

**Evolution of the
mutuality principle
from reciprocity
among members
to the pursuit of
the general interest**

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In the evolution of the experience through which Italian cooperatives developed, the onset of social cooperatives and their evolution certainly represents a phenomenon of great interest, which in recent years has also attracted significant attention by researchers and policy makers, also outside of Italy. There is not enough space here to recount the story, so I will focus on how this experience has helped to provide new interpretations of the mutuality and social function of cooperatives, transforming the original message of all cooperative experiences into one which is modern and prophetic: solidarity and mutual aid among people become an organised entrepreneurial force, capable of achieving social and economic transformations intended to create and produce “shared goods”.

The fact that cooperatives in all sectors had a social function deriving precisely from a form of mutuality that was shared among members and was capable of organising economic activities that were not limited to the pursuit of the members’ interests, was a legally recognised principle, so much so that the Italian Constitution of 1947, under Article 45, entrusts the legislator with the task of promoting cooperatives due to their social function.

In the cooperative movement, this principle is given ample space in the Laidlaw report, presented at the 1980 Congress of the International Alliance of Cooperatives, which urged co-operators to promote new forms of cooperation to enhance the solidarity network present in local communities, in view of the “double purpose” of cooperatives.

Nonetheless, ten more years had to go by before Italian institutions gave their social solidarity cooperatives an innovative legislative and regulatory framework, finalised by Law no. 381 of 8 November 1991, which established social cooperatives as a special form of cooperative organisation.

Prior to their legal recognition, there had been many experiences of work cooperatives, the objective of which was to respond to growing social needs and to implement projects of social inclusion for disadvantaged people. It was then that the concept of social solidarity cooperatives was introduced. These were approved mainly as work and service cooperatives. Yet, by achieving gen-

eral interest objectives, they expanded the concept of mutuality, offering services and benefits for people who were not necessarily associated with the cooperatives. The first of these social solidarity cooperatives to be written into the register of companies at the Court of Brescia in 1963 was the Cooperativa San Giuseppe, founded to provide and manage assistance and care for people in need. Hence, it was established not for the members of the cooperative itself but –in order to provide assistance to their community - through their work and commitment. A wider concept of mutuality thus took shape and enriched the cooperative movement of an entrepreneurial function in the general interest, but also merged business and solidarity into a single economic and organisational project.

The success of Italian social cooperatives, which, following their legal recognition, experienced a season of growth and proliferation over the span of 30 years, led to the creation of at least 16,000 social cooperatives, 12,000 of which are operational and about 9,000 of which are members of a great family, the Alliance of Italian Cooperatives. Social cooperatives have been able to develop and adapt to the profound changes that have affected Italian society, offering services to almost 7 million citizens, and employing more than 350,000 permanent employees. Among these, there are also 30,000 disadvantaged employees, thus making Italian social cooperatives the most successful enterprise model for job placement.

The growth of social cooperatives has followed the trend in welfare policies and has been able to use the mutuality cooperative model, providing, through solidarity and by taking on a social function, answers to the needs of people, identified mainly as individual needs: assistance to people with disabilities, people who are marginalised or at risk of exclusion, and fragile individuals in general. This concept of “expanded mutuality” and the solidarity mission responded to these needs through the entrepreneurial organisation of services, assuming a task on behalf and account of the local community, often mediated by local public authorities. In this sense, social cooperatives were mainly service cooperatives, and ex-

panded mutuality performs the public function of responding to the general interest.

In recent years, however, people's needs have been changing rapidly, and organising care and assistance services is no longer enough to completely fulfil that general interest function and shaping the common good that characterised the recent past. In fact, the social cooperatives that are most attentive and involved in their local communities are increasingly intercepting complex requests and requests from service providers, built around providing assistance and care. They are increasingly becoming community platforms with a multitude of functions aimed at promoting and supporting the central role of citizens. They deal with social housing, urban development, cultural activities, social tourism and accessibility, social agriculture, job search, and training and education.

New forms of interpretation of the concept of expanded mutuality thus emerge, as well as that of economic operators concerned with acting in the general interest. These forms are necessary for an even better discernment between models of cooperation. We therefore need to rethink the model of economic organisation and the idea of development, if we want social cooperatives to be able to face the challenges of the future. This role must go beyond the management of social-assistance services and work placement, to continue embracing the concept of local development more fully, with a model of the cooperative action within communities as an agent for transformation that strengthens social ties among people.

Working for local development requires acting with a wider view to integration, both with other enterprises, and with other institutions of the tertiary sector, in order to develop a greater inclination for innovation and avoid being confined to the role of mere service providers on behalf of a public administration which is increasingly less open to innovation. Indeed, the innovation which is required of us means that we must reconsider also the concept of "expanded mutuality", the great innovation introduced by social cooperatives in cooperative economic and legal thinking. This must find a new phase for the re-interpretation

of the role of the forms of organisation centred on solidarity, participation and being shared to enable actions of social, economic and institutional transformation and innovation. This re-interpretation could benefit from the potential introduced in Italy by the recent social enterprise reform.

This reconsideration is key to ensuring that cooperatives find a way to be promoters of services and innovations, to be placed in the context of a circular economy, of a shared economy, of sustainability and the digital challenge. In these new contexts of digital economy, cooperatives could field their specific inclination to generate and redistribute resources across local territories and communities. This is a renewed version of expanded mutuality, which is projected towards the future, also thanks to the help of new technologies. In particular, the specific mindset of social economy and of mutualistic forms could provide an important contribution on five major issues: promotion and protection of the quality of life (welfare in a wide sense); promotion and protection of the quality of the environment and dwellings (sustainability); accessibility and quality of food; sharing and dissemination of renewable energy; democratisation of the data process and communication networks.

As regards these issues, social cooperatives have the responsibility and duty to remain in step with changing times and identify as early as possible the methods through which, in the scenario of the transformations of work and the economy, there can still be space for local people and communities.

For each of these macro topics, there is a specific peculiarity in terms of mutuality that social cooperatives can put into play to make it available in the broader debate on the future of the cooperative movement.

Many social cooperatives seek to develop a greater openness to innovation in order not to remain limited to the role of mere service providers, and try to be the promoters of services and innovation, also with the intention of placing themselves in the context of the circular economy, the shared economy, of sustainability and the digital challenge. These topics have a strong correspondence with the 17 objectives of sustainable development

promoted by the United Nations, but which are above all issues that highlight the need to stop the increasing growth of inequality.

These new conditions now open up a very interesting scenario which must be explored in full by cooperative endeavours, which at this point can also add to their internal mutuality social function, the more extensive function of being social enterprises, which have recently been introduced in European and Italian legislation as organised forms of economic activities intended to achieve social objectives in the interest of the general public. To a certain extent, all cooperatives can therefore move in a dimension of mutuality which is wider and closer to the interest of the general public. The emergence of social enterprises must turn into a great opportunity for the entire cooperative movement to rethink and modernise the concept of mutuality, transforming this principle that was “for specialists” into a living concept that can be nourished and enhanced through dialogue with local communities and with participation, subsidiarity and the search for the common good.

To a certain extent, qualification as a social enterprise could allow any cooperative that wished to operate by relaunching the social and participatory dimension of the great demand for sharing, to find an expression on virtual platforms, proposing a “mutuality 4.0” that is rooted in the real life of people, in job seeking, in looking for quality in consumership and life, in relations, in caring for the environment, in the promotion of and participation in culture and knowledge.

Social entrepreneurship may allow cooperatives to reinvent mutual aid, adding to the reciprocity of interests among members the expanded reciprocity of their own social and work communities. This mutuality “marries” the interests of the general public and becomes generative, thus transforming “market” areas where development is inclusive. Through this operation, the cooperative movement has the possibility of projecting the mutual aid principle into the new millennium.

The “open door” policy and voluntary participation by members turns a cooperative enterprise, wanting to operate in a community (be it local or larger), into a platform for participation with high

potential. From a certain point of view, this also puts cooperatives in the position to become social enterprises with added value, that of participation and responsibility towards an audience of members which is theoretically unlimited.

To explore and develop this potential, however, moving quickly and starting afresh from the evaluation of how solid and authentic the mutuality foundation actually is will be crucial, because it will be necessary to be able to start from the current members of the cooperatives to win over future potential members who may inspire a potential for development and economic and social growth, to continue modernise and keep the ‘cooperative bet’ on a democratic and participatory social economy up-to-date. Also in relation to social cooperatives, this means re-inventing the solidarity-based mutuality which has characterised their history and evolution to relaunch the new forms that it can and must assume in light of the innovations introduced by the onset of social enterprises, but also by the transformations that the development of the digital economy is introducing.

These transformations deeply question also the organisation and management of welfare services, not only because the impact on the world of work and the risks of loss of thousands of jobs could impact the social protection system; but also because they could penetrate fully the forms and manners of delivery and management of welfare services in health and education.

Access to the future digital welfare for all citizens will be one a major issue in the coming decades, and therefore one of the missions of social cooperatives must be that of containing the growth of inequality in access to care services.

We must be aware that not even optimal organisation of work through efficient machines and algorithms restores in the workers that feeling of solidarity and protection that stems from sharing the same destiny. But we also need investment and commitment to ensure that this feeling of solidarity and sharing is both genuine and well cared for.

This is the scenario that social cooperation must be able to tackle with much more complex responses than simply optimal organisation of

work or contractual coverage, in order to piece together a dimension of meaning and care in organising assistance and aid. Therefore, we must return to the origins of the mutuality experience, to the ability and specificity of social cooperatives stemming from and developing in local communities, in direct contact with the needs of people, but also with the possibility of involving stakeholders in the construction of responses to their demand for social protection. This is why social cooperatives must develop the ability to use the potential of these new technologies to better develop their function aimed at merging identity and solidarity in a common destiny. This may help us to build communities where people experience a sense of belonging and feel protected, conferring dignity and opening spaces to “represent” work, thus providing legitimacy and citizenship to the various forms of work in the wide field of the “welfare of the future”

Certainly, the new technologies will improve the functions of work organisation and distribution, which will be handled with greater efficiency and punctuality by machines and digital platforms; at the same time, identity, solidarity, protection and the legitimacy of participatory governance are still in need of organisations made up by and with people and communities. We must, however, work to include the new technologies as best as we can, to improve the ability to generate inclusive relationships, the commitment of people, and solidarity and mutual responsibility among people.

Indeed, one of the big problems that we face concerns, on the one hand, accessibility to these new technologies and, on the other hand, the kind of governance and the regulatory mechanisms that we must implement to stop the enormous potential for development of the digital economy from being concentrated into the hands of a few, as unfortunately has already been happening far too quickly. By contrast, the cooperative model of social participation, with the central role of members, can potentially keep a window of democracy open in the evolution of a society based on communications and artificial intelligence.

The cooperative, therefore, even when it takes

advantage of the new technology of connections and collaboration on platforms, may be much more than a virtual space for collaboration, but an actual space that is shared and for sharing. Cooperating is in fact much more than collaborating. It is a ‘doing together’ that feeds on reciprocity, and this reciprocity is at the heart of mutuality. Certainly, digital mutuality cannot then settle for the dimension of “sharing”, but must learn to exploit its potential, both to give birth to new cooperation, and to respond to the diversification of needs, as well as to radically innovate existing cooperative companies and feed the assets of local communities and territories and, through new technologies, also the assets of “virtual communities”.

Work and welfare are the foundation of the experience of social cooperatives that we must revive also in the foundation of a digital economy, starting from the ability demonstrated by cooperatives in organising responses to emerging needs, and moving through the job placement experience of social cooperatives that were able to bring people who had been excluded from the labour market and the traditional economic systems back to production. It is now a question of finding a way to put that creativity to fruition, and try to make the new industrial and economic revolution driven by digitisation and artificial intelligence more democratic, accessible and inclusive.