The Consumer Co-operatives in the Face of Large Retail Sector in Italy: a Case Study

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Over the 1950s and 1960s, most European consumer cooperative movements experimented with new strategies with a view to facing the emerging large and organized food distribution chains. The strategies varied significantly depending on the national contexts. According to Espen Ekberg’s classification, we can identify three main models: the federal model, the hybrid model, and the centralized model. Based on this classification, Italy developed a federal model, where regional or inter-regional cooperatives centralize their purchases in a nation-wide body named Coop Italia pursuing common marketing strategies, and sell, among other products, also products distinguished by the Coop brand. The Trentino coop movement, while remaining well-connected with the national network, has continued to experiment with extremely interesting local initiatives. Differently from the other Italian provinces that are distinguished by a sole coop provincial entity, this model relies on a variety of small cooperatives, which are rooted in local territories and succeed in developing trust relations with the local population.

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The need to confront the large retail chains in the 1950s and 60s resulted in different strategies being adopted by consumer co-ops in the various European countries, classified by Espen Ekberg⁵ into the federal, hybrid and centralised models. According to this classification, the development of consumer co-ops in Italy can be thought of as being one and the same with that of the so-called “red co-ops”, springing from the socialist-communist tradition of the political and trade union organisation of the Lega delle cooperative (League of Co-operatives)³. They produced a federal model: the multitude of co-ops operating in the early Fifties gradually developed, in the space of only a few decades, into a system based on several large clusters at regional or macro-regional level⁴, linked by a large central purchasing organization called Coop Italia, and the Coop brand, a

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³ Zamagni, Battilani and Casali, La cooperazione di consumo in Italia. Also consider: Ammirato, La Lega.

⁴ For example: Coop Liguria, Coop Lombardia, Coop Adriatica, Coop consumatori Nordest, Coop Estense, Unicoop Firenze, Coop Toscana Lazio e Coop Centro Italia (Zamagni, Battilani, and Casali, La cooperazione di consumo in Italia, 423-85).

Against this backdrop, the experience of consumer cooperatives in a mountain area, as in the case of the province of Trento, is particularly interesting. It should be remembered, to this regard, that Trentino, a small territory with a population of 525,000 located in Northern Italy, is part of the Autonomous Region of Trentino-South Tyrol that borders with Austria. This region has always been characterised by certain local specificities. Firstly, it is a borderland – the so-called Trentino-Tyrolean area – and once an integral part of the Austro-Hungarian empire, then annexed to Italy in 1918 at the end of WWII. Moreover, this area is inhabited by various ethnic and linguistic groups, i.e. the Italian-speaking and German-speaking peoples, plus several language minorities such as the Ladin, the Cimbrian and the Mócheno. In order to favour pacific co-habitation (although tensions and times of difficulty in their relations have occurred through the years), in 1948, in agreement with Austria (the Degasperi-Gruber agreement of 1946), this region was assigned by the Italian State special autonomy that is still in force to this day, thus transferring to it significant legislative and administrative jurisdiction in various sectors of government. This makes it, therefore, a very special territory guided by a discernible desire for self-government. Finally, a large part of Trentino is mountainous (40% of the territory is more than 750 m a.s.l.).

Although this means that its population is affected by the difficulties of mountain life, it also shows a great capacity in guaranteeing territorial development also made possible by, among other things, the presence of a vast network of cooperatives disseminated throughout the area and capable of slowing down the depopulation of mountain areas. As mentioned above, this study focuses mainly on consumer cooperatives. It has led to the development of a model that – although related to the national context – has nevertheless been obliged to take into account certain local specificities. The model has tried to adapt to these local situations through trial and error, in order to better meet its members’ needs, in a considerably mountainous area.\footnote{Leonardi, \textit{Per una storia della cooperazione trentina}; Leonardi and Zaninelli, \textit{Per una storia della cooperazione trentina}. With reference to the second half of the 20th century, consider: Ianes, \textit{La cooperazione trentina}.} The diversity of the Province of Trento, however, primarily lies in having steadfastly preserved an extensive network of smaller co-ops, despite the regrouping process taking place as a result of numerous mergers, instead of building a single region or province-wide co-op organisation, like in the other Italian regions.

The aim of the paper is to provide an overview of how consumer co-ops have developed in an Italian province with a high density of co-ops, such as the Province of Trento, especially with regard to their attempt to confront the juggernaut of the large retail chains, starting from the early Sixties, and highlights the different strategies they put into place and their economic and financial performance. The aim was to find a sustainable model capable not only of competing with the large retailers, but also of continuing to serve the mountain communities, the needs of the members, in traditionally Catholic communities, based on strong community and solidarity links.

The challenge was to bring together two different needs: on the one hand, to maintain close ties with the local communities, to supply food products, also with a view to stemming depopulation in mountain areas. On the other, to pursue economies of scale not through the process of building a single large cooperative, but by streamlining the system, with fewer and slightly larger co-ops than in the past, but generally smaller than the ones
that had developed in the rest of the country, and by forming a network. The competitive edge of Trentino consumer co-ops, therefore, lies in this multiform organisation, made up of various decision-making levels, namely: the single co-ops, the provincial Consortium, i.e. Sait and the Federazione di sindacato (Syndicate Federation), whose task it is to represent the interests of the movement at the local level, while establishing important national alliances, such as with Coop Italia, for example.

This essay, focusing on the case of Trentino, has the merit of strengthening Ekberg’s argument, according to which by claiming a certain degree of autonomy and freedom – in order to adapt to the special conditions of mountain areas – the Italian model may therefore be included among the federal and not the centralised models.

First of all, We have consulted an extensive literature capable of highlighting how, from the beginning of its history, the consumer co-operative movement in Europe has produced not a single model, but a number of different national and local experiences that differ from the British prototype of the Rochdale Society of Equitable Pioneers, founded in 18441. This shows how the elements differentiating the various consumer co-operation models concern not just the ideal dimension, but also – and, indeed, primarily – the organisational and entrepreneurial dimension. Further on, based on more sources and, above all, on the literature produced on the subject, We have summarised the evolution of consumer co-operatives in Trentino, from their origins until the end of the 1950s, associating this experience with its “white” Catholic tradition and highlighting their geographical organisation based on the formation of consortiums, in line with the same experience in other European countries. The issues regarding the appearance of large retailers, the development of a new consumer society and the response, over the years, by the Trentino consumer co-operatives – including some international comparisons – are tackled in the following paragraphs.

The origins of consumer co-operatives in Europe: comparing the different models

When co-op members, historians and opinion makers look back on the history of the co-operative movement, they generally set its origins back in 1844 to one of the very first examples of a consumer co-operative, the Rochdale Society of Equitable Pioneers, second only to the interesting but more unfortunate8 experiment by Robert Owen, an important exponent of Proto-socialism, together with Charles Fourier, Louis Blanc and Charles Gide. The reference to the Rochdale Society is quite obvious, in particular because of the principles designed by these Equitable Pioneers; key principles, such as “open membership” or “democratic control”, which are still viewed today as essential tenets for a co-operative. In this regard, it is very interesting to note the role played by the co-operative movement and consumer co-operatives in Britain, in an environment of “emerging capitalist forms of mass consumption in the late nineteenth and early twentieth centuries”.

8 These are the reasons for the failure of Owen’s project: “They failed mainly because they did not grow so much out of the realized and overpowering need of those who joined them as from the dreams of those who advocated them. In any event there was no sufficiently developed social consciousness to sustain them”. However: “There was no single beginning to the Co-operative Movement. There were many beginnings, many failures and, until 1844, very few successes”. Moreover: “Although most of the co-operative societies started in the 1830s collapsed, the idea lived on until Co-operation assumed a more practical and permanent form” (Bailey, The British Co-operative Movement , 16-17).
considered – by the historian Peter Gurney – not only complementary, but alternative to the typical formations of capitalism. An alternative, says Gurney, that was “embedded in the culture of the movement”\textsuperscript{9}, even though some historians claim that, after 1860, co-operative stores somewhat mitigated this radical approach\textsuperscript{10}.

In any case, right from its onset, the co-operative movement contemplated a number of different aspects: education, a different strategy for development, the social dimension, a propensity to internationalism and a historical conscience. In other words, the same author says, in another of his works: “consumer cooperation offered [...] an alternative economy and culture, a new mode of production and consumption, and a way of life based on the idea of community”\textsuperscript{11}.

In a recent book, which reconstructs the history of the British co-operative movement between 1914 and 1960, it is highlighted that: “the primary function of the Co-operative movement is to promote and serve the interests of its members”, and that “in the twenty-first century, these basic principles are no less relevant”\textsuperscript{12}. Likewise, in his study on “The British Co-operative Movement”, first published in 1955 and updated in 1960, Jack Bailey – the National Secretary of the Co-operative Party\textsuperscript{13} –, acknowledged that “there is a continuous line of co-operative development from the Rochdale Pioneers to the present day. [...] With some modification their objects and principles are the foundation of the

\textsuperscript{9} Gurney, *Co-operative Culture*.

\textsuperscript{10} Regarding this matter, Mary Hilson states that: “Earlier generations of labour historians, whether from a socialist perspective or not, tended to regard the co-operation movement with some suspicion. The popularity of consumer co-operation after about 1860 was seen as symptomatic of the defeat and deradicalisation of the British working class following the decline of Chartism, analogous to New Model Unionism in its appeal to self-interest and material gain. The co-operative stores became another example of the enclosed and defensive working-class culture of urban Britain in the late nineteenth century”. In actual fact, Hilson emphasises that: “Other scholars have questioned this interpretation, suggesting that there were important elements of continuity between early nineteenth-century co-operation and the movement founded by the Rochdale Pioneers” (Hilson, “The consumer co-operative movement,” in *Consumerism*, ed. Black and Robertson, 69).

\textsuperscript{11} Gurney, “Labor’s Great Arch,” in *Consumers*, ed. Furlough and Strikwerda, 136. Regarding this point, and more in general, the papers collected in this emblazoned titled book should be compared: (Furlough and Strikwerda, *Consumers*; Furlough and Strikwerda, “Economics, consumer Culture, and Gender,” in *Consumers*, ed. Furlough and Strikwerda, 1-65).

\textsuperscript{12} Robertson, *The Co-operative Movement*, 1.

\textsuperscript{13} The link between the co-operative movement and politics, in fact, is not an Italian peculiarity: the British co-operative movement even launched its own party, the Co-operative Party, which expanded greatly in between the two world wars, and in 1927 stood for the general election in agreement with the Labour Party, a relationship that became even tighter in 1946 (Bailey, *The British Co-operative Movement*, 112-23). “Although the recommendation of the Party in favour of closer relationships with the Labour Party was hotly contested in 1927, and was approved by Congress only by a handful of votes, an agreement of 1946 was passed by Congress without a dissentient voice” (Bailey, *The British Co-operative Movement*, 121). It was, therefore, in 1917 that the British co-operative movement abandoned its formal political neutrality, although there had already been other attempts in the past: “Although several unsuccessful efforts were made to persuade the Co-operative Movement to abandon its tradition of political neutrality, it was not until 1917 that a decision was taken by the Co-operative Congress to enter politics” (Bailey, *The British Co-operative Movement*, 115). This issue is also tackled in the book by the historian Robertson, entitled “The Co-operative movement”. In another book, she points out that the ultimate aim was to protect consumers. In fact, over the years “the co-operative movement used a variety of methods to promote and protect the consumer. As a movement of and for consumers, its business ethos and federal structure was organised to empower them. In addition to the work carried out by retailing and wholesaling facets of the movement, the Co-operative Party undertook various campaigns to safeguard consumer interest” (Robertson, “Co-operation,” in *Consumerism*, ed. Black and Robertson, 234-35).
Movement in this and other countries"14.

But which were the principles so clearly enunciated and adopted for the first time by the co-operative of the Rochdale Society of Equitable Pioneers? Jack Bailey provides us with a thorough description: “Goods would be sold at prevailing local prices. Interest upon capital would be paid at a fixed rate as a first claim upon profits. There would be no credit – all goods sold and purchased would be paid for at the time of delivery. Men and women would enjoy equal voting rights within the society. Each member would have only one vote whatever the amount of his shareholding. Regular and frequent meetings of members would be called to discuss the affairs of the society. Accounts would be properly kept, audited and presented to members”15.

Despite being based on these principles, however, the consumer co-operatives have translated them, into practice, in different ways, adapting them to the different countries and various state contexts16 (and, within these, to the different geographical areas where they have been adopted). Therefore, the term “consumer co-operative” described (and still describes today) a kaleidoscope of different systems, which differ from region to region and from area to area. Co-ops that differ not only culturally and with regard to their ideals, values and policies they supported and on which they depended, but also with regard to their organisation, bylaws and even the manner of their establishment. These peculiarities emerged right from the beginning, from the first events they organised: the consumer co-operatives established after Rochdale cultivated a range of differences, as a result of which they could no longer be confused with the British “prototype”.

For example, the French consumer co-operative movement17, like the British one (which, however, was formally neutral), was considered to be the “Third Pillar of

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17 In reality, Furlough has identified two well-defined stages of development: “The first was written by socialist cooperators just before World War I, when the cooperative movement in France saw itself as a vital part of the labor movement and as an economic and political alternative to capitalist consumerism. The second quote was written in the late 1920s, when the consumer cooperative movement represented itself as a politically independent regulator of capitalist consumerism rather than its alternative” (Furlough, “French Consumer Cooperation,” in Consumers, ed. Furlough and Strikwerda, 173). On the French case, reference should be made to Lavergne, who, experiencing the second stage in the development of co-operatives, spoke of its: “supériorité sur l’ordre capitaliste comme sur le socialisme d’Etat et le socialisme syndicaliste” (Lavergne, L’ordre coopératif).
Socialism”\(^{18}\), but the same could not be said for the very first Italian consumer co-ops, nor for those established in the Austro-Hungarian Empire\(^{19}\), as in the case of Tyrol. If we take the case of Italy, for example, the Turin Magazzino di previdenza, in Piedmont, was founded in 1854, upheld by the protective and paternalistic policies of the Government of the House of Savoy, and by the initiative of the political and social establishment inspired by Camillo Benso di Cavour, and “therefore, as part of the policy of “benevolent concern” shown by the landowning classes towards the needs of the people, for the purpose of keeping them away from the temptations of rebellion and anarchy”\(^{20}\). Moreover, the proposal spearheaded by enlightened conservatives, such as Giuseppe Boitani, contained certain appreciable innovations that conflicted with the purely philanthropic and charitable approach of the Piedmontese establishment. Technically, the co-operative movement was promoted by the local mutual aid society, the Società generale degli operai della città di Torino (General Society of Workers of the City of Turin)\(^{21}\), which had no connection whatsoever with the “Rochdalian” principles, totally unknown to the pioneers of Italian co-ops and to Giuseppe Boitani, the secretary of the mutual aid society that launched the Magazzino di previdenza\(^{22}\).

Within the Austro-Hungarian Empire and, therefore, in Tyrol and Trentino, similar traits and developments can be observed in the Trentino consumer co-operative movement, which was very close to the Piedmontese model and distant from the British one. From its foundation, in 1890\(^{23}\), the Trentino co-operative of Santa Croce in the Bleggio area adopted a well-defined operational model: it did not request payments in cash from its members, exactly like the Magazzino di previdenza and unlike the Rochdale co-op. On the contrary, it practised a sort of consumer credit approach: each member, in fact, was given a booklet in which the costs for food and farming supplies were noted, which he could then pay for when he had the money, as soon as the limited household finances allowed. Here too, while the Rochdale co-op applied market prices to its goods and then gave its members a rebate at the end of the year, returning the excess amount paid up front, the first Trentino – and likewise Italian\(^{24}\) – co-ops adopted a peculiar model, preferring a controlled price system, whereby they sold their goods at slightly above the cost price, waiving the rebate system, and allocating any profit to the reserves\(^{25}\). These are elements of differentiation that are often distractedly lumped up in the general term of “consumer co-ops”.

Over time, however, the geographical differences were mitigated and convergence increased the similarities between these organisations. The Italian co-ops, and the Trentino co-ops too, which, in the meantime, had become Italian (in 1919, with the Treaty of Saint-


\(^{19}\) In fact: “Alongside this type of self-help organization developed a type of cooperative that was paternalist, grounded in charitable ideals, and organized by members of the social elites to benefit the poor” (Hauch, “From Self-Help to Konzern,” in *Consumers*, ed. Furlough and Strikwerda, 191).


\(^{22}\) The first Italian consumer co-op that adopted the Rochdalian principles appeared only in 1864. It was the Società degli Operai Tessitori di Como (Brianti, “Le origini della cooperazione in Italia,” in *Il movimento cooperativo*, ed. Fabbrì, 117-68).


\(^{24}\) Zamagni, Battilani, and Casali, *La cooperazione di consumo in Italia*.

\(^{25}\) Leonardi, *Una banca per la comunità*, V-XVIII. An economic overview of these aspects can be found in: Ianes, *Le cooperative*, and Ianes, *Introduzione alla storia della cooperazione*. 
Germain-en-Laye, at the end of the Great War), adopted the rebate method and, for a while, started cutting back on payment deferrals. Certain differences, however, deepened, due to other factors, such as the changed architecture of enterprises and the different networking systems. These differences, according to Espen Ekberg, increased in the second half of the 20th century, as a result of the different development strategies adopted by the co-operative movement in various states, in the face of the spread of the large retail chains and their selling mechanisms. This produced a multiplicity of different models – some of which significantly failed, leading co-ops to a condition of marginalisation – which Ekberg has classified into three distinct approaches: federal, centralised and hybrid. The federal model “focused primarily on merging small, local societies into larger regional units and integrating and standardizing operations through different forms of contracting”. The hybrid model “was to combine mergers of independent retail societies with the development of a standardized and integrated retailing business under the centralised control of the National federal organizations, typically the National wholesale federation”. Finally, the centralised model “consisted of merging all independent societies, as well as the National federal organizations, into one fully centralized, integrated, and standardized National cooperative enterprise”.26

Examining several national cases, Ekberg shows how each movement tended to adopt one of the three aforesaid models, and how co-ops in Italy have preferred the federal approach. In Italy, however, there have been some exceptions to the prevailing model, and the case of Trentino co-ops is one of the most interesting.

Birth and initial development of consumer co-ops in Trentino

In Trentino, the mutual aid movement set its roots in various walks of society, meeting the specific needs of the rural world permeated by strong Catholic values.27 In this case, the start up of cooperative companies was part of a broader plan for the rationalization and modernization of agriculture, sponsored by the Hapsburg monarchy, but equally pursued via the commitment of the parish churches and country curates that had a positive influence on the farmers since they were highly respected and knew how to dispel the farmers’ diffidence towards the cooperative novelty. The intention was not only to meet the different requirements of the members, but especially to support a more ample project of emancipation that regarded the entire community. At the end of a rather long incubation period, many cooperatives, such as the agricultural banks and the farmer and consumer cooperatives, started animating the economic and social life of Trentino’s valleys, becoming important points of reference, especially in those mountain areas highly at risk of depopulation. In particular, the first consumer co-op appeared at Villa di Santa Croce in the Bleggio area, in 1890, emblematically called the “co-operative family”,28 highlighting the family-type structure that this type of organisation would assume, and soon spreading widely throughout the Trentino valleys.29


28 Giacomoni and Tommasi, Cento anni di SAIT.

The purpose was to offer members supplies and services at better prices, with the aim of protecting consumers. This was made possible because the single co-op managed to break out of its isolation and form a network. In 1895, in fact, the Federazione di Sindacato (Syndicate Federation)30 was established, which became an important reference point for the entire mutual aid movement and was followed, in 1899, by the Sindacato agricolo industriale di Trento (Sait), the Agricultural and Industrial Syndicate of Trento, the consortium of Trentino-based consumer co-ops31.

The presence of a central warehouse for bulk purchases was not, of course, typical of Trentino alone. A predecessor can be found in the English Co-operative Wholesale Societies32, the first of which, the Wholesale Society of Liverpool, was founded in 1862, which operated primarily in Manchester, despite its name, from 1864. This was followed, in 1868, by the Scottish Cooperative Wholesale Society of Glasgow33. Other European co-operative movements took inspiration, to a greater or lesser extent, from the wholesale societies. In 1893, for example, the Grosseinkaufsgesellschaft deutscher Consumvereine was founded in Hamburg, Germany. In Italy, the second-tier societies for consumer co-ops appeared later than elsewhere, in 1911, spearheaded by the experience of the Consorzio di Milano. The nationwide organisation took the name of Consorzio italiano delle cooperative di consumo34, Italian Consortium of Consumer Co-operatives.

In Trentino, the Sait typically operated as a central purchasing organization: it pursued a policy based on economies of scale, fostering the centralisation of purchasing, supplying its member co-ops with the goods they needed, focusing on large-scale orders and sales volumes35. The relationship between the Sait and the co-ops was organised according to a bottom-up approach, as recently described by Espen Ekberg: “the local co-ops operated as the “parent companies,” owning and controlling the central organizations, which then became the “daughter companies”. Put differently, the cooperative enterprises were governed from the bottom up”36.

The co-operative initiation was no easy matter, coming up against various institutional,

30 Leonardi, Per una storia della cooperazione trentina; Leonardi, “L’area trentino-tirolesi,” in Mezzo secolo di ricerca storica, ed. Sergio Zaninelli; Leonardi, “La cooperazione.”
31 Giacomoni and Tommasi, Cento anni di SAI; Leonardi, L’economia di una regione alpina; Leonardi, “La cooperazione,” in Storia del Trentino, ed. Garbari and Leonardi; Ianes, La cooperazione trentina; Leonardi and Zaninelli, Per una storia della cooperazione trentina.
32 Wilson, Webster and Vorberg-Rugh, A Business History.
33 The idea of setting up wholesale co-operatives predated even the Rochdale Society. “In the days of the pre-Rochdale cooperatives societies the need for Wholesale society was recognized. Such a society would buy goods in bulk on behalf of the store societies”. Robert Owen himself had acknowledged their usefulness: “Robert Owen, addressing what was probably the first Congress of Co-operators, in 1831, moved a resolution calling for the creation of a Wholesale Trading Company at Liverpool”. Of course, the initiatives that followed eventually failed and even after the establishment of co-operatives by the Equitable Pioneers, there was no awareness of the importance of networking the co-ops and of forming a second-tier organisation: “Even after the Rochdale Pioneers had successfully launched their society, there was no conscious acceptance of the idea that manufacture was to become the function of a federation of consumer societies”. A turning point came in 1862: “On the strength of the Act of 1862 the agitation for a Wholesale Society culminated in the creation of the North of England Co-operative Wholesale Agency and Depot Society Ltd. Its registered office was at first in Liverpool, although its place of business was in Manchester” (Bailey, The British Co-operative Movement, 45-47).
34 Ianes, Introduzione alla storia della cooperazione; Zamagni, Battilani, and Casali, La cooperazione di consumo in Italia, 195.
35 Ianes, La cooperazione trentina; Leonardi and Zaninelli, Per una storia della cooperazione trentina.
political and economic hurdles. The First World War, the changing borders (in 1919 Trentino was annexed to the Kingdom of Italy), Fascism, the Great Depression of 1929 (which displayed its tragic effects in Trentino in 1933-1934), then World War Two and the Nazi occupation. All these historical events negatively affected consumption and the spending capacity of farmers and small local businesses. Co-operatives were required to make an even greater effort to ensure farming supplies, goods and food to their members.

After the liberation from Nazi-Fascism, the Trentino consumer co-ops took on a specific profile. Family co-operatives increased, from 233 in 1946 to 251 in 1961, confirming this trend until 1969. Overall, they gained the trust of consumers and more and more people, i.e. heads of households, joined the co-ops. In 1947 there were 26,108 members, which had risen to 30,000 in 1958.

In 1951, farm workers still made up 40.07% of the workforce in Trentino, which explains why the spending capacity of small rural families, and therefore the success of the co-ops, were closely tied to crop yields each year. The financial success of co-ops also depended on other variable factors, such as tourism, which was undoubtedly very important, and the labourer teams imported to build the large hydroelectric power projects, also potential members or customers of the consumer co-ops.

Throughout the Fifties, however, several problems arose: a certain casual approach to granting credit, the excessive rebates given to members and limited inventory turnover. Increased sales on credit were justified by the desire to meet the requests of the member base linked by a certain Catholic-based idea of solidarity. However, excessive generosity in the deferral of payments could jeopardise the solidity of the co-operative system. Likewise, the excessive rebates distributed to members at the end of the year could significantly impair the co-op’s capacity to improve its equity. The third negative issue was the excessive inventory: stocks remained lying around for too long, because there was no synchronisation, especially at the Sait, between wholesale supplies and retail sales. This determined a significant increase of management costs. Rebates and sales on credit, above all, should have been reasonably limited; otherwise, they could have negatively affected the management of the consumer co-ops, required to meet their commitments with the lender banks and suppliers, especially the Sait. At the end of the Fifties, in fact, the co-op owed over one billion lire to the Sait.

38 For an economic overview of the different, very different, periods mentioned here, reference should at least be made to: Leonardi, *L'economia di una regione alpina*.
40 Ianes, *La cooperazione trentina*.
43 Ianes, *La cooperazione trentina*; Leonardi and Zaninelli, *Per una storia della cooperazione trentina*.
44 In reality, rebates, unlike dividends, cannot be viewed as a return on investment. For the member, it is more of a reimbursement or deferred remuneration, proportional to the purchases made at the co-op, and boils down to a cost saving.
45 In this case too I must highlight the recommendations, by the federal executives, for greater prudence in inventory management: (*Atti assemblea*, 6 June 1950; *Atti assemblea*, 24 June 1954; *Atti assemblea*, 3 July 1960).
46 Leonardi and Zaninelli, *Per una storia della cooperazione trentina*; Ianes, *La cooperazione trentina*. 
Amongst other things, consumer co-ops, and the retail sector in general, also helped cushion the economic blow of unemployment, by absorbing some of the workers expelled from farming and unable to find a job in manufacturing, at this stage at least, which was behind by about a decade compared to the national trend. Thus, the retail sector, including the co-ops, like the public sector, took in a part of the over twenty two thousand workers who abandoned the countryside, between 1951 and 1961, but decided not to emigrate elsewhere.

Trentino consumer co-ops mirrored the general problems in the retail sector, which was branched and widespread but hardly competitive. Stores were small, overstaffed, circumscribed and confined to a limited catchment area, due to the difficult mountainous terrain of the province.

A response from inside the large retail sector: birth and death of a sales agreement

Albeit in a low-key way, the large retail chains made their appearance in Trentino in the early Sixties. There were several local stores called Poli and Orvea, or the large nationwide chains, such as Despar, Ve-gè and Dao. The focus was on much larger retail outlets: supermarkets. These new retail stores aimed at appealing to customers by means of attractive sales techniques, with more enticing visual displays of advertised goods, with the pros and cons of fashions and brands imposed by advertisement. Product assortment was enormously improved and the self-service approach, without the assistance of a shop assistant, also had a certain allure. This radical transformation had been driven by the so-called consumer “revolution”, exemplified in the introduction of “American-style” shopping, a key component of which was the fatal attraction for packaging.

The new consumer models further rocked the still rather shaky balance achieved by traditional stores and co-ops. The latter, in particular, were still rather old-fashioned and rooted in the past, which prevented them from adequately facing up to the organisational and logistical innovations introduced by the large retail stores. Most particularly, the identity, culture and narration of these cooperative organisations ended up being not so much a resource (as had occurred in other situations) as an obstacle to innovation and modernization, since they caused inertia and slowed down the adoption of appropriate company strategies.

According to Ekberg, the enormous difficulties encountered by consumer co-ops in competing with the large retail chains was a common feature in all Western European countries. He states that the large retail sector focused on “centralization of control,  

47 Leonardi, L’economia di una regione alpina; and Leonardi, “Le traettorie dello sviluppo,”.  
49 Leonardi, L’economia di una regione alpina; and Leonardi, “Le traettorie dello sviluppo”.  
50 Ianes, La cooperazione trentina.  
51 A leading scholar on the history of the large retail sector in Italy is: Scarpellini, Material nation.  
52 Ianes, La cooperazione trentina; Giacomoni and Tommasi, Cento anni di SAIT; Leonardi and Zaninelli, Per una storia della cooperazione trentina. On how this issue has been tackled, in advance, by the British consumer cooperative movement, see: Whitworth, “Promoting product quality,” in Consumerism, ed. Black and Robertson 174-96.  
53 Of interest, to this end, is the case of the Danish savings banks, that shows how the clinging to one’s historical origins can be of hindrance to modernization and to the capacity to learn new strategies: Hansen, “Organizational Change: The Transformation of Savings Banks in Denmark, 1965-1990,” 920-953.
standardization of operational procedures, and integration of the distribution function”\textsuperscript{54}. This ensured the large chains’ competitive edge over the co-ops. The British co-op movement, however, moved in advance, in 1967. Stefan Schwarzkopf relates how reference was made to the “adoption of a new “Co-op symbol and the unified Co-op brand, which replaced the dozens of disparate “Wheatsheaf” and “CWS” brand names that were in use until then”, including a promotional campaign running in the millions of pounds “which included the standardisation of shop-fronts, product designs and pricing”\textsuperscript{55}.

In Trentino, instead, the co-ops realised the extent of the changes taking place in society belatedly and with a certain degree of approximation. It was difficult to oppose the advance of the large retail sector for various reasons, but one weighed more than the others: co-ops worked in small mountain villages, where no larger stores would even think of opening.

In 1967, 32 co-ops reported a difficult situation\textsuperscript{56}. Moreover, in the mid-Seventies inflation skyrocketed\textsuperscript{57}, causing costs to increase and eroding the margins of the Sait and the co-ops. Staff costs accounted for a significant percentage of these: in 1973, 75\% of financial expenses, on average, were needed to pay labour costs\textsuperscript{58}. As a result, the more financially distressed co-ops were taken over directly by the Sait; others threw in the towel, in favour of the better organised co-ops or the private sector, while yet others decided to merge, albeit with little success. In 1976, the Sait recorded a loss of 256 million lire\textsuperscript{59}.

In an attempt to find a solution to this difficult situation, in 1977 the Consortium proposed to its members a special agreement called the “comprehensive agreement”\textsuperscript{60}, under which the signatories would undertake to purchase their supplies almost exclusively from the Sait, while the latter would repay this trust by applying discounts and favourable sales conditions. In 1979, 183 out of 220 co-ops had signed the agreement, which benefitted the entire system between 1977 and 1980. Despite the grim economic climate, in fact, sales rose by 20\% in 1976, by 21.95\% in 1977, dropped slightly to 17\% in 1978, but then soared back up to 22.44\% in 1979. This enabled the co-ops to ease the pressure of currency devaluation, but also to recover a certain market position in real terms. In 1978, the turnover of the Trentino family co-operatives totalled about 65 billion lire\textsuperscript{61}, managing to set off the increased staff costs. The Sait itself, after posting negative results for several consecutive years, finally recorded a small, albeit comforting, profit, in 1980, of 12.5 million lire, which generated a cautious degree of optimism.

But just as the consumer co-ops seemed to be getting back on their feet, the Eighties brought some new problems and several old problems resurfaced. High inflation rates made the comprehensive agreement strategy no longer viable: the policy of supporting members by applying discounts to ensure their loyalty proved no longer sustainable. In 1981, the Sait recorded a 213 million lire loss, which rose to 897 million lire the following year. Certain longstanding issues, such as fragmentation, or more recent problems, such as undercapitalisation, remained unresolved. Sales volumes in this period featured a poor

\textsuperscript{55} Schwarzkopf, “Innovation, modernisation, consumerism,” in Consumerism, ed. Black and Robertson, 213.
\textsuperscript{56} Atti assemblea, 25 Nov. 1968.
\textsuperscript{57} Leonardi, L’economia di una regione alpina.
\textsuperscript{58} Leonardi and Zaninelli, Per una storia della cooperazione trentina; Ianes, La cooperazione trentina; Giacomoni and Tommasi, Cento anni di SAIT.
\textsuperscript{59} Ianes, La cooperazione trentina; Giacomoni and Tommasi, Cento anni di SAIT.
\textsuperscript{60} Ianes, La cooperazione trentina.
\textsuperscript{61} Atti assemblea, 13 May 1979.
linearity (Table 1): in 1982 they increased significantly, but the growth rate dropped in 1983, rising again in 1985 to 192 billion lire, by 13.63% on 1984, 5.03 percentage points above the inflation rate (Table 2).

The most worrying aspect, however, was the drop in profitability, due to increased staff costs, interest payable and overheads, which, in 1985, totalled almost 46 billion lire (25.78% of sales). Thus, the increased costs cancelled the rather good sales trends. This is an average figure, of course, given that behind an unsatisfactory picture, some managements recorded more comforting results.

Table 1 – Sales and overheads of Trentino consumer co-ops (1982-1985)

<table>
<thead>
<tr>
<th>Year</th>
<th>1982</th>
<th>1983</th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales including VAT (in billions of lire)</td>
<td>133</td>
<td>151</td>
<td>169</td>
<td>192</td>
</tr>
<tr>
<td>Annual increase</td>
<td>20.41</td>
<td>13.63</td>
<td>11.44</td>
<td>13.63</td>
</tr>
<tr>
<td>Management overheads (staff costs, interest payable, depreciation, tax, other smaller items)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overheads (in billions of lire)</td>
<td>27</td>
<td>35</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>Sales management expenses not including VAT (%)</td>
<td>22.21</td>
<td>24.77</td>
<td>25.55</td>
<td>25.78</td>
</tr>
</tbody>
</table>

Source: processing of data from the archives of Federazione Trentina della Cooperazione.

The reasons for this drop in profitability were: excessive management costs – staff costs and interest payable – inadequate management of inventories, excessive sales on credit, chronic undercapitalisation (Table 1-3).

Especially the need to turn around the financial situation of co-ops – furthermore, in a period when the requirement of the instrumentality of capital seemed to become less important – persuaded the co-ops to take heed of the alarm bells, to start asking themselves questions and to search for remedies.

Table 2 – Increase of turnover of consumer co-operatives between 1979 and 1985, in relation to the inflation index

<table>
<thead>
<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>15.7</td>
<td>21.1</td>
<td>18.7</td>
<td>16.3</td>
<td>15</td>
<td>10.6</td>
<td>8.6</td>
</tr>
<tr>
<td>% Increased turnover</td>
<td>22.44</td>
<td>19.80</td>
<td>18.17</td>
<td>20.41</td>
<td>13.62</td>
<td>11.44</td>
<td>13.63</td>
</tr>
</tbody>
</table>

Source: processing of data from the archives of Federazione Trentina della Cooperazione.

In other words, co-ops were required to make an important decision: whether to reassert their mission of “service” – proximity, small figures – or seek to achieve greater efficiency and competitiveness by aiming at much larger dimensions, possibly by undertaking an intermediate path allowing the gradual implementation of the streamlining process.

Co-ops chose the path of cautious, yet inevitable, modernisation: between 1986 and 1990, the number of co-ops dropped by 51, from 229 to 178. In other words, co-ops were required to make an important decision: whether to reassert their mission of “service” – proximity, small figures – or seek to achieve greater efficiency and competitiveness by aiming at much larger dimensions, possibly by undertaking an intermediate path allowing the gradual implementation of the streamlining process.

In other words, co-ops were required to make an important decision: whether to reassert their mission of “service” – proximity, small figures – or seek to achieve greater efficiency and competitiveness by aiming at much larger dimensions, possibly by undertaking an intermediate path allowing the gradual implementation of the streamlining process.

Co-ops chose the path of cautious, yet inevitable, modernisation: between 1986 and 1990, the number of co-ops dropped by 51, from 229 to 178. They also undertook a

62 Ianes, *La cooperazione trentina*. This dilemma was debated internationally as well: Sommer and Hohn, “Prices in Large and Small Cooperatives,” 7-16.

63 Ianes, *La cooperazione trentina*. 
gradual overhaul of displays and layout of retail outlets, and integrated the existing surfaces with medium-sized “superettes”\textsuperscript{64}.

Collaborating to compete: the agreement with Coop Italia and the League of Co-operatives

At the end of the Eighties, the co-ops seemed to have weathered the storm and to be on the way to improvement, albeit with some criticalities. If we look at the operating and management performance in 1986-1989 (Tables 3, 4), the following development curve emerges: the critical moment in 1985 was overcome thanks to the good results achieved in 1986-1987, confirmed and surpassed in 1988, but then not confirmed in 1989, especially due to increased costs.

Table 3 – Several financial statement items of Trentino consumer co-ops (1983-1989)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, excluding and including VAT (in billions of lire)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales, excl. VAT</td>
<td>156</td>
<td>177</td>
<td>191</td>
<td>203</td>
<td>224</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td>Sales, incl. VAT</td>
<td>169</td>
<td>192</td>
<td>207</td>
<td>221</td>
<td>241</td>
<td>...</td>
<td></td>
</tr>
<tr>
<td>Ratios with sales excl. VAT (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>15.98</td>
<td>15.63</td>
<td>15.61</td>
<td>15.16</td>
<td>15.66</td>
<td>15.65</td>
<td>15.96</td>
</tr>
<tr>
<td>Interest payable</td>
<td>2.04</td>
<td>2.19</td>
<td>2.29</td>
<td>1.78</td>
<td>1.68</td>
<td>1.51</td>
<td>1.75</td>
</tr>
<tr>
<td>Gross earnings</td>
<td>22.85</td>
<td>23.37</td>
<td>22.70</td>
<td>22.85</td>
<td>23.05</td>
<td>23.41</td>
<td>22.48</td>
</tr>
<tr>
<td>Total expenses</td>
<td>24.77</td>
<td>25.55</td>
<td>25.78</td>
<td>24.90</td>
<td>25.17</td>
<td>24.96</td>
<td>25.54</td>
</tr>
<tr>
<td>Goods turnover</td>
<td>...</td>
<td>4.66</td>
<td>4.61</td>
<td>5.04</td>
<td>5.44</td>
<td>5.81</td>
<td>6.13</td>
</tr>
<tr>
<td>Discounts</td>
<td>...</td>
<td>0.45</td>
<td>0.41</td>
<td>0.33</td>
<td>0.28</td>
<td>0.255</td>
<td>0.22</td>
</tr>
<tr>
<td>Credit on sales incl. VAT</td>
<td>...</td>
<td>3.50</td>
<td>3.70</td>
<td>3.86</td>
<td>3.93</td>
<td>3.60</td>
<td>3.84</td>
</tr>
</tbody>
</table>

Source: processing of data from the archives of Federazione Trentina della Cooperazione.

Table 4 – Increased turnover of family co-operatives between 1985 and 1989 with respect to the inflation rate

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>8.6</td>
<td>6.1</td>
<td>4.7</td>
<td>5</td>
<td>6.6</td>
</tr>
<tr>
<td>% Turnover increase</td>
<td>13.63</td>
<td>7.80</td>
<td>6.62</td>
<td>10.46</td>
<td>10.53</td>
</tr>
</tbody>
</table>

Source: processing of data from the archives of Federazione Trentina della Cooperazione.

In short, the Trentino consumer co-operative movement was in dire need of a wake-up call, it needed to pick itself up and move forward, because the mergers, however important, were just not enough, and the mostly minor cosmetic improvements at the retail outlets, although underpinning an otherwise critical situation, could hardly be seen as a lasting response to the problems afflicting the sector. Even the attempt, within the provincial co-operative movement itself, to foster closer ties between the first tier coops and the consortium to which they belonged, based on all-round agreements, had floundered in the wake of the crisis of the 1970s. Following the explosion of inflation, in fact, the conditions agreed to became unsustainable and ended up seriously affecting the system’s shaky

\textsuperscript{64} These issues were also investigated by the academic world: Hall and Hall, “The Potential for Growth of Consumer Cooperatives,” 23-45.
economic and financial balance.

The priority was to establish important business alliances, due to the constantly evolving retail scenario and the rise, alongside the traditional competitors, of hard discount stores. Various European chain stores also appeared on the scene, with the intention of opening hypermarkets and of gaining a foothold in the large shopping centres. These, in fact, would certainly not have opened any outlets in the more peripheral and mountain areas, dominated by the network of consumer co-operatives. However, they could conquer important market shares at provincial level, which encouraged the Trentino consumer co-ops to strengthen their networking capacity to compete on the market not as individual businesses, but as a system. At that point, they found it necessary to strike new alliances and continue the rationalisation process, to create more suitably-sized enterprises, while at the same time safeguarding their community spirit and local focus, fostering the democratic participation of their members in the life of the association.

Concrete signs of change appeared only in 1993. Also thanks to the eclipse of ideologies after the fall of the Berlin Wall in 1989, the “Catholic” Sait and the Federation signed a business agreement with the “red” Associazione nazionale cooperative consumatori (National Association of Consumer Co-operatives) and, therefore, with Coop Italia, the consumer co-op giant associated with the Lega nazionale delle cooperative e mutue (National League of co-ops and mutual societies)\textsuperscript{65}. The terms and conditions of this agreement opened up new horizons for consumer co-ops in Trentino, enhancing their potential by a number of means, such as the possibility to sell “coop” brand products, appreciated throughout the country as being good value for money. This agreement would have given the Sait a greater drive and a renewed bargaining power, but it was not unanimously welcomed. Some spoke of “selling out” the co-ops’ identity, highlighting the danger of being “absorbed”, while others stressed the risk of conforming to the “red” socialist-communist culture of Coop Italia, ditching the “white” Catholic tradition of the Trentino co-op movement\textsuperscript{66}. In any case, the agreement was an opportunity to look forward and move on, taking advantage of size and therefore being able to compete on the market, also thanks to considerable economies of scale\textsuperscript{67}.

In parallel, the Sait and the entire co-operative movement intervened to save certain financially stressed co-ops, preparing a merger plan and downscaling the number of co-ops in the province, as a result of which, in 2000, only 103 of the 165 co-ops in 1994 remained. At the end of the day, however, this process resulted in more solid co-ops, constituting the first step in a more ambitious program of creating valley or mid-valley sized co-ops. This triggered a spate of mergers that is still ongoing, although it should have been assessed in the light of a much broader development project, safeguarding the quality of life and relations of a mountain area. In 2013, in fact, the number of co-ops in Trentino had dropped to 78, lower than in the past, but still significantly high compared to the rest of the country, dominated by the presence of single regional or macro-regional cooperative organisations.

All these measures, but especially the agreements with Coop Italia, promoted the restructuring and reorganisation of the entire sector, with good business results between 1995 and 2000 (Table 5). On average, sales improved – from almost 354 billion lire in 1995

\textsuperscript{65} Ianes, La cooperazione trentina; Zamagni, Battilani, and Casali, La cooperazione di consumo in Italia, 504-12.

\textsuperscript{66} Ianes, La cooperazione trentina.

to just under 447 billion lire in 2000, although staff costs remained high, amounting to about two thirds of total costs and 15.79% of sales excluding VAT.

### Table 5 – Several financial statement items of Trentino consumer co-ops (1995-2000)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, excluding VAT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales, excl. VAT (in billions of lire)</td>
<td>354</td>
<td>371</td>
<td>396</td>
<td>415</td>
<td>428</td>
<td>447</td>
</tr>
<tr>
<td>Annual increase (%)</td>
<td>.....</td>
<td>5.02</td>
<td>6.56</td>
<td>4.85</td>
<td>2.54</td>
<td>5.12</td>
</tr>
<tr>
<td>Inflation</td>
<td>.....</td>
<td>3.9</td>
<td>1.7</td>
<td>1.8</td>
<td>1.6</td>
<td>2.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA (in billions of lire)</td>
<td>.....</td>
<td>85</td>
<td>92</td>
<td>95</td>
<td>100</td>
<td>104</td>
</tr>
<tr>
<td>Earnings on sales (%)</td>
<td>.....</td>
<td>22.86</td>
<td>23.34</td>
<td>23.01</td>
<td>23.55</td>
<td>23.28</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs (in billions of lire)</td>
<td>59</td>
<td>64</td>
<td>63</td>
<td>67</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>% incidence of staff costs on sales excl. VAT</td>
<td>15.89</td>
<td>16.25</td>
<td>15.25</td>
<td>15.83</td>
<td>15.79</td>
<td></td>
</tr>
</tbody>
</table>

Source: processing of data from the archives of Federazione Trentina della Cooperazione.

In general, the entire retail sector in Trentino – and not just the consumer co-ops – was significantly overhauled, adopting more modern marketing techniques and meeting the needs of a more demanding and mature customer base. The restructuring process found itself up against an increasingly volatile demand, highly dependent on general economic trends. Moreover, the streamlining of the retail sector was conditioned by the complicated geographical terrain: the adopted solutions differed somewhat from the conventional ones – large supermarkets, large retail premises – generally designed to suit the needs of flat-lying areas.

A mixed picture therefore emerged, with the larger stores opening on the valley floors, while the smaller mountain towns hosting smaller retail outlets, often co-ops, thus enhancing retail stratification.68

Against this backdrop, the Sait and its member co-ops looked forward towards the new millennium and re-asserted the co-operative movement’s “networking” mission, still valid despite all the streamlining and restructuring.69 In 1996, the Sait concluded an agreement with the Coop Consumatori Nord Est to establish a company called Trento Sviluppo srl, for the purpose of managing two superstores as a partnership, one in Trento, which opened in 2002, with a surface area of 4,227 m², and a smaller one in Rovereto (always in the Province of Trento, at the Millennium Center), opened in 2004. The aim was to compete with the large chain stores on the valley floor, in an attempt to clinch a larger share of the market and therefore strengthen the movement as a whole.70 The revenues of Trento Sviluppo and of this “superstore program”, consistently increased in the first seven

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years, peaking at 64 million euros in 2009, but then started slowing down from 2010, dropping to below 60 million euros in 2012. In 2013, the company closed the year with a 900 thousand euro loss, which came after the negative results of 2012, 2011 and 2010. Due to the protracted economic crisis and the drop in consumption, with consumers cutting back on wastefulness and privileging day-to-day shopping, the larger consumer co-op retail outlets featured significant levels of criticality, while the “smaller” co-ops featured a greater stability, despite the difficult environment.

This situation seems to support certain studies that cast doubts on the ability of the larger retail organisations to adequately tackle a difficult economic climate and to be less vulnerable compared to the smaller enterprises.

The same considerations can be found in an article by John K. Walton, in 2009, inspired by a commentary by Ian Jack, an editor of the Granta magazine, on the radical transformation of co-op stores in Great Britain. The article contemplated the ruins of the old co-op store in Randolph Street, Dunfermline, focusing on the role of the co-operative movement in the life of this, and other similar, centres in the Fifties:

“Through the 1990s they stood tall, shuttered and abandoned on both sides of the street...Nobody knew what to do with them. And yet the buildings had once been so busy, so central to this town...that the Co-op was known simply as “the store”...In the tea-room on the top floor my grandparents celebrated their golden wedding with “store” steak pie. For Years I remembered my mother’s “store” dividend number. The Scottish Co-operative Wholesale Society supplied own brand goods to local co-operative societies across the country. Store tinned puddings, store mops, store custard creams, store slicing sausage...all of them often delivered in store vans to the outlying villages.”

This architecture had been replaced, according to Ian Jack, by a new one imposed by globalisation, which had changed the small provincial towns of Great Britain. Small shops had all but disappeared, highlighting “their replacement by international supermarkets on the urban fringe” and “replacement of local shops by national and international chains.”

According to Professor Walton, “The Co-operative Societies of the 1950s were emphatically local”, but at the end of the 20th century the co-operative movement had been hit by a wave “of amalgamation and modernism”; the very architecture and layout of shops had changed, together with staff recruitment methods.

In short, the “emphatically local” aspect of British – as well as Italian – co-ops in the Fifties had been wiped away. A glorious but past era, well deserving of tribute in 21st century Britain, the country that had given birth to consumer co-operatives in the distant but still remembered 1844.

Conclusions

According to Espen Ekberg’s classification, the development trajectory of consumer co-

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71 “Famiglie coop stabili,” 8; Terreri, “Superstore in rosso,” 1, 8.
ops in Italy adopted the federal approach, one of the three approaches proposed. Following the appearance of large retail chain stores in the early Sixties, the national consumer co-op movement – traditionally left-wing and tied to the Lega nazionale delle cooperative e mutue (National League of co-operatives and mutual societies) – launched a merger program aimed at building larger organisations on a possibly at least regional basis. At the same time, it attempted to integrate business operations by networking the co-ops, which, while retaining their independence, would be linked to a nationwide Consortium, Coop Italia, for the purpose of centralising procurement, fostering the promotion of common advertising campaigns, presenting themselves as a coordinated whole, with the same logo. This resulted in a network\(^\text{76}\), which focused on a high degree of standardisation and uniformity of the member co-ops and then launched its own “Coop” brand.

A further impulse to the federal approach adopted in Italy is given by the case of the Trentino consumer co-operatives, precisely because they have maintained a certain autonomy from the prevailing model, while establishing an important alliance with it. The aim of this paper was to highlight some of the milestones of the cooperative movement in the province of Trento, in the years during which it looked for possible insights into how best to serve its member-consumers, especially after the advent of the large retail outlets, in a difficult environment constantly at risk of depopulation and dominated by the complex problems of living high up in the mountains.

An initial attempt, adopted by the provincial co-operative movement, was based on the almost exclusive collaboration between the first-tier cooperatives and their Consortium, the Sindacato agricolo industriale di Trento (Sait, Agricultural and Industrial Syndicate of Trento), consisting in the conclusion of so-called “comprehensive agreements”, under which the Sait, in exchange for the co-ops undertaking to do almost all their bulk and wholesale purchasing from it, would grant very convenient discounts. At first, this strategy appeared to be very successful, but then, towards the end of the Sixties, the conditions agreed to became unsustainable, as a result of the exploding inflation, and ended up seriously affecting the system’s shaky economic and financial balance.

It was only thanks to the subsequent decision to team up with the nationwide consumer co-operative network headed by the League of Co-operatives and the Consorzio Coop Italia that the Trentino consumer co-ops were able to emerge from the situation of weakness and vulnerability into which they had fallen. The trade agreement with Coop Italia in 1993, however, did not prevent the Trentino co-operative movement from developing its own independent and original line, compared to the one rooted in the rest of the country, especially in order to meet the specific requirements arising from the mountainous terrain of the region, totally different from those prevailing in the flatter areas.

We have seen, how they have failed to build a single provincial (or regional) organisation – unlike the rest of Italy –, confirming a structure based on a number of locally rooted co-ops – no less than 76 in 2014 –, capable of developing a trust-based pact with the local population. Moreover, these co-ops did not link up directly with Coop Italia, according to a pattern found elsewhere, but through the mediation of a provincial consortium, the Sait, to which they have confirmed their trust, not without some distinctions. The aim, of course, is to maintain a clear vocation of proximity and community spirit, preserving a certain

\(^{76}\) A taxonomy of the co-op networks can be found in: Menzani and Zamagni, “Cooperative networks,” 98-127.
geographical rooting, at least in the valleys, fostering democratic participation in the business activity by the co-op members, and increasingly facing cutbacks of expenses in order to achieve greater competitiveness.

In this general picture, the Trentino co-op movement seems to have played its own peculiar game, distinguishing itself from the mainstream co-operative movement, featuring large Centres. In fact, the possibility of combining its local rooting and presence, thanks to the network of independent co-ops, with the concentration of certain functions, such as purchasing, marketing and logistics in a province-wide Consortium – in turn linked to Coop Italia and with a nationwide brand – seems an adequate approach, capable of completing a rather varied (past and present) retail system in the province of Trento.

Clearly, this system is not without its criticalities: for instance, the losses suffered by the two large superstores opened by the co-op movement to claim its share of the market on the valley floors, ended up weighing heavily on the Sait’s budget. Moreover, the idea of a network has failed to entirely compensate the problems entailed by the small size of the co-ops, given the limited catchment areas involved. As a result, the system has often teetered between the desire to provide a community service and the temptation – not deliberately pursued, but driven by financial necessity – to scrap the entire model. Yet even the merger processes – fostered at times, opposed at others – have had to take into account the difficult terrain and the local peculiarities, which discourage too excessive a reduction in the number of co-operatives. However, these processes should be assessed within the framework of a much broader project for safeguarding the quality of the ties existing within the local communities.

Lastly, We think it is important to highlight another aspect. The case of Trentino strengthens Ekberg’s argument. It would also be interesting to promote other studies, not just regarding Italy and focusing not so much on the national contexts, but also on local and regional cases, in order to put together a number of case studies to further support the classification developed by Espen Ekberg.

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