Solidarity Purchasing Groups in Italy: A critical assessment of their effects on the marginalisation of their suppliers

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Abstract. Over the last twenty years, Alternative Food Networks (AFN) have become increasingly successful at reducing the length of the chain that connects food production and consumption in an attempt to counteract the impact of the contradictions of the industrial food system and its supermarket-dominated distribution. Their grassroots actions, aimed at overcoming pre-existing socio-economic structures, are in line with social innovations, which have the objective of promoting the social participation of consumers and producers in food systems (empowerment, socio-political activism or social integration in society). In Italy, the Solidarity Purchasing Groups (SPGs), have been the subject of numerous academic studies, but the scope of these studies has, to date, been limited to the political activism of the consumer. The ability of this experience to foster the social participation of the groups’ suppliers and the effects that the exchange has on the economic life of the producers have not yet been adequately studied.

This article addresses this gap by investigating the extent to which SPGs can reduce the economic marginalisation of their suppliers and evaluates if the activities they promote could increase their social participation. Based on quantitative and qualitative data, this study shows that SPGs, in contrast to other AFNs, maintain a clear separation between consumers and producers and this could mitigate the positive impact of these initiatives on their suppliers. Our analysis of the suppliers shows that SPGs can act as a safety net against economic downturns and that the social participation of the producers involved is higher at the macro, meso and individual levels, compared to producers who do not cooperate with the SPGs.

1. Social innovations and marginalisation: opening the black box

Social innovation is becoming an increasingly used buzzword as the policy ideas behind it gain consensus and visibility. The subject of extensive research over the past year, the concept has been

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1 Although the article is the result of a collective work, it is possible to assign authorship of Section 2 to Antonello Podda, Sections 3 and 4 to Lara Maestripieri, Section 5 to Toa Giroletti and Section 6 to Toa Giroletti and Antonello Podda. The introduction and conclusions were collectively authored.

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adjusted to fit into various aspects of policy analysis, with several concurrent definitions being attributed to scholars, stakeholders and policymakers.

This situation has stimulated the interest of the European Commission, which has funded actions and research into social innovation. The European Union defines social innovations as “new ideas that meet social needs, create social relationships and form new collaborations. These innovations can be products, services or models addressing unmet needs more effectively”\(^2\). An innovation must be social in its ends and means if it is to be considered as a social innovation, with a declared goal of enhancing the capacity of society to act in favour of a wider inclusion of its citizens. Social innovation could have a fundamental role in dealing with the process of marginalisation (von Jacobi et al., 2017b) as it proposes solutions that are characterised by elements of rupture with pre-existing socio-economic contracts by promoting the participation of the beneficiaries of the proposed actions. When analysing the effect of social innovation on marginalisation, two main questions should be asked: to what extent can social innovations foster the participation of marginalised people and to what extent do the processes they promote address the structuration of their disadvantage (von Jacobi et al., 2017a). This study focuses on Italian solidarity purchasing groups (SPGs), which could be considered to be among the most emblematic examples of social innovation in the food and agriculture sector (Maestripieri, 2017) and which are embedded in the wider movement of alternative food networks (Grasseni, 2014). The aim of this study is to assess the extent to which SPGs are able to foster the participation of the producers who collaborate with them and whether the actions they promote are effective in reducing the economic marginalisation of their suppliers. In the specific case of SPGs, small family producers and social cooperatives are considered at risk because of their disadvantaged position in the food supply chain. One of the explicit goals of SPG members acting as social innovators is to reverse this mechanism by offering them an alternative end-market (Maestripieri, 2018).

As a movement, SPGs exhibit a number of features of social innovation: they are self-organised groups of citizens who enter into direct contact with producers in order to buy food and other basic goods. The way they work favours the proximity of producers to final consumers. Their novelty lies in the process of consumption: the political consumerism (Micheletti, 2003) proposed by SPG members avoids intermediation and promotes critical consumption by choosing suppliers that respect certain ethical principles (Graziano and Forno, 2012; Arcidiacono, 2013). According to the founders of the movement (Saroldi, 2001; Valera, 2005; Tavolo per la Rete Italiana di Economia Solidale, 2013; Altraeconomia, 2015), the predominant role of supermarkets in the food supply chain is one of the main causes of the economic marginalisation of small producers. SPGs revert the situation by offering an end-market to those producers who respect principles of ethical consumption such as organic production and a short supply chain. SPGs sustain environmentally friendly practices by directly acquiring products from small producers without any intermediation and by favouring the diffusion of farming practices that preserve local plantations and organic cultivation. SPGs prefer small producers precisely because it is possible to establish symmetrical and solidarity-based relationships based on knowledge and trust (Van der Ploeg, 2006, Cavazzani, 2008, Salis, 2013). In this sense, SPGs use a difference bet (Carrera, 2009) because the people involved are willing to accept different types of additional costs (higher prices, time dedicated to the organisation) to pursue the more complex goal of individual and social well-being. As such,

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the target of SPGs’ activities are small family producers and social cooperatives. In the frame of this article, they are considered to be the beneficiaries of the social innovations promoted by SPGs, because in theory, they are expected to benefit from the reshaping of power relationships in the food supply chain that is favoured by alternative food networks such as SPGs (Maestripieri, 2017; 2018).

SPGs’ informal grassroots nature makes it difficult to quantify the impact of social innovations, as their success relies on driving social change, breaking with established behaviours and challenging the existing social equilibrium (BEPA, 2014). To the best of the authors’ knowledge, the SPG movement has to date not carried out any assessment of its impact on members or beneficiaries and the issue has not been the subject of academic research. Systematic analyses have focused on the SPG members themselves and the activism aspect of political consumerism (Arcidiacono, 2008 and 2013; Forno et al., 2013; Fonte, 2013; Grasseni, 2014; Forno and Graziano, 2014; Guidi and Andretta, 2015; Forno and Graziano, 2016; Andretta and Guidi, 2017). This article is, therefore, an attempt to investigate and evaluate the SPGs’ contribution, as social innovation, to the reduction of the economic vulnerability of their suppliers, instability given by the fact that often small producers are in a marginal position in the mainstream agricultural supply chains. This study aims to answer the following research questions: are SPGs able to subvert the pre-existing socio-economic structure that locks small family producers and social cooperatives into a marginalised position within the food supply chain? Furthermore, in doing so, are they able to foster the social participation of their suppliers?

The article is structured as follows. Section 2 discusses how SPGs fit into the wider debate about AFNs and compares the characteristics of SPGs with other similar groups internationally. Section 3 introduces the rationale of the research project on which the article is based and presents the mixed-method approach used that allowed both the consumers’ and producers’ perspectives of the consumption relationship to be investigated. Section 4 presents the consumers’ perspective and describes SPGs’ main actions towards their suppliers and why these may be relevant when it comes to challenging the pre-existing socio-economic processes of the food supply chain. Sections 5 and 6 analyse the outcomes of the actions of SPGs, taking into account the opinions of the beneficiaries and the control group. These sections also provide a description of the economic indicators and social participation of the two groups in order to ascertain whether these indicators diverge and, if so, whether they do so as a result of participation in the SPGs. The last section presents the conclusions about SPGs and their impact on the marginalisation of their suppliers.

2. The SPGs in Alternative Food Networks

Over the last twenty years, several aspects of the re-localisation of the production and consumption phases of agri-food production (Rossi, 2008) have been linked to a renewed emphasis on the role of the farmer model (Van der Ploeg, 2008) and the spread of multifunctional agriculture (Locci, 2013; Henke and Salvioni 2010; Salis 2013). Re-localisation is mainly manifested in producer and consumer relationship networks that the literature defines as alternative food networks or short food supply chains (Goodman and Goodman, 2009; Barbera and Dagnes, 2015). These alternative experiences arise from the desire to reduce the distances between food production and consumption and between agriculture and cooking (Salis, 2013). Alternative food networks are emerging as a response to the ever-increasing contradictions of the unsustainable industrial food

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3 Social cooperatives are a particular type of cooperative enterprise which have as a main aim the labour market insertion of disadvantaged persons, e.g. people with a disability, people with mental health problems or with a past of drug addiction and refugees who can be active in all sectors of production.
system and the global supply chains that promote its growth and reproduction (Goodman et al., 2012). These networks have been set up by consumers who refuse to have a purely passive role in the agri-food chain and who are looking for different qualities and characteristics in the food that is served at their table. Brunori (2007) and Rossi (2008) identify these characteristics as being ecological (biodiversity), ethical (solidarity, equity), functional (taste, freshness, nutritious), cultural (bound to the territory) and, finally, political (changes in the power structure of the supply chain and the reorientation of production and consumption models). These behaviours are opposed to the overproduction on which the dominant agro-food system of long chains is based (Goodman, 2003; Sage, 2006; Goodman et al., 2012). All these elements are closely linked to the economic dimension of the exchange between consumers and producers and to the effects that the exchange has on the economic life of the producers.

The literature on alternative food networks and short food supply chains is extensive and several useful classifications that are relevant to the concept have been suggested. The first concerns the main difference between formal short chains, in which typical or traditional products are certified within official marketing circuits, and informal short chains, where local products are exchanged or sold, often without certification. As Salis (2013) notes, informal short chains need to be studied from the perspective of the direct relationship between production and consumption which promotes relational re-localisation mechanisms (Brunori, 2007) and helps strengthen community bonds (Fonte et al., 2011, Fonte, 2013). Thus, “this vision focuses on the need for sustainability that strives to keep the economic, environmental and social dimension together” (Salis, 2013, p.156) and the concept of alternative food networks opens up a broad conceptual space “capable of understanding the new emerging networks of producers, consumers and actors that represent alternatives to standardised industrial food production” (Renting et al., 2003, p.394).

In our opinion, it is necessary to deepen the economic dimension of the exchange and its effects precisely because the AFNs have the ability to redistribute added value through social networks and new self-organised market governance systems (Whatmore et al., 2003; Sage, 2006). The term alternative, thus, emphasises the distance from formal distribution channels (Ilbery and Maye, 2005). Although some authors (see Holloway et al., 2007; Guidi, 2009) argue that the contrast between alternative and traditional is no longer an issue, we argue that the economic impact of the relationship between consumer and producer, an often neglected aspect, keeps this contrast alive. This approach also provides the opportunity to understand the impact on the lives of the producers who, in alternative food networks, are not simply passive actors who provide goods on demand but become active participants in the process. More generally, AFNs are based on the creation of a relationship between producers and consumers based on direct or mediated interaction between the two (Marsden et al., 2000). Such relationships can be considered as being the main expression of the movement of AFNs that are currently active in Italy (Barbera and Dagnes, 2016).

Solidarity Purchasing Groups (SPGs) are “groups of individuals that decide to organise themselves in order to buy collectively food or any other everyday good, selecting suppliers on the basis of solidarity and critical consumption” (Altraeconomia, 2015, p. 14). SPGs are distinguished by their focus on solidarity (Maestripieri, 2018): participants do not want to obtain better prices by avoiding intermediation or by purchasing directly from producers. Their main aim is to bring consumption in line with the ethical principles of political consumerism: fair prices for small producers, preference for local products, sustainability in production (namely organic) and transportation of goods (namely a preference for social cooperatives as providers of services).
SPGs are mostly composed of middle-class families with a high educational level living in urban areas who buy their daily groceries through alternative food networks (Forno et al., 2013).

But how can SPGs affect the economic marginality of the producers? To answer this question, we need to take into account their organisational structure and the regulatory mechanisms governing the relationships between the actors involved. The SPGs fall into the category of spatial proximity AFNs (Mardsen, et al., 2000): the products are local and the consumers are confident of their origin or know the producers; they rely strongly on proximity in order to function. Therefore, SPGs are strong AFNs, where the relationship between the producer and consumer is direct and does not exclusively consist of commercial trading. Instead, this relationship aspires to be social and cultural and concerns different aspects of production. More generally, according to Salis (2013, p.159), strong AFNs “provide greater equity, contribute to the development of the cultural, social and relational capital of the territories, contain the environmental impact of production processes and provide greater health and food security”. Furthermore, as described in the following sections, by overcoming the intermediary actors in the chain via SPGs, producers increase the autonomy of their business and enter into more equitable production relationships. Because they are based on direct social bonds and characterised by the reciprocity of ties, trust and embeddedness in the local space, SPGs should, in theory, contribute to community building and collective action (Fonte et al., 2011, Fonte, 2013).

However, very few studies have unpacked the black-box of the relationship between consumers and producers in relation to SPGs in order to test if they are effective at creating a new economic space for their producers. To contribute to the social innovation debate (Pellicer-Sifres et al., 2017), we decided to investigate the complex relationship between SPGs and producers, which should, in theory, open up space for subverting the mainstream economic relations based on industrial farming and supermarkets. The next sections draw on empirical evidence from consumers (as social innovators) and producers (as beneficiaries of social innovation) to investigate whether SPGs can achieve the main goals of social innovation: reduce the economic marginalisation of the subjects that benefit from their actions and, at the same time, increase their social participation.

3. Research objectives and methods

The case outlined here is one of the cases presented for the EU-funded CRESSI⁴ project, which involved a comparative investigation of three cases of social innovation in Italy, Germany and the Netherlands, respectively. The general aim of the project was to explore the economic basis of social innovation, with a focus on how policies and practices can enhance the lives of marginalised and disempowered citizens in society. The research design of CRESSI foresaw different techniques of investigation for social innovators (those who initiate and retain functions in the specific case of social innovation) and beneficiaries (marginalised individuals or groups that benefit from the activity of this group). In the case of SPGs, social innovators are members of SPGs, while the beneficiaries of the social innovation are small family producers and social cooperatives that sell their products to the groups. SPGs’ suppliers are considered to be the beneficiaries of social innovation within the CRESSI research design because they are the direct recipients of the actions of the members of the SPGs. For this reason, and even if we acknowledge

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that other actors might be benefitting from the process, in this research we are particularly interested in studying the effect of SPGs on the small family producers and social cooperatives that sell their products to the groups. The two groups (members of SPGs and suppliers of SPGs) were identified prior to the data collection process; the choice was based on desk research and interviews with key informants (Chiappero Martinetti et al., 2017).

The mixed-method approach of the CRESSI project investigates the two sides of the social innovation relationship: qualitative techniques are used to investigate the functioning and practices of SPGs and quantitative analyses are used to assess the impact of SPGs’ actions on their beneficiaries. The opinions of social innovators were surveyed through 35 semi-structured interviews, while the outcomes of SPGs’ activities were investigated via an online survey based on the results of the semi-structured interviews. The survey yielded 2,995 questionnaires filled in by 925 beneficiaries and 2,040 individuals belonging to the control group. The control group consisted of potential suppliers of SPGs who had similar social and economic characteristics to those who were actually collaborating with the groups. For the purpose of the quantitative data collection, the 925 beneficiaries were divided into two groups: one consisting of 750 people who were still selling products or services to the SPGs (defined in this article as current beneficiaries) and 175 who no longer sold products or services to the SPGs. In order to obtain more reliable and unbiased results, it was decided to compare only the information collected from the current beneficiaries and the control group. Inclusion of information pertaining to the past beneficiaries would have made the results difficult to interpret as, although they had benefited from the SPGs in the past, they were no longer doing so at the time of the survey.

The semi-structured interviews investigated the history of the SPG, its functioning and the group’s opinion of social innovation. One of the aims of the interviews was to identify who benefits from the activity of the groups, focusing, in particular, on the social groups that were identified *ex-ante* by each national research team as the beneficiaries of social innovation. Questionnaires investigated the role of social innovation in the respondents’ lives and analysed how being involved as a supplier in an SPG group could enhance the autonomy of the person, improve their economic stability and increase their life satisfaction. As previously stated, the mixed-method approach of the CRESSI project implied that the categories used in several questions were based on the analysis of the qualitative interviews.

The study covered the whole of Italy, with SPG cases distributed in an equivalent proportion between affluent contexts, middle-class contexts and at-risk contexts on the basis of an index of economic vulnerability, calculated at NUTS3 level (Chiappero Martinetti et al., 2017). The groups included in the analysis of Italian social innovation were further differentiated in terms of their location, with 19 being in cities (above 100,000 inhabitants) and 16 in small-to medium-sized towns. Therefore, the interviewees were distinguished in the analysis in terms of the geographical distribution and economic characteristics of the SPGs they were involved in and whether they were in a city or town. This provided the grade of exposure to the economic vulnerability of the territorial context in which they are embedded (affluent, prevailing, vulnerable).

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<tr>
<th>Year of foundation (average)</th>
<th>total SPGs</th>
<th>Affluent</th>
<th>Prevailing</th>
<th>Vulnerable</th>
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<tr>
<td>Active members (average n. social innovators)</td>
<td>2006</td>
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<td>43</td>
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The quantitative questionnaire, based on the results of the interviews, investigated several aspects relevant to the respondents’ lives from both a personal and a work-related point of view. In particular, for all three groups of respondents, the questionnaire captured demographic characteristics, the level of social participation, the respondents’ network and economic conditions. However, for the current and past beneficiaries, it also captured information related to their involvement with SPGs. In order to answer the research questions of this study, a selection of variables related to economic conditions and social participation is analysed and the results are presented in section 5 and 6. To understand if the SPGs affect the economic conditions of the beneficiaries, four indicators were considered: ‘difficulty meeting unexpected expenses’, ‘ability to make ends meet’, ‘net monthly income’, and ‘variation over time of the personal net monthly income’. Furthermore, in order to investigate whether the SPGs foster the social participation of the beneficiaries, three sets of classical social capital and social cohesion indicators were considered: the first set of indicators described the actions taken by respondents to support their ideas, including voting in local, national and European elections, signing a petition or participating in a boycott; the second set of indicators represented the trust placed in several institutions (including the parliament, police, politicians, professional associations, and organic certification bodies); and, the third set of indicators represented the frequency with which respondents dealt with some organisations (SPG authorities or organisations, local associations, other SPGs, public authorities, and other producers). Given the informal nature of social innovations, the results of the CRESSI investigations cannot be statistically generalised to the entire population of SPG members and suppliers, as the online survey was not based on a representative sample of the population. However, the results presented in the article permit a preliminary analysis of the effectiveness of SPGs in fulfilling their promise of social innovation in terms of fostering the participation of their beneficiaries and in reducing their economic vulnerability.

4. The functioning of SPGs and how they tackle marginalisation in the opinion of social innovators

Despite their internal diversity, SPGs usually organise the distribution of food in similar ways. Each member is responsible for one (or more) type of product: this member (called the referent) maintains correspondence with the producer, organises purchasing and shipping and distributes items to other members. Contact between groups and beneficiaries mostly revolves around commercial activities, often relying on e-mail or telephone calls with the assigned referents only rather than with the entire group. In general, given its extremely local base of operation (as participating households need be located near to one another to enable the distribution of food), the groups’ activities occur at the town level (in the smallest localities) or at neighbourhood level (in the bigger cities). More affluent localities and economies of scale of urban localities favour the groups’ diffusion: the generally higher prices of the products impede their spread to the poorest groups (for example, among those who live in the south of Italy or among the working class), while the closer relations between producers and consumers in the countryside reduce the need for such
groups in rural settings when compared to urban settings. Quite surprisingly, the SPGs’ public activities only rarely include the producers. Informative or social actions mostly involve SPG members or potential newcomers, while producers are usually only involved as presenters in assemblies or as hosts on their farms.

Social innovators perceive their suppliers as being disconnected from the traditional food supply chain since they refuse (or are excluded from) the system of supermarkets (both organic or traditional). Although disconnection with the mainstream economy was generally perceived as being a social problem, only 10 out of the 35 groups interviewed considered the beneficiaries to be a potentially vulnerable group and quite often it was not because of this. They were generally of the opinion that their position in the supply chain did not imply social exclusion, with comments such as “they love to be sorry for themselves”, “they are moaners” or “they have a job anyway”.

Maybe some of them, but, in any case it was their choice. And now there are a lot of initiatives for them, so that they can sell easily their products. We would say that it is better to define them alternative and not marginalised. [Urban, affluent]

Nevertheless, all the groups claimed that their main reason for choosing suppliers who participate in social innovation is to fight against the power of supermarkets that pushes producers into a fragile market position, in line with what is claimed by their movement (Saroldi, 2001; Valera, 2005; Tavolo per la Rete Italiana di Economia Solidale, 2013; Altraeconomia, 2015). The interviewees were of the opinion that small family producers are among the first groups to be exposed to marginalisation in the agricultural and food production sector. First of all, their small scale might lock them into a suboptimal position in terms of their economic relations within the market. Intermediaries and supermarkets usually try to reduce the purchase prices for primary goods and concentrate on their revenues at the level of intermediation rather than production. The small scale of the farms does not allow them to access regular markets as they do not have the volume of production required to access organic grocers or big supermarkets. The choice to go for organic production also increases costs and decreases productivity. This might result in reduced competitiveness with bigger economic actors using traditional farming in a purely price-based competition. At the same time, their small dimensions might also impede their access to organic certification, because they cannot meet the cost of certification. Furthermore, small and micro enterprises are characterised by a familial type of management, which might expose them to the risk of inefficiency in conducting their business. Finally, the geographical distribution of some types of products (in deprived areas or in isolated territories, as in the case of oranges or oil) might impede access to other alternative food networks, such as farmers’ markets, that are already established in the most affluent areas.

A second privileged target is that of social cooperatives, which usually produce the same goods, or which may be active in providing logistic services for SPG groups, such as delivery, intermediation or provision of warehouses. In addition to the previously listed risks, interviewees noted that social cooperatives often employ individuals with vulnerabilities: people with physical or mental disabilities, migrants, or persons who have had rough experiences (such as homelessness, prostitution, imprisonment or drug addiction). When speaking about this social group, the interviewees were more likely to associate these workers with the concept of marginalisation; most often this is because of the vulnerabilities that usually define the profile of workers in social cooperatives (such as health problems or disabilities). The perception of marginalisation of this group is not related to the position of the cooperatives as economic actors within the agri-food supply chain, at least in the explanations given by the interviewees.
Social innovators offer a fair price to suppliers but to be accepted into the group, suppliers must meet strict criteria. First, they must promote sustainable production (use organic or biodynamic methods); although, an official certification is not always required as this can be waived when there is a trusted and long-term relationship between consumers and producers. In terms of production activity, social cooperatives have a less severe requirement: in this last case, groups give priority to supporting projects with a specific social outcome as their main objective. Secondly, suppliers must always respect labour and fiscal laws by avoiding any undeclared activity (no unregistered contracts or use of the black market). However, more radical groups are less restrictive if the social project promoted by the beneficiary in question is particularly anti-systemic (for example as is the case in the RimaFlow project which is based in an occupied factory in Milan), an aspect that also emerges in the analysis of data on social cohesion (see next sections). The most radical groups also refuse to accept producers as suppliers if they have any commercial relations outside SPGs, even when they respect the previously described principles. To ensure that they meet the listed ethical requirements, groups usually ask each new supplier to fill out a form in which they declare through which channels they sell their products and what production methods they use. The SPG groups interviewed showed strong conformity in their criteria for accepting suppliers; this is quite surprising considering the movement’s lack of national coordination (Maestripieri, 2018).

Interviewees claimed that to tackle the economic marginalisation of producers through the provision of an alternative end market that offers a fair price (this is agreed through a horizontal relationship with the final consumers, thus avoiding intermediaries) and continuity in the event of any difficulties (for example pre-financing support in case of a bad harvest or any economic downturn). The groups set up within the better off localities (notably northern cities) are better placed to favour this process of economic stabilisation as they have more spending power. The reduction in turnover that occurred during the financial crisis made SPGs a less reliable end market, as not only are they volatile in their engagement but also less profitable for producers.

In ***, a village within the territory of ***. there is a producer of Jersey cows. The milk is very rich and a big milk company buys it. Their cheese production relies only on SPG or private individuals. Now, his enterprise is in crisis because he can’t live only on what he sells to us, but its main income derives from the milk and he cannot survive any longer, since the big company has withdrawn the contract. We thought we would have a real impact, but we don’t. [Town, prevailing]

However, interviewees did not think that the support of a single group is the only factor protecting producers from a descent into vulnerability. Instead, it is only the coordinated actions of several SPGs that can improve the situation of a producer and offer stable protection against economic cycles. However, given the lack of a national organisation, such actions are only rarely coordinated among groups: they are thus quite infrequent, and they mostly mobilise groups belonging to the same local network. Conversely, general mobilisation of SPGs occurs only in emergency rescue situations or in response to pleas from the most popular producers, which can mobilise the entire network of SPGs (Maestripieri, 2018).

One reason why they might be so ineffective can be found in the way SPGs function. SPGs rely mostly on the personal resources of their members in terms of both cash and their voluntary work. In general, SPGs do not require a large amount of money to run their activities (between 90-400 euros per year on average): the expenses are mostly linked to the management of the association’s bank account (if they are a formal group) and the rent for storage space. However,
each member is required to put in a certain amount of voluntary work in order to guarantee general functioning. As such, they cannot ensure the full-time involvement of their members and their activities also depend on the members’ personal goodwill; consequently, their dimensions cannot be too large as they have to be able to afford the costs associated with the logistics and the distribution of goods. In addition, activities are also extremely dependent on the goodwill of volunteers, who sometimes lack enthusiasm and trust.

It is a little help, but SPGs are informal and we cannot be a really stable reference. We would love to create a trust relationship, but we have little time or energy to really do it, also because we don’t have competencies to assess how producers work. It would be better to have more formality to give stability and growth but each group depends on the energies and enthusiasm of the individual members. In the last period (two years), there has been a lack of it and a period of fatigue; this is to the detriment of a deeper relationship with producers. This is why we’re thinking of creating a formal shop. [Town, affluent].

In conclusion, SPGs are meant to have a positive impact by offering an end-market to small family producers and social cooperatives, as claimed by the movement itself (Saroldi, 2001; Valera, 2005; Tavolo per la Rete Italiana di Economia Solidale, 2013; Altraeconomia, 2015). However, interviews with people involved in SPGs showed how the end-market offered by SPGs is often unreliable and limited, as the SPGs reliance on volunteers hinders the ability of groups to grow and to be a reliable source of income for their suppliers. In addition, although they claim that helping suppliers is one of the main aims of their activities, they usually limit their collaboration with them to mere commercial contact. For example, none of the interviewed groups involved suppliers in the decision-making process regarding the group’s management and activities, while it is quite often only the referent of the specific product that is personally in contact with the producer.

The initial research questions thus still remain unanswered: despite the goodwill behind the SPGs’ activities, their effectiveness in fostering the participation of suppliers and subverting the socio-economic dynamics that lock them into a disadvantaged position in the supply chain still needs further discussion. The analysis of the outcomes of the interviews with consumers shows that the effectiveness of SPGs’ actions, as social innovation experiences, cannot be taken for granted (Cruz et al., 2017). This is because several shortcomings can hinder the social innovators’ ability to include producers in an economic and social capacity. The following section examines the outcomes of their activities by analysing the opinions of small family producers and social cooperatives which could potentially benefit from SPGs’ activities.

5. Can SPGs influence social-economic conditions? Evidence from the opinions of the beneficiaries

This section examines the opinions of Italian producers to determine whether SPGs are able to improve their socio-economic conditions. In particular, by taking into account the perceptions of both the control group and the beneficiaries, the analysis presented in this section investigates

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5 In the following Sections 4 and 5, we will use the term respondents/producers to indicate all the producers in the sample without distinction; when we talk about the control group, we are referring to those producers who have never been in contact with SPGs, while beneficiaries are those who were supplying the groups at the time of the survey.
whether the SPGs are able to improve their socio-economic conditions and promote the social participation of the beneficiaries.

Table A (in Annex) presents the classification of the enterprises on the basis of the number of employees in small and medium-sized enterprises (SMEs), including a category with no more than three employees, since Italian producers are more likely to employ just a few workers. In terms of the size of the enterprises, there were no major differences between the two groups. The information provided in Table A confirms the description of the enterprises given in section 4, that is they are enterprises with few employees that share some features that reduce their access to markets and lead to their marginalisation. Therefore, they are less competitive and lack the power to influence market prices while their low production volume limits their access to organic supermarkets and reduces their ability to afford organic certification. Thus, the size of the enterprise provides the first hint of why these enterprises are marginalised.

In order to investigate whether the beneficiaries are indeed marginalised from a purely monetary point of view, four indicators were considered: ‘difficulty meeting unexpected expenses’, ‘ability to make ends meet’, ‘net monthly income’, and the ‘variation over time of personal net monthly income’. The ‘difficulties meeting unexpected expenses’ as well as the ‘ability to make ends meet’ provide an understanding of the level of deprivation. The majority of the respondents in both groups (84%) stated that their households did not have particular difficulty meeting unexpected expenses of up to 800 euros. However, if the ability to make ends meet is considered, the beneficiaries reported fewer difficulties compared to the control group (Figure 1).

Figure 1: The ability of the households to make ends meet considering all household income (%).
These results show that the beneficiaries actually experience slightly fewer difficulties compared to the control group. In fact, almost 33% of the current beneficiaries and 36% of the control group encountered ‘some difficulties’ with making ends meet. Almost 28% of the beneficiaries and 25% of the control group answered that they make ends meet ‘fairly easily’. The third useful economic indicator is net monthly income. The information regarding personal net monthly income shows that almost 36% of the current beneficiaries and 37% of the control group have an income that is lower than 900 euros monthly. In contrast, the majority of respondents have a disposable income of between 900 and 1,300 euros (20% of the control group and 25% of the beneficiaries respectively) (Figure 2).

Figure 2: Declared personal net monthly income for control group and current beneficiaries.
The statistical difference in the means of the net monthly income between the two groups was calculated using a z-test\(^7\). The results show that the means are significantly different at the 5% level, and the mean income of the control group is higher than the mean income of the beneficiaries. When earnings per hour are compared (net monthly income divided by the number of working hours) it can be seen that the hourly earnings of the beneficiaries are lower than those of the control group. These results show that although the beneficiaries are neither poor nor marginalised, they are vulnerable and at risk of marginalisation.

The last indicator of economic marginalisation was used to investigate whether, despite the vulnerability of the beneficiaries, the SPGs are able to protect the beneficiaries from a suboptimal position in terms of economic market relations. In order to do this, the variation in net monthly income over time was measured for the two groups to determine whether the SPGs had functioned as a safety net over the last three years of the current economic downturn.

Figure 3: Variation over time in personal net monthly income for the current control group and beneficiaries, compared to three years ago.

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\(^7\) The z-test is a parametric statistical test that checks whether the mean value of a distribution differs significantly from a certain reference value.
Figure 3 shows a few differences in the variation over time in the net monthly income of the two groups. In both groups, the majority of the respondents did not perceive a significant change in their net monthly income compared to three years ago (53.4% for the control group and 52.3% for the beneficiaries respectively). Overall, the two distributions suggest that the control group experienced a slightly lower reduction over time compared to the beneficiaries. On the contrary, the z-test suggests the opposite conclusion. In fact, the two means are actually significantly different at the 5% level, and the mean of the beneficiaries is lower than the mean of the control group (in this case, the mean represents the reduction in net monthly income). The test leads to the conclusion that, over the period considered in the analysis, the beneficiaries experienced a relatively lower reduction in the net monthly income.

The analysis of economic conditions suggests that the beneficiaries, despite the differences with the control group, are not economically poor. However, they are at some risk of marginalisation from a monetary point of view. In line with the opinions of the SPGs, the analysis shows that SPGs might act as a safety net that protects the beneficiaries from market fluctuations, as shown by the minor reduction over time in the beneficiaries’ net monthly income. The next section presents the results of the second research question regarding whether the SPGs are able to improve the social participation of the beneficiaries.

6. Can the SPGs foster social participation? Evidence from the beneficiaries.
As seen in Section 2, it is often stated that the actions of SPGs contribute to the strengthening of a social relationship, social participation and community ties and reference is often made to the concepts of “social bonds”, “cynicism” and “participation” (Fonte et al., 2011, Fonte, 2013). Also, many studies highlight the importance of factors such as social cohesion, civic culture and political and associative participation as fundamental elements of social capital (Coleman 1990; Putnam, 2000). This study attempts to analyse these features through indicators that can be used as proxies for the “social participation” of producers at different levels of action (Podda, 2017). In order to investigate this second research question, both the meso and macro levels of social participation were considered. The first set of indicators chosen to represent the macro level of social cohesion, which analyses the trust of subjects in some democratic institutions (the parliament, the judiciary, the police, the politicians, the political parties, the European parliament, the United Nations, the SPGs, professional associations, and organic certification bodies). In order to investigate differences in the social participation of both the control group and the beneficiaries, the distribution of the two groups of respondents for the variables representing social participation were compared (using Somers’ D). The following table shows the results of the association between respondents (beneficiaries or control group) and the first indicator, the trust in institutions (using Somers’ D).

Table 2: Association (Somers’ D) between our respondents (beneficiaries or control group) and the trust on the institutions.

<table>
<thead>
<tr>
<th>Trust in institutions</th>
<th>Coefficient</th>
<th>Std. Err.</th>
<th>P-value</th>
<th>95% Conf. Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliament</td>
<td>0.076</td>
<td>0.033</td>
<td>0.023</td>
<td>1%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>0.153</td>
<td>0.034</td>
<td>0.000</td>
<td>9%</td>
</tr>
<tr>
<td>Police</td>
<td>-0.183</td>
<td>0.033</td>
<td>0.000</td>
<td>-25%</td>
</tr>
<tr>
<td>Politicians</td>
<td>0.097</td>
<td>0.033</td>
<td>0.003</td>
<td>3%</td>
</tr>
<tr>
<td>Political parties</td>
<td>0.076</td>
<td>0.032</td>
<td>0.019</td>
<td>1%</td>
</tr>
<tr>
<td>European parliament</td>
<td>0.082</td>
<td>0.033</td>
<td>0.014</td>
<td>2%</td>
</tr>
<tr>
<td>United Nations</td>
<td>-0.055</td>
<td>0.033</td>
<td>0.097</td>
<td>-12%</td>
</tr>
<tr>
<td>SPGs</td>
<td>0.326</td>
<td>0.031</td>
<td>0.000</td>
<td>27%</td>
</tr>
<tr>
<td>Professional associations</td>
<td>-0.047</td>
<td>0.034</td>
<td>0.162</td>
<td>-11%</td>
</tr>
<tr>
<td>Organic certifications</td>
<td>0.213</td>
<td>0.033</td>
<td>0.000</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, CrESSI data (2016).

In terms of trust in the United Nations and professional associations, there was no statistically significant difference between the two groups, while there were statistically significant differences between producers who work with SPGs and the control group in terms of their trust in institutions. In general, the beneficiaries appeared to have more trust in these institutions compared to the control groups. In particular, the beneficiaries tended to have more trust in the institutions and organisations closest to their work: 26% to 39% were more likely to trust SPGs and 15% to 28% were more likely to trust organic certification bodies. This result is in line with their decision to produce organic products and to sell them to the SPGs. An interesting result concerns trust in the police force; the beneficiaries tended to have less trust in this institution (from -12% to -25%)8. The second set of indicators relate to political participation and the political commitment of the producers and the actions taken by respondents to support their ideas (voting in local, national or European elections; signing a petition, participating in a boycott, authorised event or unauthorised

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8 In this analysis, positive levels of the entire confidence interval are interpreted as the tendency for the beneficiaries to have more trust (Table 2) or to be more likely to take political action (Table 3). Opposite conclusion are taken for negative value of the confidence interval.
strikes and occupying buildings and factories). There were no differences between the two populations in terms of indicators for voting in local, national and European elections (Table 3).

Table 3: Association (Somers’ D) between our predictor variable, the respondents (beneficiaries or control group), and the outcome variable, the actions taken by to support their ideas.

<table>
<thead>
<tr>
<th>Actions taken to support their ideas</th>
<th>Coefficient</th>
<th>Std. Err.</th>
<th>P-value</th>
<th>95% Conf. Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting at local elections</td>
<td>0.008</td>
<td>0.018</td>
<td>0.664</td>
<td>-3% 4%</td>
</tr>
<tr>
<td>Voting at national election</td>
<td>-0.004</td>
<td>0.020</td>
<td>0.859</td>
<td>-4% 4%</td>
</tr>
<tr>
<td>Voting at European elections</td>
<td>0.026</td>
<td>0.022</td>
<td>0.236</td>
<td>-2% 7%</td>
</tr>
<tr>
<td>Sign a petition</td>
<td>0.149</td>
<td>0.026</td>
<td>0.000</td>
<td>10% 20%</td>
</tr>
<tr>
<td>Participate in a boycott</td>
<td>0.280</td>
<td>0.038</td>
<td>0.000</td>
<td>21% 35%</td>
</tr>
<tr>
<td>Participate in an authorised event</td>
<td>0.187</td>
<td>0.034</td>
<td>0.000</td>
<td>12% 25%</td>
</tr>
<tr>
<td>Participate in unauthorised strikes</td>
<td>0.175</td>
<td>0.036</td>
<td>0.000</td>
<td>11% 24%</td>
</tr>
<tr>
<td>Occupy buildings and factories</td>
<td>0.195</td>
<td>0.034</td>
<td>0.000</td>
<td>13% 26%</td>
</tr>
</tbody>
</table>

Source: Author's elaboration, CrESSI data (2016).

Table 3 shows that only some actions (signing a petition, participating in a boycott, authorised event or unauthorised strikes and occupying buildings and factories) were statistically different between the two groups. In particular, the beneficiaries were 10% to 20% more likely to sign a petition, 21% to 35% to participate in a boycott, 12% to 25% more likely to participate in an authorised event, 11% to 24% to participate in unauthorised strikes, and 13% to 26% more likely to occupy a building or factory. Again, it appears that beneficiaries show greater sensitivity to and were more likely to participate in more direct political actions. The results suggest a greater sensitivity of beneficiaries to some issues relevant to AFNs.

The direct participation of beneficiaries in community life and in associative life (the meso level of social participation) was investigated using an index representing the frequency with which respondents deal with five organisations: SPG authorities or organisations, local associations, other SPGs, public authorities (such as libraries and local councils), and other producers.9

Table 4: Estimation results for the index of social participation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>0.805***</td>
<td>0.795***</td>
<td>0.792***</td>
<td>0.782***</td>
</tr>
<tr>
<td>Micro enterprises (less than 10 employees)</td>
<td>0.0266</td>
<td>0.0326</td>
<td>0.0326</td>
<td></td>
</tr>
<tr>
<td>Small enterprises (less than 50 employees)</td>
<td>0.245***</td>
<td>0.225***</td>
<td>0.223***</td>
<td></td>
</tr>
<tr>
<td>Medium enterprises (less than 250 employees)</td>
<td>0.471***</td>
<td>0.447***</td>
<td>0.453***</td>
<td></td>
</tr>
</tbody>
</table>

9 The index was constructed through an arithmetic mean of the five response categories (weekly or more frequently, monthly, once every few months, annually or not frequently, and never) for all the organisations listed above. This index has values ranging from 0 to 4. An OLS linear regression was calculated to assess the relationship between the level of social participation and the following variables: being either a beneficiary or part of the control group, gender, classification based on number of employees, and income level.
According to the results of the estimation shown in the first column in Table 4, being a beneficiary plays a positive and statistically significant role in determining the dynamics of social participation.\textsuperscript{10} In addition, the number of employees in the enterprise has a positive and significant effect on social participation, in particular for ‘small enterprises’, ‘medium enterprises’, and ‘big enterprises’ (see Table A in Annex for this classification).

Furthermore, the beneficiaries appear more sensitive to some political and social issues concerning the active participation of citizens when compared to the control group. Overall, the beneficiaries show high levels of trust in institutions that are closer to the citizens and more engagement and participation in political, social and community life (cf. Fonte et al., 2011). In particular, they are more likely to sign a petition, participate in a boycott, authorised event or unauthorised strikes, and to occupy buildings or factories. It is difficult to say whether the SPGs are able to foster the social relations of the participants, or those who participate are already predisposed to participate in social and political activity. However, it is certain that the SPGs manage to bring these people together and create networks that did not exist before. In fact, the

\textsuperscript{10} As can be seen from the results reported in Columns 2, 3, and 4, the estimated coefficients are robust to the exclusion of the statistically insignificant estimates. The standard tests were also applied to the preferred model in Column 1. First, the estimations fulfil the OLS assumption about the distribution of the residuals. Second, the presence of multicollinearity between the various explanatory variables was excluded on the basis of the results from a VIF (variance inflation factor) analysis.

<table>
<thead>
<tr>
<th></th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big enterprises (more than 250 employees)</td>
<td>0.812***</td>
<td>0.797***</td>
<td>0.808***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.240)</td>
<td>(0.197)</td>
<td>(0.197)</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0.0840</td>
<td>0.0634</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.0683)</td>
<td>(0.0572)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 600 and 900 euro</td>
<td>0.0652</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.117)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 900 and 1300 euro</td>
<td>-0.0563</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.109)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 1300 and 1700 euro</td>
<td>-0.0422</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.108)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 1700 and 2300 euro</td>
<td>-0.101</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.122)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 2300 and 3200 euro</td>
<td>-0.0141</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.142)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 3200 and 4500 euro</td>
<td>-0.0284</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.184)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 4500 and 6500 euro</td>
<td>-0.354</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.526)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 6500</td>
<td>-0.198</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.250)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>1.051***</td>
<td>1.010***</td>
<td>1.053***</td>
<td>1.111***</td>
</tr>
<tr>
<td></td>
<td>(0.0968)</td>
<td>(0.0584)</td>
<td>(0.0442)</td>
<td>(0.0256)</td>
</tr>
<tr>
<td>Observations</td>
<td>692</td>
<td>855</td>
<td>855</td>
<td>1,446</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.213</td>
<td>0.207</td>
<td>0.206</td>
<td>0.153</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1.

Source: Author's elaboration, CrESSI data (2016).
beneficiaries have more trust in most organisations, in particular the SPGs and organic certification bodies, which is manifested in their choice to sell organic products to the SPGs. Moreover, the OLS estimation shows that the beneficiaries have higher levels of social participation. Lastly, the main effects of the relationship between the SPGs and the beneficiaries appears to be ensuring a fair price and providing friendship (a second manifestation of the social sphere).

6. Conclusions

The aim of this article was to examine whether SPGs can be defined as a social innovation, as well as investigate the role and premises of the SPGs and the perceived effects of the economic relationship on the beneficiaries. The analysis was based on the two actors of the economic relationship promoted by solidarity purchasing groups: the social innovators (the consumers) and the beneficiaries of social innovation, represented by the suppliers (the producers). Framed by the debate about Alternative Food Networks (AFN), the study aimed to assess whether SPGs are able to maintain the two promises of social innovation: to increase the participation of their beneficiaries and to subvert pre-existing socio-economics dynamics that might generate a process of economic marginalisation.

The information gathered by social innovators indicate that the majority of the SPGs do not perceive the beneficiaries to be marginalised. They recognise the fact that their producers are disconnected from the mainstream economy because they embrace sustainable and ethical principles of production. However, although recognising that their producers have a disadvantaged position in the agri-food supply chain, this fact is not necessarily perceived as a potential source of vulnerability in itself by the SPGs members. The answers given by the beneficiaries are in line with the perception of the role of SPGs in the marginalisation of the beneficiaries. In fact, the results show a limited rate of economically deprived respondents, even if beneficiaries show a discrete level of marginalisation in terms of personal net monthly income and the dimensions of their enterprises. However, SPGs seem to act as a safety net and the dynamic analysis of the last three years shows that being involved in SPGs offers greater protection from economic downturns, at least compared with the control group. At the same time the actions of the SPGs seem to contribute to the strengthening of the social relationship, social participation and community ties of the producers and provide a point of meeting, discussion and awareness. The analysis shows that they have higher values of trust in the democratic institutions, a higher level of commitment and more sensitivity towards the issues of political participation, and finally a greater level of participation in the community and associative life.

In conclusion, SPGs appear to be at least partially effective in obtaining the two goals of a social innovation: they show a partial capacity to mitigate the effects of an economic downturn and to act as a safety net for producers who are involved in their activities, although the activities of SPGs are not entirely reliable and limited. At the same time, SPGs manage to bring these people together and create new networks. However, several shortcomings remain, mostly related to the functioning of SPG groups: the limited participation of producers in the activity and management of the groups, the limited impact of SPGs’ actions connected with a reduced turnover of groups, and the voluntary aspect of their activities.

References


MAESTRIPIERI, L. (2017) Are solidarity purchasing groups a social innovation? A study inspired by social forces, PACO, 10, pp. 955-982.


