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## **CO-OPERATIVE MOVEMENT: HINTS FOR A DEVELOPMENT STRATEGY**

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*Discussion paper*

## **THE STARTING POINT: DOES A CO-OPERATIVE STRATEGY EXIST?**

First of all we need to ask a question: does a co-operation strategy actually exist? Does a plan exist to insert co-operative enterprises and the co-operative movement in the development prospects of society and of the economy and more generally, of civil society? The considerations that follow start precisely from this question.

## **SOME ENCOURAGING SIGNS**

There have been certain signs which could lead us to be optimistic, such as, for example, the growth of co-operatives in several countries and areas - in its traditional sectors and, above all, in new sectors - both in the developed world and in more economically backward areas. Not to mention the attention which has been granted by the highest representatives of the international community – starting from the UN General Secretary – to co-operation's possible contribution towards resolving the most serious and urgent problems of many countries. Finally, we are seeing a proliferation of forms of economic participation and democracy in the capitalist entrepreneurial and production strata of which the co-operative enterprise can claim the birthright.

As regards Europe in particular, on the one hand the co-operative enterprises operating in the 'transitional economies' of the central-eastern part of the continent, freed from the heavy state harnesses of past regimes, are now beginning to measure themselves – albeit with some difficulty, but increasingly assertively – with market competition. On the other hand a profound 'restoration' of the legal and institutional bodies which regulate co-operatives is underway in the countries of the Union, both at a national and at a European level. In addition, it should be pointed out that, with the approval of the statute of the European Co-operative Society, this new institution which will enable co-operation also at the transnational level can now become fully operational.

## **ITALY AS A POSSIBLE EMBLEMATIC CASE**

However, I intend to focus in particular on the situation of co-operatives in Italy. And this not only because, as is natural, this is the area of which I have the most direct and best knowledge, but also because the Italian co-operative movement is one of the most important in Europe, and one which has perhaps shown the strongest capacity to resist to the crisis factors which have affected entire and important sectors of the co-operative economy in countries where co-operation can claim ancient and solid traditions. Also because Italy's case is particularly significant and could become emblematic of a strategic chance which could be seized to advantage and which it would be therefore unforgivable to miss.

## **A SEASON OF NEW LAWS**

Since 1991, innovations in the regulations governing co-operative enterprises have been introduced in Italy at a truly fast, possibly unprecedented, pace. It will suffice to mention the most important interventions in this respect. In 1991 the co-operative enterprise rules were introduced and in 1992 the most important reform law on the matter since 1947 was passed. This was followed by: the introduction of the 'small co-operative enterprise' – comprising a minimum of 3 members and a maximum of 8, instead of the traditional minimum of 9 members; the abolition of the prohibition to form co-operatives of professionals – which dated back from the era of the Jewish racial laws; the introduction of the faculty to issue bonds for co-operatives; the new laws on worker members; the amendments of the rules of vigilance; and the insertion of a specific article on co-operatives in the reform of corporate law – which is still being discussed.

## **ADAPTING OLD RULES**

This is not the place to discuss the contents of these measures in depth. Suffice to mention that most of these aimed to adapt dated laws to the developments which co-operative enterprises must face, both in terms of their own organization and in the production and market environment which they must deal with.

Therefore, rather than following a studied and somehow preordained plan, these types of legal innovations are issued in response to the 'spontaneous' evolution of an entrepreneurial area and/or to the conditioning of this area on the part of external changes.

## **MUTUAL PROMOTION FUNDS...**

However, among the new laws introduced there are some which do not only aim to fulfil objective needs, so to speak, but are also prompted by a real drive towards renewal. This is the case in particular of the institution of the 'mutual funds for the promotion and development of co-operation', as part of the reform of 1992. These funds, which subsist on a tax-free payment of 3% of the profits of co-operatives, aim to promote new co-operatives, sustain development plans for existing cooperative enterprises and favour the creation of improved material and cultural conditions for the expansion and establishment of the co-operative movement. Finally, the funds are obliged by law to address their promotion activities mainly to the south of Italy.

With the institution of these funds the reform law gave official status and regulated so called 'system mutuality'; beyond solidarity between the members of individual co-operatives, supporting promotion is acknowledged and taxed as an obligation involv-

ing the co-operative movement as a whole. There can be no doubt, therefore, that this is an innovation which is prompted by a precise and autonomous intention towards reform, that is to bring the co-operative movement a step further towards a redefinition of their very structure.

The institution of mutual funds indeed has a significance which goes beyond the, albeit important, aim of providing the co-operative world with an extra tool for its expansions. Rather it translates the obligation to ‘devolve to socially useful causes’ those residual assets of co-operatives, which since the “Basevi law” of 1947 has determined the non-speculative nature of co-operative enterprise, into a tangible organizational and financial structure – i.e. the funds – and in a ‘year by year’ formula – through the payment of 3% of profits.

### **...AND THEIR LIMITATIONS**

The results of the funds’ activities over a decade in terms of numbers of promoted enterprises, financed projects and jobs created, and in promoting co-operative culture, particularly in the south of Italy, have proven the validity of the initiative. Nevertheless, the question should be asked as to whether their inspiring principle does not contain an in-built limitation which prevents the establishment of these new institutions and of their doubtlessly prolific work as a decisive factor in promoting the recognition of co-operation as one of the essential components of a reform strategy for this beginning of the 21<sup>st</sup> century.

This is because one thing is certain, and that is that these results, while irrefutable, are not in themselves sufficient to reverse the process of distancing and almost of marginalization of the co-operative movement from the political strategies and government decisions, which is felt – and painfully so – by its most affected segments.

Very briefly, the limitation of which I speak can be described as follows. With the introduction of mutual funds, the reform of 1992 gave form to an institutional body for ‘socially useful’ aims, which the old law had established as the purpose of co-operation. Therefore it fulfils two goals in one stroke; while establishing the only legally recognized tool for the pursuit of these ‘aims’ at the same time it defines what these aims are to be. The ‘socially useful aims’ ascribed to co-operation by the reform are indeed the same as the funds’ aims, i.e. to promote the birth and development of co-operative enterprises.

Now, for those who live and work in a co-operative environment, who have given and give their best to co-operation, and who are aware of its limitations as well as of its qualities and merits – which are undoubtedly many – cannot fail to appreciate from within the value of this promotion activity and the contribution which it brings not

only in terms of the production of national wealth and employment, but also in the quality of development and of civil society.

However, there are also those who, looking in from the outside, expect co-operation to prove its worth and perhaps give credit to the arguments which would have co-operation a residue of the past, a ball and chain and a form of enterprise which is only serves charitable aims and marginal economic situations. For these people the logic of promotion funds risks to beg the question, to make co-operation appear to be little more than a vicious circle or a conjuring trick. To the eyes of those who do not take the 'social function of co-operation' – as explicitly recognized by the Italian Constitution - as a given, the fulfilment of this social function merely through co-operative promotion cannot appear convincing.

### **AN HISTORICAL 'SOCIAL FUNCTION'**

This is indeed the challenge which the co-operative movement faces today, certainly in Italy, but I think also in Europe and in the whole northern hemisphere; the challenge for co-operative enterprise to redefine itself in the current phase of economic development, social dynamics and balance and evolution of markets. Why is this the challenge? Because the role which co-operative enterprise has fulfilled for over a century no longer finds sufficient confirmation in the developed world as it is fast becoming structured and transformed today.

Indeed, what has this function traditionally consisted of? Essentially in permitting the expression and fulfilment of a series of needs of the working classes and of the poorer classes in general, which it would have been far more difficult, if not impossible, to meet without co-operation. In addition, and often in perfectly complementary fashion, co-operation has permitted to best exploit the resources – in terms of work, initiative and savings – available to these same classes, which the dominating economic mechanism and established market orders has tended to marginalize or to hold in a completely subordinate position.

For this reason co-operation has managed to take hold, often in the form of successful enterprises, in such a wide range of sectors of production and of the economy in general. For this reason it has been able not only to promote development, employment and a better quality of life for such a great number of people, but also social and civil cohesion, channelling conflicts towards constructive solutions and fostering the growth and establishment of democratic awareness. In this way it has attained public recognition and support – when and in the measure in which these have been given – and its own place among the forces of progress.

## **FACTORS OF CRISIS OF A MODEL**

It is fair to assume, then, the working hypothesis that the law of 1992 for the institution of the funds simply and faithfully followed in the wake of this tradition. The basic aim could have been to structure, rationalize and render univocal a stance which during almost half a century – but to a certain extent since the very origins of co-operation - had produced such fecund results. The results of the recent past would have been taken to mean that continuity in this sense could be expected in the future.

This faith was probably ill-placed, as can already be seen and as will become increasingly evident – and not just in my opinion – in years to come. This for various reasons, of which it will suffice to mention a few:

- the growing financial focus of enterprises, which alienates decision-making centres from the human factor, which remains fundamental in co-operation;
- the globalization of the production system and of the market, which renders practically marginal the territorial and local dimension which often characterizes the establishment of co-operative enterprise;
- the changes in work patterns, which have become more mobile, thus doing away to a great extent with the stability which is synonymous with security in a co-operative economy;
- an increasingly multifaceted and often fragmented society, which results in a loss of effectiveness of one of the traditional strongholds of the co-operative movement as representative of substantially homogeneous social categories in terms of interests, mentalities and needs.

## **OCCASIONAL SOLUTIONS**

Certainly there have been responses to the difficulties engendered by the factors I have just mentioned. An obvious example of this are the innovations in the law of the last decade, such as the opening of the co-operative system to financing members – included in the same reform of 1992 – or the faculty to issue shares in order to meet the growing financial needs of enterprises, or the introduction of a company model – the ‘small co-operative’ – which is more suited to the new forms of employment and the increasingly mobile, less category-oriented, social fabric.

Or, finally, on a different level, the regulation of social co-operatives, which already at the time when the law was passed had long been introducing the co-operative formula in new sectors and responding to some of the needs emerging from the changes underway at the very core of western societies. Given this it is not incidental that other countries, both in Europe and elsewhere, have shown an interest in the concept of social co-operation.

As I mentioned in the introduction, these responses cannot however be to a coherent and thought-out plan of reforms. In most cases they have basically been occasional measures, remedies to problems which could no longer be ignored passed to meet the needs of the more important co-operative enterprises and attempts to regulate phenomena which had already developed in the absence of specific laws.

So how do we explain this lack of planning in a country in which the co-operative phenomenon extends to a vast range of sectors - some of which it has even attained leadership in -, which has more than one outstanding co-operative enterprise and where these enterprises continue to grow considerably both in numbers and in economic influence? Without presuming to give answers which would require a more in-depth analysis than is possible here, I will nonetheless attempt to provide a few explanatory hypotheses.

## **BEHIND THE PLANNING DEFICIENCY**

This substantial lack of adequate strategic planning concerns both co-operative organizations and the political forces historically having an interest in co-operation (Catholics, republicans and left-wing parties).

On the part of political powers we have assisted throughout the '90s to an increasingly obvious, substantial distancing from the co-operative movement. As the traditional political party hold over co-operative organizations reduced, the interest of parties for co-operation has also substantially waned, under the guise of 'non-interference', remaining only to be used as a tool or appendix for the bipolar confrontation between the coalitions. Indeed today no party sees co-operation as decisive, or even relevant, to its political, economic and social strategy.

In this context the same co-operative organizations have found themselves effectively crushed between the immediate needs of adhering enterprises - first and foremost those which are economically stronger - and the need to gain credit, if not with the political powers, at least with the public administrations at various levels. From here the fluctuation between the tendency to increasingly 'homologate' the co-operative format with any entrepreneurial structure and the opposite pull to praise the particular 'social' role of co-operatives, which is more historical and ideological than current, and more claimed in order to gain credit than truly practiced.

## **FOR WHOM ARE REFORMS MADE?**

All this has resulted in a recurring and widespread tendency to view the area of co-operatives as a "niche" to be protected according to the static and purely defensive

logic of an ‘acquired right’ and of inalienable heritage. This leads to a marginalization, when not to an actual loss, of their real economic and at the same time cultural and social function, that is, to fuel growth in society and provide an opening towards the future through which the heritage of the past may be generously and effectively put to use for the good of all.

This is then what I would define as the common factor in the innovations in the law on co-operation which, as I already said, have been particularly rife recently. This is probably more true for Italy than for any other country. Indeed if we only look at the measures already in force in the country – as we should obviously defer judgment on the reform which is currently still being debated in Parliament until it is approved – in almost all cases, even those of apparently greater reforming import, these were innovations introduced ‘for’ co-operation, ‘for’ co-operative enterprises, or ‘for’ the co-operative movement. They were not, that is, innovations introduced ‘on the matter of’ co-operation – or co-operative enterprises, or the co-operative movement -, ‘for’ the common growth of society, ‘for’ a development of production and a truly common market, or ‘for’ an economic situation which responds more fully - against the tide of strong contrasting forces - to criteria of participation and the needs of democracy.

## **SEARCHING FOR AN ALTERNATIVE**

Would it have been possible to take a different approach? While it would have probably not been impossible it would have certainly been very, very difficult. When I spoke of a ‘distancing’ of the traditional political parties of reference from the respective co-operative organizations, I certainly didn’t mean to imply a giving up, a throwing down of arms which only concerns relations with co-operatives. I fear that a lot more lies behind this ‘distancing’. There is a general lack of capacity on the part of the political powers to offer a strategic vision, a credible and far-reaching prospect for society; from which results a perplexed electorate, often tempted to simply give its vote to the most powerful, to the wealthiest and to those proposing sensational but elementary models of success.

Faced with this incapacity, there was little hope that an far-reaching enough indication would come from an entrepreneurial and social sphere – that of co-operatives- so closely linked to the here and now, to the more immediate needs of people, of its members, so much so that it could be defined sanguine and earthy. It would have been almost as difficult to imagine that the political powers would have shown a capacity to draw inspiration for an adequate reform strategy and a credible prospect for Italy and Europe from an old movement which has its roots in a past which is prior to their founding, and perceived, precisely in view of its’ being sanguine and earthy, as being perpetually behind the times with respect to the bright lights and triumphal march of the ‘virtual’ and ‘globalized’ economy.



And again, wishing to go deeper into the anything but straightforward history of the relations between co-operative movement and political parties in Italy, it would have been hard for such an inspiration to be sought in an enterprise-based movement. This because the co-operative movement could not and cannot still make its own the metaphor of the ‘sheep to be sheared’, by which in the tradition of the left-wing, but more generally of reformism and democratic politics, the role of the production sphere is described in relation to the public and social areas, and because co-operatives cannot fail to also recognize themselves in that definition.

### **FOOD FOR THOUGHT:**

- a new reforming strategy

It seems to me that this last consideration, if there is any truth in it, touches the ‘nitty-gritty’ concerning the whole question of co-operative strategy and even more so of the relationship between co-operation and reform policy. Indeed, it will only be possible for co-operation, which by its very nature is part of the economic-production sphere, to enter wholeheartedly into such a strategy as an organic and active, rather than marginal or residual component, when certain conditions are fulfilled. Such a participation requires first of all that the reforming political powers abandon the traditional concept of the economic-productive dimension as a ‘sheep to be sheered’, in favour of the public and social area. This means a reform strategy in which the economic-production sphere is seen to be an independent function.

It goes without saying that this hoped-for perception of the economic-productive sphere as independent, cannot mean the passive acceptance on the part of reforming powers of certain forms of exploitation. On the contrary, such a perception can and must imply at the same time the dawning of an age of criticism and reform of the production system and of the market, which would be all the more effective as could operate from within the system to activate economic organizations which could act as agents of innovation and as promoters and examples of democracy.

The co-operative movement would obviously have much to contribute to any reform strategy conceived and formulated along these lines, as well as much room to move, grow, spread and become established in response to the new emerging needs of society. In this perspective the co-operative tradition need no longer appear to be a mere leftover from the past, but could constitute the starting point for a new season of great modernity and openness towards the future.

- rethinking traditional avenues

In performing its social function, co-operation has traditionally operated along certain avenues:

- it has taken the essential needs of citizens and translated them into organized initiatives in the area of demand, granting these needs a market power otherwise completely absent;
- it has set itself as a channel for participation, democracy and collective awareness within the production system;
- it has favoured access to enterprise on the part of the poorer classes, channelling work resources, savings and initiatives in this direction;
- it has set itself as a factor of social cohesion, development and the cultural and civil growth of local communities.

Within a reform strategy of the type I have just outlined - and indeed acting as a herald and spur for change even before it becomes a factor of change in itself - the co-operative movement would have the chance to revisit and give new life to these 'avenues' through which it has traditionally fulfilled its social function. Without presuming to provide any recipes for this, which would be out of place, in conclusion I will attempt to propose a few points for discussion concerning the wealth of new opportunities which could open up for co-operatives.

- To associate demand to satisfy new needs

A first point concerns the most classic and ancient form of co-operative; the association of consumers and users for the collective expression of demand for goods and services. In the current phase of evolution of an increasingly global and communication-based economic system, a particularly difficult and important task for those who are committed to protecting and promoting democracy consists in the organization of effective consumer and user rights protection systems.

In this area there are essentially two objectives for renewal: on the one hand to protect citizens and promote their interests in relation to a much wider and more structured range of needs and requirements beyond basic needs – such as food, clothing and housing – which historically have comprised the object of consumer and user co-operative organizations; on the other, the promotion of a more aware and mature relationship of citizens – both collectively and individually – with the dimension of economy and the market, reducing the 'imbalances in information' which consumers, users and small operators are subjected to by those who dominate the fields of offer and communications, by the use of adequate tools.

Therefore, two kinds of intervention can be hypothesized. In the first place there is a need for user associations covering new fields, first of all relating to ‘welfare’ needs, starting from those traditionally entrusted to ‘Welfare State’ institutions. This is an area in which it seems appropriate that the co-operative formula – in view of the complexity of needs to be met and many differences it covers – should conceive and present itself in non-exclusive terms, as the more openly entrepreneurial side of a plurality of different organizations comprising both different kinds of associations and more properly mutual bodies.

In short, the idea would be to provide a “continuum” of services and associations to cover welfare needs, and which could give a significant contribution towards the creation of a ‘new Welfare’ formula based more on participation than on the state, which will have to replace the currently ailing ‘Welfare State’. In addition, in this perspective consumer and user co-operatives could seize the chance to update and render more dynamic and visible their traditional service functions, taking on themselves the task of promoters or supporters - starting from their own social base - of various forms of organized demand, from voluntary mutuality to various forms of association.

- a network of ‘agencies’ for citizens dealing with the market

A second field of intervention should be the deployment of further, adequate policies and tools to reduce as far as possible the ‘imbalances in information’ which place average citizens – consumers, users of services, small operators and new arrivals – on an unequal footing with the dominating powers in the economic system, in the media and of the market in general. What I am thinking of essentially are agency-type bodies which can help, guide and direct citizens who wish to or must enter the often impenetrable jungle of the market, on the basis of expert assessments and where possible internal knowledge of the relevant segments or sectors.

This type of activity could apply to a very wide range of needs, from choosing a telephone provider to finding the best lawyer for a certain type of legal requirement, down to the choice of the best banking or insurance services. A range of needs, that is, whose variety and rapid evolution require the maximum elasticity and flexibility in the use of operative tools and in the structure of the organization itself. In any case these services require that the co-operative movement passes increasingly decisively from its traditional preference for the direct provision of services to the deployment of agile co-operative – or co-operative controlled – intermediaries who are able to operate in the exclusive interest of the users by activating a true competition of rates and quality between those offering the services, without preset preferences.

- a fragmented work market

This renewal of the co-operative movement, of its way of operating and of its very basic structure which is made necessary today by the sweeping process of transformation of economic and social relationships, will in many cases mean turning a danger or difficulty into an opportunity. This is the case, to make an example, of the destructuring of the great traditional associations of society – classes, large categories, the great ideological and cultural masses – and of the difficulties which derive from this for the mass organizations of the past, which were based on similarities and predefined convergences of interests, needs, mentality and ideologies. These difficulties and risks can, however, be seized as chances to establish more streamlined and flexible forms of association which are able to renew themselves in real time to express needs and aspirations which change and structure themselves time after time in ways which great organizations struggle to follow. A change, then, which can present the danger of a serious crisis for these organizations.

I have mentioned a few examples of how such difficulties and dangers can be responded to by turning them into chances for renewal and relaunching. I would also like to add another couple of examples which touch areas which are particularly significant and of vital importance for the co-operative movement; the question of employment following the crisis in Taylorism and the local dimension in the era of globalization.

In the first area, the predicament of trade unions and of those political parties which make employment their point of reference is obvious as they attempt interpret a social situation which is by now fragmented and non-homogeneous, and which therefore it is no longer possible to depict in simple formulas of immediate impact. This predicament also affects the co-operative world, at least in part. Indeed it is increasingly less feasible to form co-operatives based on employment by category, which can grow by absorbing an increasing number of workers united by substantially similar needs and skills. A job market which is increasingly turning into a ‘jobs’ market requires a new approach through adequately renewed tools.

Such a renewal does not by definition lend itself to being expressed in a simple formula, as it requires fair amounts of creativity and imagination. This does not mean throwing away tradition, but rather re-interpreting it freely in the light of today’s requirements. In this regard, what it is possible to provide is rather an indication of method.

- an indication of method

The co-operative formula should be able to propose itself on today’s job market as ‘one’ of the possible ways of organizing the changing face of employment. The co-

operative alternative could be proposed in particular to young people who wish to enter the world of work while avoiding the more serious dangers it presents and seizing its opportunities, enhancing their skills and knowledge and using the new freedom acquired with respect to the subordinate employment of the past, while at the same time avoiding the newer and more subtle subordinations and frustrations of permanent precariousness. In this context, co-operatives could provide an avenue where risk is managed through solidarity and self-organization, where the resources and skills of each are enhanced through synergy with those of others, in a condition of equality, where working means entrepreneurship and where the tightness of budgets is made up for by democracy of management.

However, it should not be presented as the only possible avenue, but rather as one of many, ranging from individual enterprise, to associationism, and including protected and aware employment in larger enterprises. A range of opportunities, that is, amid which the co-operative movement, on the strength of its century-long experience and organization, can help young people and guide them in their choices, thus operating as an active and useful interlocutor also in this area with trade unions, political parties and public administrations alike.

- promoting local interests in the era of globalization

The problem of the relationship with the local dimension is no less difficult and complex. This relationship has traditionally been vital for co-operation, and I do not believe that it should at all be abandoned, even in the face of the globalization of economy and of communications. Rather it should be deepened and profoundly renewed. I believe that the co-operative movement can employ the organizational strength which is its peculiarity and its network of enterprises linked by solidarity to contribute towards making the local dimension an active rather than marginal component in national and European development. The launch of the European Co-operative Society could be of great assistance in this sense.

I'm thinking of a perspective in which local dimensions are seen not as closed municipalities, but as being close to the actual needs of local citizens and being able to express and meet their needs with an effectiveness which standardization and flattening can never hope to achieve. However, I also believe that this dimension should be seen to be part of the wealth of a wider community, and should be made to operate as such through the intensification of exchanges, partnerships and reciprocal communication and initiatives aimed at promoting an aware and active osmosis between different experiences and cultures.

To summarise, I believe that thanks to its own peculiar characteristics the co-operative movement can contribute significantly to the “glocal” operativity – as it is now currently known - by which we intend the fusion between local and global; not a refusal

of globalization – which would lead to a self-imposed exclusion from the developments of modernity- but its ‘management’ with the aim of rendering it a ‘friendly’ process for mankind.

- the local dimension and the environmental issue

I’m also thinking of an active and aware link between the local economic and social dimension and the great environmental issue, which is one of the main and most serious ‘global’ problems which humanity is facing today. Rooting in a territory and the care and continual improvement of its environment are generally among the most positive and important characteristics of the local dimension, where co-operatives are born and grow. This is a vision of the environment which more or less consciously goes beyond a merely conservationist, even museum-like, approach. It is a vaster and more comprehensive approach where the conservation of natural and historical heritage blends with building and restoration, where the natural world joins with the human community in a respectful but not renunciatory intertwining.

The positive character of local dimensions thus conceived must be encouraged to avoid the tendency to close in on themselves and thus involuntarily turn themselves into ‘environmental niches’ to be kept behind glass. This should be ensured by the deployment of a series of effective and adequately-tuned channels connecting the local dimension to a wider ‘global’ dynamic, first national and then European. These channels should be in the service of the development of reciprocal knowledge between different ‘localities’, via tourist, study and training, and economic and commercial exchanges. The important contribution which co-operative enterprises and organizations can bring to this situation is easily intuited.

- a new horizon for co-operative promotion

Among the especially numerous new laws recently introduced in Italy, the institution of mutual promotion funds is one of the most interesting. However, while pointing out their importance I also pointed to a limitation inherent in the makeup of this new institution. This limitation in my opinion consists in assuming as a given that very ‘social function of co-operation’ which should be expressed through the funds. Now, is it possible to identify an avenue to break this sort of vicious circle and to restore an effectiveness to the social function of co-operation which can be recognized by the interlocutors of the co-operative movement, starting from the political powers and including those which have traditionally been closest to it? That is, can the co-operative movement take on a non-marginal role in a reform strategy which is far-reaching and at the same time immediately effective?

These suggestions and ideas which I have attempted to offer have precisely this aim. And I believe that they could be useful also towards a rethinking of co-operative promotion and of the mutual funds which are its principal tool. The law imposes only one specification on the activities of the funds, which is a territorial one, requiring that most of their activities be directed towards the south of Italy. This is obviously an important indication, considering the dualism which still affects the Italian economy. Nevertheless it cannot be denied that such an indication betrays a certain indefiniteness, almost as if the need for growth of the south was being perceived as being limited to a need for 'more enterprise', be it even co-operative enterprise, rather than as a complex situation comprising the need for development of its whole social fabric.

It would therefore be beneficial to establish a set of more specific priorities - both for the south of the country and, even more so, extending our view to the whole country and to its inclusion in Europe - according to which to assess the value of interventions and of those promoting them. As regards in particular the subject which I have here addressed, it would be beneficial for co-operative promotion to also be assessed according to parameters which better take into account current economic and social changes. Co-operative promotion should, that is, be guided by a suitable legal scale of values towards those fields and undertakings where the contribution of co-operation to the economic, human and democratic growth of society can be better expressed today.