20\textsuperscript{th} century, throughout the country. By the end of World War II, the coop movement had become such a major force for expressing social change that its “social function” was granted explicit recognition in Article 45 of the Constitution of the Italian Republic. In addition, it has exhibited considerable success in drawing from all social and economic classes,\textsuperscript{20} a cross-class development which has not only allowed it to overcome difficult economic and political challenges but also
engage in a variety of social pursuits connected to workers and also to broader sets of community concerns. Thus, while the Italian cooperative movement has developed into a formidable economic force—representing the largest network of worker cooperatives in Western Europe—\textsuperscript{21} it has balanced pragmatism with idealism to formulate and achieve collective endeavors that have gone well beyond the productive process.

This said, it is critical to consider the political culture in which the Italian cooperative movement has arisen. In tandem with the polarized character of Italian political and cultural life—divided through much of the 20\textsuperscript{th} century into socialist and Catholic subcultures—the Italian cooperative movement has traditionally been divided between two large cooperative confederations: Lega Nazionale delle Co-operative e Mutue (Lega), aligned with a “red” coalition of Communists and Socialists on the left; and La Confederazione Co-operative Italiane (Confcooperative), aligned with a somewhat more conservative Catholic-Christian Democratic coalition, typically identified as the “white coalition.”\textsuperscript{22}

Although there has been a significant erosion of the socio-political polarization of Italian society into “red” and “white” subcultures in light of the collapse of the Italian party system in the early 1990s and increased economic pressures associated with European integration and globalization more generally, this historical development suggests that cooperative associations’ influence on social cooperatives is likely to continue to reflect the institutional bifurcation of the Italian cooperative movement more generally. Set up as parallel infrastructures, Lega and Confcooperative are organized around sector based associations ranging from agriculture, construction, and production to culture, retailing, tourism and social insurance, each of which are in turn connected to one another vis-à-vis a territorialized, multi-level system of governance operating at the national, regional, and in many instances, provincial levels (See Figure 1).

Illustrating a high degree of institutional isomorphism both cooperative confederations have approximately the same number of sector-based associations, two of which are devoted exclusively to social cooperatives: Federsolidarietà organizes and represents social cooperatives for Confcooperative and Legacoopsociali was recently established as an umbrella organization for social cooperatives within Lega.\textsuperscript{23} As is the case for all sector-based associations within each Cooperative confederation, Federsolidarietà and Legacoopsociali are vertically integrated into a similar three-tiered network of national level, sector-based regional and/or provincial offices, and local level consortia. In addition to providing the infrastructure to help promote, consolidate, and coordinate cooperative activity, each cooperative confederation, and the respective sector-based associations which represent them, has a distinctive organizational culture. This organizational culture in turn
helps define the ideals, strategies, and normative codes which establish the basis for cooperative membership.

Figure 1: Structure of Italy’s two main cooperative confederations as they relate to social cooperatives

Assessing how cooperative associations impact social cooperatives’ civic capacity

Given this legacy of divergent organizational cultures embedded in structurally similar institutional arrangements, a critical first step in attempting to flesh out the nature and extent of the cooperative movements' influence in shaping social cooperatives' civic capacity is to look more closely at the ways in which Lega and Confcooperative have sought to represent, promote and develop social cooperatives. This allows for a better understanding of whether the cooperative associations have developed distinctive models of social cooperative identity, and how, in turn, these models may contribute to promoting and/or undermining social cooperatives' civic capacity.
To do this, I draw on data I gathered from primary source material as well as in depth interviews with key Lega and Confcooperative officials with the aim of providing a descriptive analysis of the ways in which each cooperative association has sought to support and help develop social cooperatives. In addition to interviewing key officials at the national level, I conducted extensive interviews with over twenty regional and provincial directors and staff of each cooperative confederation in two key regions in northern Italy: Emilia Romagna and Lombardia. As key institutional representatives and support structures for social cooperatives both within and outside the cooperative movement, representatives who head the administrative divisions responsible for social cooperatives within Lega and Confcooperative served as critical sources of information for this study. Because they handle most of the advocacy and promotional activity specific to social cooperatives, they directly shape the “mission” for social cooperative development set forth by the cooperative associations. Along with the official political doctrine and socio-economic policies of each cooperative association, their ideas and preferences constitute a kind of “logic of appropriateness” through which social cooperatives set out their development objectives and strategies.

In seeking to discern particular models of social cooperative development, and more specifically whether these models contribute to supporting or undermining social cooperatives’ capacity to generate civic capital, I focus on two key questions. First, to what extent does each cooperative association conceptualize and promote social cooperatives as social as opposed to economic actors and, related to this, how does their influence on social cooperatives’ organizational identity impact social coops’ broader potential for social and/or political transformation within Italian society? Second, to what degree do Lega and Confcooperative influence social cooperatives' role in community building? In other words, how do these umbrella organizations promote and/or impede social cooperatives’ capacity to construct social ties across individuals and social groups facing different challenges and occupying diverse roles within Italian society.

Identifying and promoting social goals

In order for cooperative associations to have a positive impact on social cooperatives’ contribution to civil society, they must seek to develop social cooperatives not just as economic entities but as social actors capable of impacting the lives of community members beyond the delivery of services to individual clients and/or “service users.” Thus, at a minimum, facilitating civic capacity entails developing an organizational identity that bridges social cooperatives’ role as service providers with a broader social agenda that encompasses a set of explicit goals and/or obligations. Beyond this, as key intermediaries that not only assist and support individual cooperatives but also
represent them culturally and politically, cooperative associations are critical bridge-spanners and/or potential gatekeepers. Thus, it is critical to understand the type of institutional relationships they pursue in order to better understand the capacity of social cooperatives to contribute to broader social and/or political transformation within Italian society.

**LEGA**

Drawing on its traditional strength as a representative of worker and producer cooperatives, Lega identifies social cooperatives primarily as human service organizations, which use entrepreneurial means to accomplish social goals. Among the primary goals put forth in Lega’s agenda for social cooperatives from the late 1990s to the late 2000s was the creation and development of a new range of integrated, personal services, particularly in areas that have previously remained either uncovered or only partially covered. In pursuit of these goals, it sought to promote the growth of medium to large size services in overlapping sectors, particularly social assistance and health (i.e. home care and assisted living for the elderly) and social and labor market integration (i.e. job training for the physically disabled and mentally ill).

In an effort to facilitate the consolidation of an organic system of social interventions and services, Lega has upheld a model of active partnership with the public sector—a form of partnered subsidiary—which entails a proactive role for both the public and the private sectors as critical intermediaries in planning, producing and delivering social welfare. While promoting social cooperatives' organizational and managerial role in the production of social services, Lega officials have tended to see social cooperatives in a predominately productionist vein, yet one which leaves social planning functions primarily to the public sector. While the current crisis of the Italian public sector has caused Lega representatives to underscore the need to develop a more autonomous role in constructing a “new kind of welfare,” they continue to affirm the “absolute relevance” of maintaining relations with public administration and the need for more structured partnerships, particularly in the areas of accreditation and contracting.

Viewing the regulatory functions of public entities as essential for generating a constructive role for non-public entities in reorganizing the welfare state, Lega upholds the role of the state in protecting citizenship rights while endorsing social cooperatives as a means of assisting the state in protecting the rights of vulnerable citizens. Thus, Lega representatives are strong proponents of concartation, a form of governance which shifts the character of public intervention away from procedural regulation toward models of intervention that promote a “network of social responsibility” between the state, civil society, and individuals.
Along these lines, Lega officials emphasize the need to develop a broad, multifaceted social welfare system which focuses on the public good yet is attentive to the diverse array of needs which characterize different social groups and distinctive territorial communities. Affirming the vision of Legacoopsociale as rooted in “rights, social cohesion, equality and sustainable growth,” Vice President of Legacoopsociali, Sergio D’Angelo, states that “the force that social cooperatives have attained over the years is due to the fact that their objectives and the social interests they have protected have coincided with the objectives and interests of the collective.”

This perspective manifests itself through a number of policy priorities pursued by Lega. First, it actively promotes large-scale projects capable of creating a more equitable, comprehensive social market throughout the country. Thus, it prioritizes “projects and interventions for the general benefit” and supports the development of medium- to large-sized, multi-user, multi-service cooperatives. This has translated into focusing energy on projects targeted at enhancing the quality of social cooperative services, programs, and activities, as well as equity issues, such as focusing resources on the traditionally undeveloped areas, particularly in the South. A second key way in which Lega manifests its policy priorities is through active lobbying for what it terms, “civic privatization.” This involves a broader political strategy committed to developing social cooperatives in tandem with the creation of a comprehensive, integrated welfare system capable of meeting the diversified needs of Italian citizens and workers. This in turn overlaps with a third key priority, which focuses on promoting “active citizenship” by creating opportunities for more direct involvement of citizens in making choices about service use as well as communicating with the public to promote awareness and knowledge of the resources available to them.

**CONFCOOPERATIVE**

Like Lega, Confcooperative’s primary focus is on the development of the Italian social market. In contrast to Lega, however, it is openly critical of state dependency and what it views as current dysfunctions in public contracting and consequently focuses on strategies to develop greater independence from the state. According to Confcooperative officials, greater involvement in welfare contracting threatens to transform social cooperatives into a non-specific labor pool for local public administrations by relegating them to a marginalized service provider role. Thus, as opposed to pursuing a social market model predicated on growth and competition, Confcooperative representatives stress their opposition to statalismo (statism), manifest in excessive bureaucratization, standardization and generalization. Instead, they advocate more direct mechanisms for producing collective benefits.
Although in recent years Confcooperative has made a more concerted effort to take advantage of new opportunities provided in the service sector as a result of welfare reform, it has continually emphasized community responsibility and participation in the production as well as consumption of welfare. Along these lines, Confcooperative has prioritized the systematic gathering and dissemination of “social” data related to membership composition and governance. As of 2008 this has enabled it to extend measures of “success” well beyond standard economic and organizational indicators to include, for example, the dissemination of information regarding the number of non-Italian members within social cooperatives as well as the extent of member participation in cooperative assembles. Defining the particular comparative advantage of social cooperatives, Federsolidarietà President Vilma Mazzocco emphasizes the importance of combining innovation with solidarity, in order to “overcome the boundaries and security of the past” and embrace the “obligation to accept new challenges” While supportive of concertation, it is viewed largely as a mechanism to restructure public-private relations so as to overcome the perceived tendency of the public authorities to undermine the legitimacy of social cooperatives. Supporting a polycentric model of welfare which places the person, family, and territorial community at the center, Confcooperative seeks to assume greater co-responsibility not only in the delivery of goods and services, but in the content of social intervention as well as the mobilization of community support to promote this objective.

Cultivating an identity of social cooperatives as “alternative” organizations, generating bottom-up responses to locally defined need, Confcooperative officials view social development as predicated less on the successful implementation of welfare reforms than in a cultural shift that involves strengthening social bonds within local communities. By designating local consortia as the key interlocutors between the state and civil society, Confcooperative upholds a structural model of organization based on small-scale individual cooperatives, which operate in solidarity with other community organizations in order to “substitute a network of businesses for a network of people.” This commitment to building the civic basis of social cooperative development is further evidenced by Confcooperative’s promotion of community embeddeness. As enshrined in its code of ethics, this principle affirms the importance of organic ties to communities. According to former Confcooperative president Felice Scalvini, “forming strong relations with citizens, social groups and institutions, all of them focused on social integration and the promotion of people,” are “fundamental aspects of the co-operative way” In addition to expressing a strong commitment to the philosophy of community development, Confcooperative officials advocate and promote extensive collaboration, both amongst social cooperatives as well as between social cooperatives and other civic-minded organizations. This link to the associational sphere is reinforced by Confcooperative leaders who have cultivated multiple
affiliations with other Italian associations, including leadership positions within Italy’s Forum del Terzo Settore, a national and regional representative body established in the mid 1990s to overcome cultural and ideological resistance to the development of the third sector, as well as a host of other foundations, research institutes, and community-based organizations. These factors lead to a strong affinity between social cooperatives and civic associations and thus the framing of social cooperatives as a kind of higher-order association representing an “authentic” expression of civil society.\textsuperscript{37}

Community building across social sectors

In addition to its capacity to foster social as well as economic linkages among and across social cooperatives and public and private institutions more generally, the cooperative associations' effect on social cooperatives involves the construction of alliances that foster (or potentially impede) solidarity between particular groups of people such as workers, those marginalized within their local communities, and/or consumers more broadly defined. Through their development of certain forms of support, their promotion of codes of conduct and ethics, and their advocacy efforts, cooperative associations help to embed and/or distance social cooperatives from local communities, thus influencing the scope and depth of social cooperatives' civic capacity.

\textit{LEGA}

Consistent with its promotion of other types of cooperatives, Lega assigns a high priority to workers’ rights and professionalism. Emphasizing the inherent compatibility between the core characteristics of cooperative organizations and those features needed to ensure optimal productivity within the human service sector, former Legacoop sociali president Costanza Fanelli underscores the advantage of greater worker participation in the organization and management of social cooperative activities and services. As she states: “Through the realization of social cooperation, many workers have been able to express, and experiment with, their own vision of policies and interventions in the social sector.”\textsuperscript{38}

In general, Lega officials equate developing organizational and managerial efficacy and promoting workers interests with that of promoting citizenship more broadly. As the conditions and quality of workers improves, the quality of life of service users/beneficiaries and their families improves, which in turn generates positive externalities for civil society at large. This logic is particularly well illustrated in Costanza Fanelli's observation that “[t]here cannot be a contradiction between the effort and the work that [Lega] exerts to improve the rights of citizens, whether disadvantaged or not, and the concrete situation and condition of the workers and employees that are in our enterprises.”\textsuperscript{39}
Emphasizing competent management and qualified, motivated workers as a key value added of social cooperatives, Lega representatives work to dispel images of social cooperatives as substitute labor pools while fostering greater legal protections for workers. This is reflected both in Lega’s attempt to push for greater worker guarantees in the original social cooperative framework legislation, their active involvement in pushing for a national collective contract for social cooperative workers (in 1997 and more recently in 2008), and their commitment to providing opportunities for workers’ continued training, both within social cooperatives as well as for other third sector organizations, and, in some cases, also with public employees.

Deeply committed to developing greater professionalism and entrepreneurialism within the social sector, Lega strives to distinguish social cooperatives from other types of voluntary or associational organizations by emphasizing service specialization, promoting innovation in management practices, and pursuing the professionalization of its workforce. Additionally, it pursues broad-based initiatives to enhance inter-sectoral coordination, recently in the areas of mental health and housing, as well as better integration between social and health policies on the one hand and social and active labor market policies on the other. Although Legacoopsocali’s 2009 national congress has recently affirmed multiculturalism and active participation in the labor market as key priorities, it has expressed greater skepticism about the incorporation of volunteers or service beneficiaries directly into social cooperatives’ membership base. Concerned about the potential for greater conflicts of interests and slower, less-effective decision-making, Lega generally discourages the incorporation of non-paid members within social cooperatives and instead encourages them to establish external relations with local volunteer groups rather than mobilizing service beneficiaries to become members.

Identifying social cooperatives as a cross between organized self-help and community activism, Confcooperative endorses the “multi-stakeholder” character of social cooperatives. As such, Confcooperative officials advocate an inclusive membership policy that incorporates not only workers, but also user-members, neighbors, relatives and friends, conscientious objectors, and community leaders. In addition to promoting social cooperatives as a locus of service provisioning through conferences, seminars, and speaking engagements in local schools and with community groups, Confcooperative officials reinforce the identity of social cooperatives as “movement-enterprises” capable of not only improving the quality of life in local communities, but also of empowering people by providing a forum for citizens from different walks of life to come together to achieve common goals and objectives.
Although taking part in efforts to attain benefits for cooperative workers, such as national wage agreements, satisfactory insurance and pension plans, and fixed criteria for the treatment of cooperative employees, Confcooperative departs from the cooperative movements' traditional allegiance to workers rights. Instead, it emphasizes democratic participation and the need to create trusting, solidaristic relationships among various stakeholders within social cooperatives. Confcooperative representatives reinforce and, to a certain extent, valorize volunteerism and community involvement while de-emphasizing the privileged position of workers. For many influential leaders within Confcooperative, the multi-stakeholder philosophy serves to protect social cooperatives from becoming dominated by any one interest, such as those of workers and particularly soci sovventori, (members that contribute financially rather than personally to the operation of the cooperative), who represent a threat to the fundamental cooperative value of solidarity in that they create internal divisions based on unequal salary levels.43

This commitment to multi-stakeholding and community embeddedness is echoed in a number of principles, which according to former Federsolidarietà president Felice Scalvini are intricately linked to building faith and trust within these organizations as well as society at large. As enshrined in its official code of ethics, the principle of territoriality admonishes social cooperatives against large-scale development, recommending instead a size that is “compatible with the possibility of developing positive relations of acquaintance and collaboration between fellow members” in order to ensure active participation and democratic decision-making and connection with territory. This relates to the principle of solidarity, which according to Confcooperative’s code of ethics, calls for “the general development of the diverse human resources that are united under the cooperative roof,” as well as a more explicit directives such as “an open door policy and social integration between paid workforce and volunteers and clients.”44

Viewing social cooperatives as predominately altruistic, community-based institutions, Confcooperative representatives express particular concern over the risk that social coops will morph into traditional production cooperatives. In order to counter this, Confcooperative has traditionally favored a “strawberry patch” policy of promoting small, horizontally integrated cooperatives.45 Encouraging “spin off” within cooperatives that become too big, this policy is aimed at maintaining a relatively flat administrative structure as well as active participation among stakeholders. While changes in public contracting, the growth of cooperatives in the south, and the realization of a sizeable and underserved group of larger social cooperatives has focused attention more recently to a new phase of consolidation, Confcooperative has continued to place significant emphasis on community relations and information campaigns aimed at reinforcing its mission among a broad range of stakeholders.46 This is
done through a number of means, including conferences, editorials, publications, speeches and training seminars. Confcooperative also engages in protocols and accords with a variety of civic organizations in order to foster broader participation. In 1985 it signed an accord with the Italian Ministry of Defense to promote civilian service, and continues to organize the civil service for approximately 1,200 Italian youth every year. Actively recruiting young conscientious objectors and establishing an infrastructure to place them within cooperative societies in different parts of the country, it has since become one of the top institutions providing civil service experience in Italy.\textsuperscript{47} It has also developed a protocol of common action with ARCI, one of Italy’s largest cultural associations designed to develop inter-personal exchanges and diverse forms of collaboration aimed at fostering civic engagement,\textsuperscript{48} and, more recently, has pursued greater engagement at the European level through its involvement with the Confederazione Europea delle Cooperative di Lavoro e Sociali (European Confederation of Worker and Social Cooperatives, or CECOP).

Main findings and conclusion

Analyzing the goals and strategies which underlie the Italian cooperative movement’s relation to social cooperatives reveals a social dimension that is often overlooked in contemporary studies of cooperative development. Rather than simply transferring the same set of ideologies and norms that they employ in the economic sector to the social sector, Italian cooperative associations have made a concerted effort to both revise old objectives and strategies, as well as create new ones. As a critical interest intermediary between state and society, Italian cooperative associations appear to play a key role in enabling social cooperatives to develop the type of hyphenated identity necessary for maintaining a tenuous equilibrium between their productive goal, aimed primarily at improving the efficacy of their projects, programs and services, and their civic role, which involves generating broader social and economic benefits for communities, both culturally and territorially defined. Thus, as a whole, the Italian cooperative movement has exhibited considerable vitality in its ability to adapt its primary role as a business association/union for worker-owners within economic enterprises to one of promoter and advocator of social enterprise—a point worth emphasizing in light of critics’ contention that contemporary cooperative movements are unwilling and/or unable to play an innovative role in the development of civil society.

This said, it is important to recognize that historic cleavages within the Italian cooperative movement contribute to distinct, though for the most part complementary, models of social cooperative development. On the basis of how cooperative associations define their membership criteria, their primary objectives for social cooperative development, and the broader frame of
reference in which they seek to position social cooperatives, it is possible to identify two models of social cooperative development, a \textit{corporatist model}, pursued by Lega and an \textit{associational model} pursued by Confcooperative (see Table 1 below).

<table>
<thead>
<tr>
<th>Orientation Framework</th>
<th>Membership Criteria</th>
<th>Focus of Primary Development Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lega - Corporatist</td>
<td>Social Service System</td>
<td>Selective</td>
</tr>
<tr>
<td>Confcooperative - Associational</td>
<td>Community Development</td>
<td>Inclusive</td>
</tr>
</tbody>
</table>

Reflecting its historic ties to the labor movement and its close relationship with the state, Lega attempts to work closely with the public sector to promote service quality while seeking to mobilize broader citizen interest in supporting more progressive social welfare objectives. In line with its general pattern of developing large, competitive cooperative enterprises, it seeks to promote social cooperatives' capacity to meet the growing complexity of social needs via a \textit{corporatist model} of social cooperative development that emphasizes producing socially and culturally integrated services by the most economically efficient means possible. Positioning social cooperatives within a social service framework, it privileges social production and sustainability as social cooperatives' key development objectives and favors selective membership criteria in an effort to promote the identity and interests of workers and consumers as social cooperatives' primary stakeholders. Thus, for Lega, social cooperatives' key contribution to Italian civil society lies in their capacity to contribute to the country's social safety net by promoting social efficacy in service provisioning as opposed to mobilizing marginalized social groups and/or promoting civic participation more broadly.

By contrast, Confcooperative tends to view social cooperatives as an opportunity to enlarge the space for civic society vis-à-vis the state. In line with the Catholic concept of subsidiarity and its historic commitment to an ethic of social solidarity, Confcooperative favors maximizing independence from the public sector and advocates civic engagement and the direct involvement of community members in addressing socio-economic challenges. Thus, it tends to support social cooperatives as generators of social and cultural integration. Rather than focusing on employed workers or Italian citizens broadly defined, Confcooperative has sought to create an organizational culture aimed at developing solidarity among its different membership base. Reflecting a strong commitment to social solidarity and an inclusive, yet intensive orientation toward membership, Confcooperative promotes an \textit{associational model} of
development that treats social cooperatives as generators of community development, thus placing greater emphasis on developing a shared “cooperative” spirit among territorially based communities.

The bifurcation of the Italian cooperative movement into two major and distinctive confederations plays a significant role in the way cooperative associations promote social cooperative development. Looking toward the future, it will be important that researchers, cooperators, and community activists take a closer look at how these distinctive models cross-cut one another in addition to the specific mechanisms by which they shape what goes on within social cooperatives situated in particular local contexts. How do these models actually impact the participation of diverse community members in the governance of social cooperatives and/or the priorities of cooperators in articulating, planning, and carrying out their particular social agendas? How do they influence social cooperatives’ ability to confront various social, cultural, and/or ecological challenges, and to what extent do they affect relationships with activist groups and/or their propensity to go after funding and/or contracts with local government? The answers to these questions will be critical not only to furthering our understanding of the civic capacity of social cooperatives as a unique form of cooperative, but also to the continued vitality of the Italian cooperative movement more broadly.
Endnotes

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6 Utilizing data reported in the Istat 2008 dataset, I calculated the percentage of unpaid members based on the proportion of members from membership categories not explicitly identified as ordinary or disadvantaged workers, thus including donor, partner, and juridical members as well as volunteer and user members.


16 For further discussion about theses aspects of the Italian cooperative movement, see: Travaglini; Ammirato; Viviani, M. (2000). Cooperazione e bilancio sociale: Suggerimenti per una paternitaConsapevole. *Rivista della Cooperazione, 1*(2), 71-76.
21 Ibid, p. 97.
22 There are two other national representative associations, Associazione Generale delle Cooperative Italiane (AGCI), which represents the liberal umbrella organization, and Unione Nazionale delle Cooperative Italiane (UNCI) which was not established until the mid 1970s. These cooperative associations, along with a recently founded though relatively little known fourth association, Unicoop, are significantly smaller than Lega and Confcooperative, and are relatively inconsequential for social cooperatives. According to data reported
by Menzani & Zamagni, as of 2006, cooperatives affiliated with AGCI, UNCI, and Unicoop comprise less than 22% of Italian cooperatives and their membership base is less than 9% of cooperative membership overall. See: Menzani, T. & Zamagni, V. (2010). Cooperative networks in the Italian economy. Enterprise and Society, 11(1), 98-127 (p. 113).

23 Confcooperative identifies their eight sectoral organizations as national sector Federations. Federsolidarietà was established in 1988 out of a long history of organizing around solidarity cooperatives at the local level. Comparatively, Legacoopsociali is a much newer organization. Prior to its founding in 2005, social cooperatives were incorporated with other cooperatives within ANCST (National Association of Services and Tourism Cooperatives) one of the largest of Lega’s eleven sectoral organizations.


27 ANCST, p. 15

28 Manzo.

29 ANCST, p. 13.


41 A notable exception to this trend regards the position of disadvantaged workers within social cooperatives that deal with labor market integration (type B social cooperatives). In an effort to try to prevent these cooperatives from becoming ghettos for “undesirable” workers, Lega stresses the importance of integrating training and social support with the objective of providing alternative spaces of employment, in order to ensure integration of these workers within the “normal” workforce.

Servizi Sociali e Sanità della Provincia di Parma.


46 Marocchi; Confcooperative-Federsolidarietà, 2009.


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