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Social enterprise between crime economy and democratic transformation in Southern Italy

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Introduction

The approach shared by social entrepreneurship and social business prescribes a kind of smoothing out of the issues raised by capitalistic mercantilism. The point is to develop activities with a social objective while integrating financial and organisational methods borrowed from the classic business approach. Private managers and investors can now participate actively in resolving social and environmental issues through "alternative enterprising". More efficient than traditional associations in resolving social problems, this new philanthropic model suggests taking the cue from capitalist enterprise; specifically, this means choosing a *modus operandi* and a language that would facilitate dialogue with both the financial and the public sectors. (Gérome, 2015, p. 58-59). The new face of capitalism as evoked by Yunus in his book *A World without Poverty: Social Business and the Future of Capitalism* (2008), includes "social businesses" as the "missing link" which could, further out through emulation, help change the capitalist ethics. From this viewpoint, capitalism and social business are not mutually exclusive, and capitalism may offer a solution to poverty through simultaneous business endeavours that generate wealth and others that resolve contemporary social issues. However, as globalisation balloons, finance goes global and economic crises spread worldwide, capitalism displays its most blatant characteristics—the breakdown of social integrity and deregulation with regard to the State. This trend accentuates the melding of lawful and unlawful practices: "Before, we could more or less distinguish between morally and ethically reprehensible conduct from those which were less reprehensible. Now this is no longer possible." (Pons, 2010, p. 29). Therefore, we can state that a process is underway through which capitalism is becoming "liquid". To paraphrase Bauman (2006), just like the "liquid society", now "liquid capitalism" not only has no more real consistency (an effect of the financialisation of markets), but is more and more infiltrated by the crime economy, rendering the legal and ethical borders even more uncertain, almost non-existing. Through its integration in capitalism, social business—despite its philanthropic and moral goals, is ineluctably confronted with the increasing infiltration of the crime economy into its markets. We can therefore legitimately question its positioning. How can anything contribute to the transformation of capitalism without re-examining its foundations and evolutions? Is a wilful inclusion in the capitalistic economy compatible with a critical

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stance capable of proposing viable economic alternatives? Is it still possible to moralise capitalism or must we propose alternative economic models?

The case of Sicily could be a catalyser for addressing these issues. It is a pertinent and widely applicable example if one looks at it as a "world region". Even as it has often been studied as a sort of laboratory of deviant modernisation, as "industrialisation without development" (Hyttén and Marchioni, 1970), or "development without autonomy" (Trigilia, 1988), it can also harbour potential already seen in far reaches of the world (Perna, 1994). Indeed, we must underscore certain realities that have been disqualified to the point where they become invisible or unintelligible (Santos, 2011), but which embody possible changes in the dominant system. In Sicily, organized crime has infiltrated markets in ways that have become so blurred that it is difficult to distinguish the outlines. Businesses have developed ways of conniving with criminal networks, giving them a competitive edge on the market through purchasing loans, supplying cash for investments, and commonly resorting to violence against the competition (Montani, 2016, p. 85). Against this backdrop, entrepreneurial activities resembling social cooperatives managing assets confiscated from the mafia are multiplying and proposing other economic options, alternatives to capitalism. They hold up a model of entrepreneurship that can be defined as a form of solidarity, in the sense that the economic activity is used to support the political objective of opposing the mafia. Their position is primarily a critique of a market largely infiltrated by criminal networks.

To begin with, starting from the study of capitalist system evolving towards an increasing involvement with the crime economy, we shall review recent forms of social business and the social and solidary alternatives to the market system. Secondly, we turn our attention to the example of Sicilian cooperatives managing assets confiscated from the mafia to illustrate the confrontation between businesses based on solidarity and markets infiltrated by crime networks. To succeed as viable alternatives, these experiments need parallel economic networks within the solidarity economy as well as solid collaboration with local political authorities.

1. Liquid capitalism: an infiltration of the crime economy into the market economy²

In the Russian economy, as demonstrated by Kossals and Ryvkina (2003), "the parallel economy is transformed into a self-perpetuating structured social system. It goes well beyond simple avoidance of State control and monitoring, having its own organisation and autonomy. This can be illustrated by the interaction of four main types of practices: 1) illegal activities (racketeering, etc.) habitually involving a great number of economic actors; 2) standardisation of informal methods (for instance, fake invoices conducive to dealing in cash); 3) regular economic relationships covered by agents of law and order (such as "protection" of businessmen performed by police officers, for a price); 4) creation of new organisations that encourage illegal activities (bureaus that serve as intermediaries between businessmen and police collaborators, companies specialising in converting bank money into cash, etc.)".

Since the economic crisis, ways of interweaving legal and illegal economic activities have increased in all countries. "The crime economy has become very good at infecting and cannibalising legal economic networks, which have an increasing need of cash" (Saviano, 2014). Since 2008, access to available cash has been banks' main problem, and criminal organisations have been able to invest and launder tens of billions of dollars. Likewise, companies on the verge of bankruptcy accept capital and forms of protection from crime markets, which winds up by devouring previously healthy economic situations. Once crime has found its way into the system, the market economy can no longer do without it. "In an

² The crime economy generates several billion dollars every year, as revealed in the Global Finance Integrity report, "*Transnational Crime and the Developing World*". Heading the list of the most lucrative criminal activities, counterfeiting alone brings in more than 923 billion dollars. Next comes the illegal drugs market, estimated at 426 billion dollars annually, followed by human trafficking (150.2 billion dollars). Illegal forestry operations generate 52 billion dollars annually, the most profitable of crimes involving natural resources. Light weapons and small-calibre arms account for 1.7 billion dollars annually.

entrepreneurial context, there is no clearly defined line between legal and illegal activities. Neither moral nor religious arguments suffice to limit this infiltration. The legal economy does not automatically do away with the illegal and criminal economy; there is no incompatibility between the two, one does not force the other, and moreover, connivance seems to be the defining feature of their relationship."³ This porousness is confirmed, even consolidated, by the pressure exerted by European institutions to ingrate proceeds from the crime economy into nations' GDP calculations. Since 2014, on the recommendations of Eurostat—the European statistics institute—countries have been able to account for illegal activities (prostitution, drugs, the black market for cigarettes, etc.) in their GDPs. They are now considered as wealth-generating activities and can therefore be included in a nation's accounting methods, according to ESA 2010⁴ which stipulates that "The definition of a transaction implies that an interaction between institutional units be by mutual agreement. (...) Illegal economic actions shall be considered as transactions when all units involved enter the actions by mutual agreement. Thus, purchases, sales or barter of illegal drugs or stolen property are transactions, while theft is not" (p. 48). This is a form of legitimisation of the illegal economy woven into the economic fibre of member states. According to the IMF, this gross crime revenue likely amounts to between 700 and 1000 billion dollars globally. As shown in the most recent report of the Italian Parliamentary investigative committee on the mafia and other criminal organisations (February 2018), introducing the crime economy into nations' GDPs attributes a positive value to it, because it appears to "contribute positively" to the national wealth (+1% in Italy for 2014 alone). The economic impact of organised crime is thus legitimised and increases steadily⁵, "The modern age has integrated violent force as the way to access power and wealth ... The market is placed above the law and fraudulent entrepreneurial actions can be explained and justified due to the demands for competitiveness."⁶ It would have been useful to provide a parallel accounting method for calculating the costs to the community (and to individuals) engendered by the crime economy: the effects of market distortion, losses for the State, the negative impact for civil society, and so forth. Inclusion into the GDP is thus a form of statistical legalisation of the crime economy in the capitalistic system.

The crime economy functions by virtue of a structural duplicity. All economic sectors with substantial profit potential today are infused with criminality. This economy "through its presence and influence, has come to marginalise (partially or fully) certain official practices that kept it from going forward, and has taken the most appropriate organisational and cultural forms" (Kossals and Ryvkina, 2003). This eventuates through "gray zones" involving complicity and connivance. The gray zone is a space in which criminals, professionals, political players, entrepreneurs and state officials build alliances and exchange favours. It is a relation-based arrangement between legality and illegality, where crime networks offer protection and intermediation to economic actors and professionals, and experts offer skills and knowledge lacking in the criminal milieu. These relations make it possible for the criminal network to progressively penetrate the legitimate economy. They are difficult to identify as they become embedded in the local and national economic fibre. The magnitude of the financial flows produced by traditional illegal activities lead to productive investments in legal markets through the intermediary of these gray zones. As shown by Asso and Trigilia (2011, p. 20) organised crime manages to replace the market as the regulator of economic activities, by bringing costs down and creating contexts that encourage competition. Criminal groups have extensive relational networks that facilitate gathering information, and collaboration possibilities that make it very easy for economic players to penetrate the legal

3 *Commissione parlamentare di inchiesta sul fenomeno delle mafie e sulle altre associazioni criminali, anche straniere "Relazione conclusiva"* 7 February 2018, p. 29.

4 This Regulation drafted by Eurostat (EU statistics agency) defines the new European accounting standards applicable since September 2014.

5 According to the UN, the four mafia organisations (Ndrangheta, Cosa Nostra, Calabre, Sacra Corona Unita) account for revenues of 116 billion euros, or 5.9% of GDP.

6 *Commissione parlamentare di inchiesta sul fenomeno delle mafie e sulle altre associazioni criminali, anche straniere "Relazione conclusiva"* 7 February 2018, p.18

economy. With the capitalistic market in crisis, it is more and more difficult for a company to resist the competition, which pushes them to call in the resources—in terms of financial networks and political collusion—of criminal networks. They offer companies structured legal services which become indispensable in a competitive market environment. Seeking justification in "surviving" on the capitalist market, the corporate argumentation defies peer rejection, thereby enabling the accepted diminishing of the moral cost of such collusions with the criminal world. "Depending on the networks appears to be so common and widely practised to resolve economic problems that the lines between legal and illegal use of relationships become increasingly fragile." (*Ibidem*, p. 27). Systematically relying on criminal networks is finally considered as a necessity, "the only way to remain on the market, even the only way to survive economically." (Sciarrone, 2011, p. 31). This increasing proximity between criminal logic and a rationale of "profit at all costs" produces an enormous "genetic mutation" that is spreading constantly (Montani, 2016, p.83).

2. Which projects for social enterprise

In this context of liquid economy and criminal activities, we need to understand better what are the possible roles for social enterprise and we see that it is obviously divided in different perspectives, as already shown in this book.

The "moralisation" of capitalism through social business

Concurrently, as the criminal economy infiltrates markets, we are observing a "moralisation" of capitalism through the introduction of codes of ethics, socially responsible conduct, sanctions and so forth. This is to assuage the collective psyche that denounces individualistic values of accumulation—which are nonetheless seen as legitimate for the sake of economic growth. Against this backdrop, social entrepreneurial initiatives and social businesses are increasing, supported by social entrepreneurs considered as the new modern heroes capable of reconciling humanistic aspirations and the profit motivation. "As a social, societal and environmental goal, supported by large corporations and foundations, social entrepreneurialism seeks to define the "human" enterprise. (Draperi, 2010). The justification of the corporation's new role in society is based on "a pessimistic image (of society) characterised by a lack or need of ethics which must be filled, and which can be filled by the corporate ethic." (Rivet-Préfontaine, 2017, p.6). Social business, a brainchild of the foremost American business schools, is the link between big capitalist corporations and foundations for the purpose of funding social undertakings. The philanthropic investments of foundations intended to spur social businesses whose projects promote actions to tackle social, societal and environmental problems, justify the link with capitalist corporations that finance those same foundations. The stated goal of social business is geared toward repairing social and ecological damage, although capitalistic by nature by the methods it deploys: working with competitive markets, effectiveness and economic efficiency, with proven management techniques, etc. By imbuing the corporation with social morays, it is hoped that social problems will be resolved by financialising them, thus questioning the role of the Welfare State and turning social action into a market. As shown by Battesti and Petrella (2015, p. 2) "a process of transforming social action from a public domain into a market has begun; introducing competition into the social sphere is supposed to make the offer more competitive and the services more diverse".

Capitalism is looking for new markets to ensure its expansion. Brandishing a moral and philanthropic motivation, it invests its energies in "the bottom of the pyramid" to find sources of new growth. The BoP theory—*Bottom of the Pyramid* (Prahalad, 2004)—lauds the fact that companies can both "do business" and fulfil a social role, which is what we now call *social business*. With its argument based on the fight against poverty and the premise that multinationals can provide more efficient leverage for development than public or humanitarian aid, this method of seeking out new markets has spread worldwide. The poor are a real source of new growth for companies, and "it is in the interest of multinationals to include in their business model consumers from emerging countries—the four million persons living on less than 5 or 6 dollars a day. Although the margins are low, the volume effect is such that opportunities in this market, now summed up in the acronym 'BoP', are

considerable," writes Ménascé⁷ in *Le Monde*. Through social business, one can create a new economic system for poor populations in order to "get them out of the assistance syndrome". This model of entrepreneurship seeks to fulfil social needs by selling, for a profit, goods tailored to poor populations on a "win-win" basis. Yunus has stated "social business is a type of enterprise whose goal is to change the world, an enterprise guided by creativity and passion to resolve problems [...]. Social business is a proposal by which you do not want to make money for yourself, but to solve problems using the business model." (Yunus in Kickul *and all*, 2012, p. 455). The process of moralising capitalism is thus manifest in the new desire of multinationals to participate actively in solving social problems. Very impact few studies have been done on social businesses and the published studies show that the effects of these projects on poverty remain limited or virtually nil (Kolh, Rivera-Santos, Rufin, 2012, p. 13). They are at an impasse because this business eschews the question of the origin of social and environmental damages generated by capitalism and excludes governments as social regulators. This leads to limiting political action and expanding market logic to the social domain. Social business merely integrates social goals into capitalism, without proposing other models for development.

From social enterprise to solidarity-type social enterprise

From a different angle, the ideal type of social enterprise as proposed by the European research network EMES (Nyssens and Defourny, 2013), is based on the principle that the social objective of such organizations have to approach in a broader view including the question of the participative governance. Early experiments sprang from citizens' initiatives that reached Italian legislation on social cooperation dating from 1991. The goals were then to integrate poorer populations in these organizations while according them a place in defining the objectives and decisions concerning production and operations. They sought not to maximise profit for the partners, but to work in the community's best interests, to promote humane treatment and social integration of the citizens. The collective dimension leads to forms of employee participation and volunteer work, determined according to a cooperative project. As shown by Nyssens and Defourny (2013, p.14), "Social enterprises are created by a group of persons based on their own project, and they are controlled by those persons. They can receive public subsidies but they are not directed, directly or indirectly, by public authorities or other organisations (federations, private companies, etc.). They have voice in decision-making and in ending their activities (exiting)". The production process that involves stakeholders and democratizes the conception of services offered can open the gate to inventing services different from those offered on existing markets.

Continuing the EMES work on social enterprise, Coraggio *and all* (2015) insist on the importance of these political actions, which not only develop socially-oriented economic activities, organised democratically, but also work to transform capitalism and the institutional framework that sustains it. The socio-economic dimension then weaves into the socio-political domain, extending beyond the group of supporters to affect the political context of which they are a part. These solidarity-type social enterprises "try to contribute to a renewed democratisation of the economy. Not through external social measures, but through new forms that mix the social and the economic." (Laville, 2011, p. 101). In this reading, working in the market does not exclude other components that define specific features, and they consolidate from a hybridisation of different economic levels. As stated by Gardin (2003, p. 69) "In practice, we see that social enterprises can combine three economic axes: the market, based on supply and demand of services among economic agents for a price; redistribution, in which a central authority gathers means to redeploy them according to its predefined standards; and reciprocity, by which exchanges stem from the desire to sustain or strengthen social ties between different groups or persons." From this viewpoint, solidarity-type social enterprises propose a change in economic paradigms, towards one that does not encourage integration into capitalism but rather one which takes account of a variety

⁷Fondateur de L'Observatoire sur les stratégies BoP. *Le Monde* 25.05.2010.

of forms of production and ways to utilise wealth. They also envisage forms of interaction with public authorities in order to promote tangible change in the institutional framework.

3. The solidarity-type social enterprise's resistance to the crime economy

As we have shown, if social business is not integrating any critique about the entanglement between capitalism and criminal activities, it is important to better understand how the solidarity-type social enterprise is able to resist the crime economy. In the context of Sicily, the solidarity-type social enterprise is illustrative by a new form of cooperative named social cooperative which has the specificity to gather different stakeholders (users, volunteers, workers, local authorities) in the process of decision making.

Social cooperatives to manage assets confiscated from the mafia

The mafia, which has managed to become a permanent fixture of the Italian economic fibre both northern and southern, is a telling illustration of the osmosis between the legal economy and crime economy. "Mafia business is a business of both worlds", states the Italian parliament's Report of the anti-mafia Committee (2018, p. 29) "It includes, habitually and structurally, both the legal and illegal worlds: its business is structurally duplicitous and through the way it functions, it demonstrates that these two worlds reciprocally sustain each other." Force and violence drive competition in illegal markets, while corruption serves that purpose in legal markets. This economic system is founded on the triad that links economics with politics and the mafia, excluding all resistance with a sustained tolerance of such barely legal practices. "We are watching the free fall of society's disapproval of the phenomenon and of using the services offered by criminal organisations" ("Direzione nazionale antimafia Relation cited in *Ibidem*, 2018, p. 218). It is in this context that social cooperatives are operating to manage assets confiscated from the mafia (Act 109/96). These solidarity enterprises are faced with tensions which, in our view, likely stem from specific territorial factors, although they may apply to a more general context as well. A good number of social cooperatives have emerged in Sicily to manage properties confiscated from mafia bosses. In rural communities where most of them are located, the mafia has solid footings and a strong impact on entrepreneurial activities led by social cooperatives. The entire local farming community is affected by the criminal milieu which owns the lands, manages labour, negotiates with subcontractors and occupies a role as intermediary that strangles the local economy. This is true for Sicily as it is elsewhere: "Criminality is present in labour-intensive sectors, where unskilled labour is easily replaced and in most cases employed on a seasonal basis." (Pons, 2010, p. 34). Even though those cooperatives have little economic weight with limited quantitative impact, these experiments have a relatively strong symbolic importance. They head up community projects to facilitate re-employment of workers, and which moreover generate indirect positive impacts at the territorial level by involving other local economic players. This is also a form of solidarity entrepreneurship with a societal project that acts as an alternative to capitalism and to the criminal market. It is of uncertain viability, and therefore needs a supportive economic channel as well as the influence of local and national public authorities.

Social cooperatives manage several acres of farming land and rural real estate previously owned by mafia families, which were attributed to them by Act 109/96 containing "Provisions for management and use of assets sequestered or confiscated" from criminal organisations⁸. Due to its complex implementation, this legal mechanism calls for extensive

⁸ This law, passed on 7 March 1996 and recently amended by the Act of 17 October 2017 n. 161, was on the initiative by a network of associations called *Libera, nomi e numeri contro le mafie*. It complements the "Rognoni-La Torre Act" of 1982, which introduced into the criminal code Article 416 bis, defining association with mafia-related criminal acts as a misdemeanor, and legalising the confiscation of property from persons convicted of association with the mafia. This property must be entrusted to territorial collectivities where they are located, free of charge, and must be managed by organisations with proven social value, such as social cooperatives and associations. At this time, out of all confiscated properties, only one thousand are entrusted to

synergies among players with different profiles: not-for-profit social organisations like cooperatives and associations, territorial entities (townships, regions), police officers, magistrates and regional administrative agencies. As shown by Dalla Chiesa: "the success of such confiscations and their use for enterprises' social purposes are not dependent solely on laws and their appropriate interpretations. (...) You need a high level of social cooperation that can support and accompany the enterprise along the way through a process of self-accountability in multiple sectors: institutional, political, social, economic, at both national and territorial levels". (2017, p. 24). The assets confiscated and attributed are most often allotted to type B⁹ social cooperatives, managed collectively by persons needing work, a permanent team of salaried workers and volunteer members, which is as good a response as any to the double challenge of social entrepreneurship and economic development within the territory. The people in the cooperatives are therefore economic actors with a political message. The production methods deployed for these assets become a daily affirmation of legality over criminality.

Integration into support channels of the solidarity economy

Alternative and legal forms of the economy sponsored by these social cooperatives therefore operate in opposition to the crime economy, and at the same time to the market economy which rejects the principles of humanism and solidarity. Social cooperatives, then, use support networks of an economic, political and civil nature to ensure their viability and consistency with their social goals. Recent research (Cabras and Meli, 2017) shows that in these social cooperatives, more generally in confiscated businesses, reintroduction into the market generates distinct effects that depend on the nature of their production, the institutional context in which they operate, and the stakeholders' ability to lead the project. Tension mounts often to distort the initial entrepreneurial project when confronting the market, sometimes still dominated by the mafia. This sometimes undermines their means or ways of action. (Dalla Chiesa, 2017). The economic context can put a damper on these solidarity-type social enterprises, whose purpose is not strictly entrepreneurship, but also solidarity orientation. The context can generate both "virtuous networks essential to survival on the market for these social enterprises, or on the contrary, it can open fatal sinkholes that lead to their failure." (Cabras and Meli, 2017, p. 60).

Sicilian social cooperatives in rural communities work in territories where dependence on the mafia culture is deeply rooted. As an example, in the village of San Giuseppe Jato alone, with its 7,000 inhabitants, affiliates of mafia boss Brusca are estimated at about 800 people, each one working with his own contact network. Constant vigilance is necessary to avoid any infiltration into the production, transformation and distribution networks of the social cooperatives. The functioning of these networks is extremely complex and gives rise to a series of pitfalls and structural problems. The long delays in the process of allotting confiscated goods have caused the lands to fall into a state of neglect. In the emergence phase, therefore, the lack of financing necessary to rehabilitate these assets to an operational state puts new operators in difficulty. Moreover, some insurance companies refuse to insure cooperatives' assets because they work in "high risk" situations, and are vulnerable to various types of mafia intimidation (setting fire to the fields, break-ins, theft of farming equipment, etc.). Other obstacles relate to the transformation and marketing of cooperatives' products, often subcontracted to local businesses. We can understand better why setting up a solidarity economy network is a determining factor for the economic viability of these cooperatives. Such a network can involve various players at different phases of the economic activity. For access to credit, for instance, one of the historical actors in the Italian solidarity economy, *la Banca Etica*¹⁰ has set up a funding mechanism for projects proposed by cooperatives. A large production cooperative in the organic sector, *Alcenero*, lent its services free of charge to help

the national Agency in charge of their allotment; their total monetary value is estimated at more than 30 billion euros (ANBSC, 2016).

⁹ Cooperatives of the B type accomplish social work in encouraging underprivileged people to join the labour market, and they produce on the economic level through their farming, industrial, crafts or services activities.

¹⁰ A banking group inspired by ethical finance which funds organisations working in four sectors: social cooperation, international cooperation, cultural activities and conservation of the environment.

certain cooperatives obtain certification as an organic producer. For national marketing of finished products (pasta, oil, wine, vegetables, etc.), partnerships were necessary due to mafia infiltration into mass and mid-sized retailing networks. In this manner, products from cooperatives are distributed via cooperative outlets in the mass and mid-sized retailing sector, the consumer cooperative, *Coop*¹¹, equitable trade shops and the GAS network (Gruppi di Acquisto Solidale, or equitable purchasing group). Beginning at the production stage, and for certain products right up to transformation and packaging, each step is handled by social cooperatives or subcontracted to other local economic players. Suppliers complete the production and transformation chain with the direct collaboration of volunteers (about 300 to 500 young people annually), usually working during the wheat and grape harvests¹² in "volunteer camps" on confiscated lands, organised by several nation-wide association networks including *Libera*, *Arci* and the national syndicate, *Cgil*. The development of these activities has increased the daily management tasks of the social cooperatives as well as their prospection work. *Legacoop*¹³, a federation of more than 15,000 cooperative organisations, also partners social cooperatives. In this capacity, it guarantees the viability of internal management and ensures, by advising and monitoring, compliance with conditions necessary to the survival of the project (proper funding management, governance, democratic functioning and competent administration). *Legacoop* assists cooperatives in choosing the supportive operating documentation for the social and entrepreneurial project, mainly in the very specific agricultural sector. To some extent they accompany the solidarity enterprises along their ways, guiding them in management aspects and in defining the values behind their "identity" as a cooperative. Together with the association *Libera*, *Legacoop* created *Agenzia cooperare con Libera Terra*, a services structure to partner and support, free of charge, social cooperatives that manage confiscated assets, from the creation phase throughout deployment. The growing number of examples and the variety of approaches taken to support Sicilian social cooperatives confirm the strength of the "weak" networks. (Granovetter, 1998, p. 114-146). Those solidarity economy networks contribute in an essential way to sustain the viability of social cooperatives, rallying actors with very different profiles. Dalla Chiesa, in this matter, insists on the need for the cooperatives to be accompanied "systematically to overcome the problems that originate with their initial situations, and the hostile features of the context in which they operate." (2017, p. 41). The kinds of responses brought from time to time by actors of the solidarity economy to the problems facing cooperatives (purchasing equipment, credit access, seeking labour for harvesting, etc.) have helped to strengthen and to legitimise their existence. This extending beyond the "close" network of institutional players and cooperatives directly concerned, is in our view an "exceptional" feature brought to bear by the solidarity economy project. As demonstrated by Giovagnoli (2007, p. 2) "Along with the internal willingness to imagine one's work as a new social dimension in such a paralysed context, there must be internal action, the sum of multiple wills (even if not all territorially homogenous) that can support the beginnings of virtuous processes in this same context.". Support actors do not so much assist economic development in the social cooperatives' market, but indeed their very political project of transformation. This support network in the solidarity economy is thus a necessary economic alternative to gain a footing in the "liquid" capitalist market.

Affirmation of political action

The viability of the economic and political project carried out by social cooperatives managing confiscated assets could not perpetuate without public regulations governing the projects, or without the *ad hoc* bodies through which the actors can co-define the nature of

¹¹Coop, (*Cooperativa di Consumatori*), is the banner of 124 cooperatives that manages a network of supermarkets and hypermarkets as well as discount outlets. The label is attributed to consumer cooperative that are members of Coop Italia (national consortium of consumer cooperatives).

¹² Young volunteers help out during the summer months, at harvest time, through the "Liberarci dalle spine" programme of the City of Corleone and the cooperative « Lavoro e Non solo ».

¹³ *Legacoop Nazionale* : "Founded in 1886, "*Lega Nazionale delle Cooperative e Mutue*" is the oldest of Italian cooperatives. It works to promote development of cooperation and mutual organisations, and the economic and solidary relations of the cooperatives in its network. The 15,000 cooperatives in *Legacoop* are active in all regions of Italy and in all production sectors. Particularly in commercial retailing, construction, agri-foods, services, as well as in insurance, finance and credit.". Source: Website: <http://www.legacoop.it/>

the territorial projects to set up, implying specific practices and methods of organisation. Social cooperatives acting alongside local authorities have contributed to recognising that the mafia problem is a "societal problem" with a political dimension, and therefore under the scope of public authorities, not just subject to action in civil society. The affirmation of the competence of solidarity enterprises contained in Act 109/96 most certainly facilitated direct relationships with local authorities. At the time the law entered into force, the goal was to tackle "problematic situations" stemming from its experimental nature. Associations and cooperatives therefore participated in reformulating, amending, even changing the contents of public policy. In several ways, interactions between institutional actors and solidarity enterprises helped to transform Act 106/96: introducing of bidding processes for appointing members of cooperatives, setting up a Consortium of Communities, using national funding to benefit the projects of social cooperatives, and so forth. These were all mechanisms created to fill the gaps in the initial legal apparatus. Nonetheless, the widespread territorial presence and influence of the crime economy can obstruct the development of solidarity enterprises. Moreover, municipalities have ample leeway to manoeuvre, and there can be instances of avoidance or simply partial application of the law. Certain communities were able to attribute assets to fictive cooperatives or associations set up by straw men used by former owners from the mafia, aiming to secure clientele or even to deal in corruption. There have been arrests of elected officials in several communities for cooperating with the mafia or illegal dealings. Other local authorities, while entrusting lands to social cooperatives, failed to put in place the necessary administrative tools to provide real support for the initiatives or to perpetuate their entrepreneurial activities. Where some authorities do not want to allocate confiscated goods located within their territories, all the associations and cooperative players can act together to exercise pressure, occupying lands and holding public demonstrations to assert the rights of citizens to access such properties. At this time, most of the available confiscated assets are not yet allocated, and a host of administrative snags can block the process when local authorities are unwilling to do it. In this manner, civil society plays a fundamental role to monitor and exercise "vigilance", reminding public officials of their duties under Act 109/96. These duties are not limited to asset allocation. It is indispensable to maintain a cross-territory public policy (calls for tenders, state aid, public actions, public demonstrations) that sustain the entrepreneurial projects of social cooperatives. The role of solidarity enterprises is to guarantee citizen monitoring of the work done by local authorities.

Where social cooperatives are concerned, several uncertain areas left by Act 109/96 led to the creation of new bodies and setting up practices heretofore unseen in public action. Local institutional officials put in place rather complex coordination mechanisms: multi-level bodies and a variety of players officially involved, including those from social cooperatives. These were deliberative bodies and, less frequently, decision-making public bodies proper to the specific objective and practical provisions of that Act. For example, in the territory of Corleone, the main body set up jointly by territorial municipalities and cooperatives, is a Consortium of communities "*Sviluppo e legalità*", comprising several national institutional officials (police administrators and agents) and local ones (eight townships¹⁴ represented by their mayors) as well members of associations. Social cooperatives can be asked to participate as consultants on projects, or on specific issues. This is an *ad hoc* body created in May 2000 to facilitate implementation of the law, in which "each one has a different part to play, but each is a main role", as stated by one of the institutional representatives. Mayors take annual turns chairing this body, whose specific task is the allocation and collective administration of assets confiscated from organised crime, as well as the allotment of public funds from the national crime-fighting fund¹⁵. The legitimacy of this body stems from several factors that prevent infiltration by the mafia. For instance, by limiting the chairmanship of the Consortium to one year, no one chairperson has the time to get set up and push his own particular interests in elections or partisan agreements. In a like manner, all members must

¹⁴ Altofonte, Camporeale, Corleone, Monreale, Piana degli Albanesi, Roccamena, San Cipirriello, San Giuseppe Jato.

¹⁵ The « *Programma Operativo Nazionale* » manages European funding for projects concerning security and local development. The PON 2001-2006 allotted 3 million and 48,000 euros to the territory of dell'Alto Belice Corleonese.

carry out local policies consistent with the decisions of the Consortium, in spite of pressures that local crime networks can exert. The mayor of Corleone says, "It is a noble compromise, gaining force, between the mayors of the Consortium, despite different positions on specific political questions". Moreover, by ensuring participation by representatives of different political forces, the discussions concerning the functioning and direction of this body remain outside the parties' political positionings. On the more operational level, other key bodies have been created, including "Technical round tables" with players active in local projects who meet to discuss implementation. The role of social cooperatives is to propose and support projects that they think are most appropriate to the local reality, while working on economic opportunity and studying the aspects of viability. Also active are city elected officials and technical personnel who assess the opportunity for the territory of developing such or such local project in order to insert it into a more composite grouping of local policies. This mode of operation based on cross-territoriality enables them to consider a variety of different skills concerning not only the purpose of the confiscated assets, but also in creating other legal mechanisms to introduce into the local policies of each township. Because of their competencies, solidarity enterprises take a consultancy role to determine the best end purpose of confiscated assets and the nature of the projects to develop. Social cooperatives and associations thus play a very "active" role, transferring their know-how and methods in these bodies, including in making the final decisions concerning local public policy in matters of legality.

These bodies are tools for cooperation and decision-making designed to meet the economic and political demands of the fight against crime. To be sure, institutional actors and those from the solidarity economy do not have equal resources for voicing their intentions, and the discussions are not necessarily consensual. But these controversies contribute to the voicing of forms of general interest (Laborier, 2003, p. 425) through assessing the constraints and the costs —and the political and social consequences—of the joint decisions. One of the local institutional officials calls it "an enlightened partnership between public and private citizens, for an integrated and coordinated territorial management."

Conclusion

Market globalisation has given rise to an uncontrollable development of crime economies planet-wide. Illegal networks have managed to spread through international markets by investing capital in financial markets and by increasing illegal practices. The legal international economy is therefore more and more in competition with crime economies threatening economic areas. Globalisation aggravates this process, and the frontier between the two economies is increasingly tenuous because "the interweavings are greater, leading to an enlargement of illegal markets." (Sciarrone, 2007, p. 157). Against this backdrop, we consider that the role of the different forms of social entrepreneurship is not to adapt to capitalism, as does social business. In our view, it is today impossible to moralise capitalism, as it is impregnated with crime economies. And other avenues are possible. However, as shown in the case of Sicilian social cooperatives that we have qualified as solidarity enterprises, their economic and ethical viability is "conditional". A first condition is to establish support networks and channels that allow it to expand in the market without having to drift astray. These support networks for the solidarity economy are a pre-requisite to confront the crime economy solidly anchored in the market. The cost of legality is so high that it can crush social cooperatives if they do not benefit from economic support networks. A sort of emulation effect can emerge because the "clean" channel can little by little weave legal and solidarity economic networks that function alongside the crime economy, but this remains marginal. Beyond their entrepreneurial activity, the goal of solidarity enterprise projects is to create synergies to go against the tide of liquid capitalism. It is a matter of making legality an economic factor that can create a differential value to oppose the crime economy that manages the local market. These economic channels make sense only if they are part and parcel of a societal project to "return to legality", understood by the majority. A second condition is to embody a political project as an alternative to the capitalist market. This can manifest itself as forms of joint actions with local authorities, or challenging and

pressuring to shake up the base of the institutional framework. The mafia has imposed rules, and still does, on the local economic and political system in such way as to win over a strong consensus. Although intensive, cooperatives' economic activities are still limited, as are their quantitative impacts. Confronted with the crime economy, social enterprises must embody a shared political ideal as an instrument of social change.

The moralisation of capitalism is therefore not compatible with economic and political projects led by social and solidarity enterprises, which aim rather for a transformation of capitalism. The social goals of social business are part of a corrective approach in an unchanged system and produce no effect, whereas the task at hand in local, national and international economies is to begin a process to induce profound change in a capitalism impregnated and shot through by crime economies. A more radical critique is necessary to envision the economy differently, to enact a real transformation of the system.

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