

Co-operative Consortia

Co-operative consortia are second-level co-ops, whose members are other co-ops.



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“Competition has been shown to be useful up to a certain point and no further, but cooperation, which is the thing we must strive for today, begins where competition leaves off.”

Franklin D. Roosevelt

Tags: Social enterprise, scaling up

Challenge

Consortia are widespread in Italy, where they allow co-operatives to pool their resources, offer a broader range of services, and therefore access larger contracts – while retaining their own specialisms and human scale. They have been a key tool in building the strength of co-operation in new areas. Among social co-operatives the leading consortium is the Gruppo CGM, which has 1,100 member co-operatives and an annual turnover of €1 billion.

Growing by forming consortia combines the best of two worlds: on the one hand it gives co-operatives the scale they need to bid for large (mainly public-sector) contracts, and on the other hand it allows them to retain their individual character and management style.

A particular feature of Italian consortia is that they can act as principals in signing contracts, and then divide out the work among their member co-operatives.

Solution

Consortia are very flexible tools, which are more stable than networks. They can be used by enterprises of all types, to fulfil functions such as joint purchasing and marketing. However because they are controlled bottom-up, they are particularly suitable for co-operatives. Different national legislations vary but, to take Italy as an example, a consortium can be founded by three or more primary cooperatives with a minimum capital of only €516. They are territorially based, and bring together co-operatives which supply complementary services. Their main role is to act as main contractors, bidding for and managing major contracts. However they also arrange credit, run training schemes and represent their members politically.

References

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