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by Luigi Burroni

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The topic of cooperation among competitors is one of main interest for economic sociology since the mid 1980s when the fordist model of division of labour was started to be replaced by a more 'fragmented' system, based on inter-firms networks. Until then goods were produced entirely 'inside' a single large firm, whilst with the new models of production goods were the outcome of the cooperation of several firms (often of medium and small scale). This more heterogeneous mode of organisation of production based on inter-firms networks emphasised the importance of inter-firms cooperation, and a consequent strand of research emerged and studied this forms of co-operation in many different sectors – from manufacturing to service – and countries. Some of these studies underlined that specific forms of co-operations can also emerge among competitors and focused their attention on why and how this is possible; network analysis offered many interesting contributions to this debate.

Emmanuel Lazega's paper on 'cooperation among competitors' offers interesting insights on this topic adopting what the author defines as 'neo-structural approach.' According to the author, this approach can be defined as "the result of a synthesis between a theory of action and a theory of relational opportunity structures." By this point of view, it is not only the structure of the network that offers constraints and opportunities for cooperation, but also the symbolic dimension that contributes to the "definition of priority identities; to the construction of complex language and criteria for the evaluation of activities, to the recourse to institutions capable of promoting or eliminating, including or excluding; and finally to the at-

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tribution of variable levels of trust in the exchange." In other words, it is a sort of 'expanded' structuralism that includes in the analysis of cooperation also variables and processes usually overlooked by more traditional structural analysis. The result is a complex but interesting approach to the study of the features and of the causes of inter-organisational cooperation.

One of the core concept of the paper is that of *niche*. According to the author, it is possible to find niches – namely groups of economic actors which have dense, multifunctional and durable relationships related in some forms to their economic activities – where cooperation emerges. Once that niches have been established they allow their members, even if they are potential competitors, to suspend short-term economic calculation and opportunistic behaviour temporarily, and to cooperate. This can be observed at the contractual level. It serves to diminish the costs of transaction but also is a means of partially resisting being thrust into open competition from 'above.' In other words, niches became the 'space' where the behaviour of actors is not steered by market mechanisms and where cooperation among competitors can emerge.

As Lazega points out, all these forms of cooperation require some form of *coordination*. In the neo-structuralist approach proposed by Lazega, coordination is promoted by the existence of relational structures; otherwise this coordination would be "far more costly, if not impossible." In particular, Lazega identifies two dimensions of 'social discipline' that facilitates cooperation and coordination. The first one has an individual character, and is related to the fact that "actors are equipped with a social rationality thanks to which they design common projects and invest in relationships to manage their interdependencies via multiplex social exchange. Social rationality, in its dimensions most closely linked to authority relationships, leads to the creation of structural forms helping actors protect their relational investments (...) Among these forms, the creation or maintenance of social niches as well as the engagement (voluntary or forced) in status competition are activities that are at once socially disciplining and socially rational for the management of social exchanges." The second dimension is collective and it is related especially to four processes: particularistic solidarity, collective learning, social control and conflict resolution. They exist "independently of individuals' intentional efforts. But they are social mechanisms in sense since they are triggered by relational investments and eventually escape individuals' control and are facilitated by the same structural forms created to organize social exchanges. This social discipline allows for coordination with potential competitors at the collective level, notably in reducing its costs." Thus, individual and collective forms of coordination create a regulatory environment which triggers the emergence of cooperation.

I wonder if the Lazega interesting analysis of niche, cooperation and coordination could benefit of the 'contamination' with other studies of economic sociology that analysed empirical cases of cooperation among competitors from different standpoints. In particular, I wonder if such contamination could help to address questions that emerge after the reading of this interesting paper, such as: why and how niches emerge? Do the main features of cooperation among actors vary from one case to the other? Is it possible – and how – to set up policies that trigger cooperation among competitors? Which are the most efficient mechanism of coordination of these kinds of cooperation? Answering to these questions could help to explain the insurgence and change of cooperation among competitors.

A first strand of analysis that could fruitfully be integrated with this approach is related to the study of inter-firms cooperation in clusters of SMEs. According to these studies, entrepreneurs that are part of the same industrial district compete in the same final market but at the same time set up different forms of cooperation aimed at producing what economists define as 'external economies': some form of collective goods able to reinforce the competitiveness of local firms [Brusco 1989; Becattini 1989; Becattini 2000; Burroni 2001; Burroni and Trigilia 2001]. In this case, economic actors share values and a 'worldvision,' similar processes of socialization to industrial work, the same local political subculture. At the same time, there are 'communitarian' mechanisms of regulation that prevent opportunistic behaviours. By this point of view, the industrial district is a good example of a 'niche' that has a territorial character, in which economic actors temporarily suspend market competition. This field of research studied many empirical case studies, from the less – such as the cooperation between final firms and subcontractors – to the more 'pure' – such as cooperation among final firms competing in the same market and these studies could help to understand why these niches emerge.

Another example is related to research on different 'types' of cooperation: cooperation among competitors can be informal or formal. Informal cooperation is regulated and coordinated by communitarian mechanism of regulation; examples of formal cooperation are given by the co-participation to a consortia that creates common goods in term of export facilities, the joint use of specific machineries, the set up of common training centres, etc. A more detailed analysis of the 'kind' of cooperation could also help to include in the analysis the specific and diverse contents that passes through the cooperative relationship. The relational structure – and the contents – that lies behind the two above-mentioned kinds of cooperation can be different from one case to the other and looking at these differences and at the distinction between formal and informal cooperation could help Lazega to go more in detail in his analysis.

A third example is given by the strand of literature that study positive and negative policy incentives for cooperation among economic actors. For example, recent industrial policies in many advanced economies are addressed at creating regional, national and sometime transnational networks among firms that are competing in the same final market in order to produce collective competition goods, such as the sharing of knowledge and competences or the making of common research and development activities. These policies focuses on the creation of networks among competitors – and sometimes with other actors such as regional or national governments and institutions – in order to support innovation or to upgrade competitive strategy. Some studies emphasised that under specific circumstances this kind of policies have been able to promote stable networks of competitors that continue to cooperate even when the policies has ended: one example is given by the emerging of some form of leadership that helps to create positive sum game [Barbera 2002; Magnatti *et al.* 2005].

Finally, I wonder if the paper could benefit from a contamination with the literature on forms of coordination/governance of economic action. Lazega starts from the principle that this coordination requires from the entrepreneur both relational and symbolic investments. The literature on the governance of capitalist economies emphasised the importance not only of relational and symbolic forms of coordination but also of many other diverse mechanisms [Hollingsworth, Schmitter and Streeck, 1994; Crouch *et al.* 2001; Crouch 2005]. Associations, the state, the market, regulatory agencies, the community and other forms of governance may provide a regulatory architecture able to steer and regulate cooperation among actors. But these contributions emphasised also that some forms of coordination are more effective than other in promoting cooperative relationships; this differential efficiency explains also why some experiences of cooperation among competitors have been more able than other to set up of collective goods.

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Abstract: This paper argues that cooperation among competitors is facilitated by social processes (among others: learning, bounded solidarity, social control, regulation) that can be modelled using network analyses. Entrepreneurs get involved in social exchanges and these exchanges require relational investments, protection of these investments, social niche seeking and status competition – which trigger and drive these social processes. To illustrate this theory, I draw on sociological research using the analysis of social and organizational networks in business. These analyses model and substantiate the complex social discipline that helps interdependent, but competing entrepreneurs cooperate. Finally, I speculate about the implications of this knowledge of complex interdependencies and coordination, social discipline and social processes among entrepreneurs for public authorities involved in social control of markets.

Keywords: social networks, inter-firms cooperation, territorial clusters, governance, economic sociology.

Luigi Burroni is associate professor at the Faculty of Communication Studies of the University of Teramo. He is currently participating in a research group on the "Political economy of flexicurity" at the ETUI/Brussels and during the period 2009-2012 he will be part of the International research group coordinated by Colin Crouch on "Meeting the challenges of economic uncertainty and sustainability through employment, industrial relations, social and environmental policies in European countries," within the VII Framework Program. His recent publications include: *Italy. Rise, Decline and Restructuring of a Regionalized Capitalism, Economy and Society* (with C. Trigilia, 2009); "Delocalization and firms' restructuring in Italian Industrial Districts," in B. Galgoczi (ed.) *Jobs on the Move* (2008); "Local Governance in Hard Times: the Shadow Economy and the Textile Industry around Lodz and Naples" (with C.Crouch, M. Kaminska and A. Valzania, 2008), in *Socio-Economic Review*.