



UNIVERSITÀ
DEGLI STUDI
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DISEI

DIPARTIMENTO DI SCIENZE
PER L'ECONOMIA E L'IMPRESA

WORKING PAPERS - ECONOMICS

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WORKING PAPER N. 10/2019

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A communitarian definition of *shared value* rooted in local development studies and in the Olivettian experience

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February 2019

Abstract:

This paper aims at introducing a variation on the concept of shared value originally proposed by Porter and Kramer (2011). The variation is based on a couple of suggestions provided by Becattini (2011) commenting on that concept: the first concerns the rooting of shared value in processes of local development, as those exemplified by successful industrial districts, where the business sphere and the local community are strictly integrated within place-based relations. The second suggestion is the mention of the experience of the Olivetti company and the Canavese area (Ivrea, Italy) in the first decades after WWII. Becattini described this experience as an uncommon situation of reconciliation between a corporate function of profit and the function of social utility of a place.

Hence, our study entails two main steps. Firstly, a conceptual discussion will focus on 1. the relation between shared value and local development; 2. the underlying connection with the Olivettian experience and the theorization of the concept of "community" included in the writings of Adriano Olivetti; 3. some implicit relations between the communitarian views of Olivetti and Becattini. Secondly, the reassessment of the concept of shared value, and in particular the reference to the Olivettian experience seen as a paradigmatic and forerunning case, brings to the proposal of our variation. This is the definition of what we call a "communitarian shared value", taking its roots to logics that combine business strategies of shared value, communitarian relations and culture, and processes and policies of local development.

Keywords: shared value; industrial districts and local development; Adriano Olivetti and Olivetti company.

JEL codes: M14; O20; P25

Acknowledgements: we thank the Archivio Storico Olivetti (Ivrea) for the possibility of consulting published and non-published material on Adriano Olivetti writings, the Olivetti family, and the Olivetti Company.

1. Introduction: A bridge between shared value and local development

In 2011 Michael Porter and Mark Kramer put forward explicitly the concept of *shared value* as a new socio-economic frontier proposed explicitly in face of the pressing requirement of restoring a capitalism "under siege" in which economic activities need to review their basic aims and actions (Porter and Kramer, 2011, p. 4). The issue of shared value entails "creating economic value in a way that also creates value for society by addressing its needs and challenges" (*ibid*). It is an attempt to connect profit and social progress in the enterprise, where social value encompasses all the company's stakeholders. It draws a radical turning point in the reflection about sustainable capitalism and analyses possible and desirable connections between economic and social concerns. Shared value brings to recognize that the competitiveness of a company and the health of related communities are closely intertwined. As a matter of fact, it turns out to be a recommended, broader conception of capitalism and value chain creation, which harnesses its full potential to meet societal new needs, environmental challenges and innovation policies and processes. The new formula "creating *shared value*" moves away from the traditional "creating profit" prescription, namely companies' commitment to maximize profit from their participation to value chains. There would be three distinct and spiralling ways to generate shared value: by re-conceiving products and markets aligned with new societal needs; through a redefinition of the value chain by a more efficient use of scarce natural resources; and by building sustainable business clusters at the company's locations. In this way, environmental and social issues would be automatically introduced into the core of management strategies and corporate missions.

Even though directly connected to the concept of Corporate Social Responsibility, shared value is not "social responsibility" *ex-post*, nor a separate business unit of external diplomacy and philanthropy, as it turns out to be an *ex-ante* strategy of conceiving business and gaining economic advantage (Porter and Kramer, 2011, p.16). It implies a radical reorientation in the mind-set of businessmen, economists, politicians and legislators, blurring existing frontiers

between public and private spheres. In a certain way, this change in the mindset could determine an epoch-making change, not just in the way in which companies conceive their production and create their profit, but a more general transition towards a new economic reality where business and social concerns are re-integrated within both private and public, individual and collective strategies.

It is not a case that the proposal of shared value raised the immediate interest of Giacomo Becattini, one of the masters of literatures on industrial districts and models of local development blossomed in Italy and internationally since the 1970s¹. *Per se*, according to Becattini (2011, p.1), the proposal of Porter and Kramer, coming from “one of the true scientific-ideological hearts of capitalism”, is first of all an important and explicit sign of the spreading alarm on its destiny, and the pressure to find solutions. For Becattini the proposal hosts a “fragment of a very interesting theoretical downturn” (*ibid*), whereby the true meaning of shared value would reside in private and public concerns that are (at least partially) reconciled *ex-ante*, thanks to a coordinated interchange between business strategies and societal needs. However, in the view of Becattini, an effective and systematic reciprocal recognition asks finding the appropriate stage where to play it, and a natural one would be the “place”. That is, a place-based organization of daily social and economic interchanges within the flows of global resources, like in many industrial districts, would help provide a true shared value, beyond the usual price-value architecture.

Indeed, Porter and Kramer (2011, p.12) refer explicitly to cluster concepts (Marsé et al., 2015). Shared value can be generated only through the joint action of diverse stakeholders that co-operate to shape a new way of conceiving business. Being “no company self-contained” and being its success influenced by the action of an array of interconnected companies and infrastructures around it, the joint commitment of a wide range of actors, such as firms in related businesses, suppliers, service providers, and logistical infrastructure, is crucial.

¹ Becattini and Porter met in Venice in 2000. The exchange of ideas focussed specifically on the comparison of the conceptual frames behind the twin concepts of the “industrial district” mastered by Becattini, and the “business cluster” proposed by Porter. See Porter and Ketels (2009) and Becattini et al. (2009, Introduction).

Furthermore, as Porter and Kramer state, relying on a previous institutional argumentation (e.g. Porter and Ketels, 2009), even the role of institutions and public and collective bodies is crucial. Academic programs, trade associations, the surrounding community, schools and universities, fair competition laws, quality standards, and market transparency, etc. can play a crucial role in driving shared value. From here to a place-based view of shared value could be not a long journey; but a bridge is needed, i.e. some real-world experiences giving substance to the relation between constructs built on different theoretical premises, i.e. business strategy and local development.

The same Becattini (2011) offers perhaps a clue, when recalling the Olivetti's experience, at a certain point of his reflection about the crisis of capitalism, shared value, and related concept. Olivetti was a formidable Italian electronic company, based in Ivrea nearby Turin, which was led by a progeny of enlightened entrepreneurs (Camillo the founder and, more prominently, the son Adriano). That experience, between the end of WWII and the 1960s, would have been an uncommon case in which the reconciliation between "the Company's profit function with the function of social utility of a place" took shape (Becattini, 2011, p. 5). This suggests where to look for a bridge.

Therefore, the main purpose of this work is to focus on the natural, albeit unexplored, conceptual alliance between shared value and local development studies through the lens of the Olivettian experience. Eventually, we will propose a variation that we will call the "communitarian shared value", working on the crucial theoretical interconnections between local development and shared value concepts and issues.

In the first two sections of the paper, we will briefly deal with the concept of shared value and discuss the natural alliance occurring between it and cluster/district concepts and initiatives. In the third and fourth sections, we will concentrate on the communitarian views of Adriano Olivetti, supporting the entrepreneurial and social projects centred in the Olivetti company and its territory. We will see it as a concrete and forerunner realization of the "communitarian shared value". Conclusions hint at the present-day interest of this legacy.

2. Some premises on relations between districts and clusters concepts

It is well-known that Giacomo Becattini, within and throughout his studies on concepts and cases of the industrial district, emphasized the need to look beyond firm-based agglomeration of economic activities, and to consider the local community of people with its own system of values and institutions, capable of simultaneously shaping the development of firms and territory (Becattini, 1990). Indeed, arguing that the central feature of an industrial district is the “local society that specializes”, he identified the local community of people as the true engine of industrial districts. This is the crucial aspect that differentiates conceptually districts from clusters, defined by Michael Porter (1998) as territorial concentrations of “interconnected companies and associated institutions in a particular field, linked by commonalities and externalities”.

The industrial district, in the ideal-typical model called the Marshallian Industrial District (MID), is a social and economic entity characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area” (Becattini, 1990, p.38) that share the same knowledge and values' system. The core of complementary production activities within the principal industry and related activities systematically supports the interaction of local know-how, codified productive knowledge, and resources of creativity according to a complex balance between intra-district cooperation and competition mechanisms (Dei Ottati, 1994). Hence, the principal localized industry, the local community of families and collective institutions overlap, in the sense that values, attitudes and investment decisions of the community are oriented by the presence of the core industry, and strategic industrial decisions are tied to the socio-economic relationships developing within the community.

On the other hand, the definition of cluster and related cluster policies have normally been moulded around Porter's predominantly business interpretation, maybe overlooking the societal and institutional nature of these agglomerations.

Nevertheless, recent contributions within the stream of Porterian studies have emphasized the necessity of bringing a stronger institutional perspective into cluster policy practices.

Konstantynova and Wilson (2017) suggest, developing concepts included in Porter and Ketels (2009), and leaning on transaction costs theories and institutional frameworks (Williamson, 2000), that it would be useful to rely more on the linkages between cluster firms and other actors within the territory's community of people and their social institutions when dealing with cluster policies. Formal and informal institutions could be layered onto four main levels: informal institutions (Level 1), institutional environment (Level 2), governance (Level 3), resources allocation and employment levels (Level 4) (Williamson, 2000). Drawing on this theoretical layout, Kostantinova and Wilson put forward a socially embedded approach to cluster development.

In particular, the relevance of embedded institutions and communities would lie in their capacity to influence transaction costs and favour relations between actors in the market economy, as well as to support cluster policy design and implementation, in order to generate coherent territorial strategy-making processes (Valdaliso and Wilson, 2015). In this perspective, thanks to the theoretical and empirical acknowledgement of the communitarian and institutional core of business clusters, Porter's definition could overlap with that of the MID (Konstantynova and Wilson, 2017, p. 79).

3. From Olivetti thought on enterprise, community, and politics, to a communitarian shared value

In this section, Adriano Olivetti's theoretical strongholds will be analysed in order to introduce to his political, social and economic thinking. Among his most relevant contributions, we recall *L'ordine politico della Comunità* (1945) written during the exile in Switzerland by the end of 1943, *La Fabbrica e la Comunità* (1956) and *La città dell'Uomo* (1960). In our opinion, they are the works that offer the clearest statements of the philosophy and entrepreneurial project of Adriano Olivetti (**AO** in what follows), developed across multi-faceted

disciplinary pathways, and dwelling on some basic theoretical issues such as that of *community* and *socialized* or *communitarian enterprise*.

The point of departure of AO reflection was the firm believe that, after the Second World War (WW2), the capitalism had to be reconceived and restored. This should be coupled with the reform of the “irresponsible” and inadequate political system of the time (*L'ordine politico della Comunità*, 1946). AO thought that a solution could lie in the support to the life of "communities", as the core of a new federal and multi-level political project. Strong and dynamic enterprises could be the true socio-economic engines of such processes, if conceived and managed as a *communitarian* entity, namely "a place where **justice** dwells, where **progress** reigns, where **beauty** sheds light" (Olivetti, 1952, pag. 42-43)². The *communitarian enterprise* was thus conceived as a *social organism* providing not only economic value, but also immaterial, cultural and social prosperity to its stakeholders. Being embedded in, and expressing a particular social, economic and cultural "community", the *communitarian enterprise* would be both: 1. the centrepiece from which the entrepreneur and other stakeholders build up a shared project of integration and realization of social, economic, political, cultural issues at an individual and collective level; and 2. the clearest expression of a successful and planned process of integration amongst all those shared instances.

These articulated conceptual premises, written mainly in the 1940s and 1950s, could be considered as one of the first organic theoretical attempts to elaborate a breaking-through business program, in which making profit became a collective process of generation of a diffused wealth impinging on the organic relation between communitarian enterprises and multi-scalar communities. It proposed, in an anticipatory way, the salient points of the most recent reflections about the present and the future of world capitalism, that is to say precisely the theoretical and practical necessity of creating a "shared value". We would call this forerunning program, dressed in the clothes of Porter and Kramer (2011), as a “communitarian shared value”.

² In this and in the following quotations of passages extracted from AO works, English translation from the Italian has been provided by the authors of this paper. Emphases have been added on some words by the same authors.

On the practical side, the history of the Olivetti company is considered by some Italian scholars (Ferrarotti, 1960, 2001; Gallino, 2001; Berta, 1980, Zagrebelskij, 2014) as exemplifying the "humanistic" enterprise by definition, a nearly unique and paradigmatic model of "socially-conscious" enterprise that took on unique and paradigmatic features during AO life. As aforementioned, the Olivettian enterprise is the point of departure and meanwhile the best expression of the possibility of realization of a holistic, often defined "utopian", socio-political project of "communitarian revolution". The Olivettian experiment entailed substantial transformations in political, social and economic assets: "It was necessary to create a fair and human authority that could reconcile wealth in the interests of all [...] and thus demonstrate that the factory was a common good and not a private interest" (Olivetti, 1956, p.11).

Despite the similarities between Porter and Kramer (2011) and AO argumentations, it must be said that AO started from different historical and economic premises. Even if many of its theoretical underpinnings were identified in the years of the tremendous crisis of WW2, AO vision was applied and developed in the post-WW2 period, characterized in Italy by the economic and industrial Miracle. As a consequence, we would maintain that the Olivettian "communitarian shared value" is not only a strategy by which companies aim at preserving fields of competitive advantage, but rather a moral and social value that should be embedded in their corporate identity.

In order to go deeper on the meaning of "communitarian shared value", it is useful to consider briefly the main sides of AO political thought. The alienation of the individual from work was seen as the first problem to overcome, for reaching a private-public, individual-collective "harmonization" of goals and interests. The communitarian enterprise is no longer an organism led autocratically by a single subject, the owner, but it is the essential social core around which the community can prosper in an economic, social and cultural way. As well, it is no longer the organism that generates capitalistic class conflict, being rather the social institution aimed at solving such conflict, thanks to the practical integration between "authentic life" and "working life" (Olivetti, 2014). As Gustavo Zagrebelsky skilfully points out in his foreword introducing a

collection of speeches by AO to workers (Olivetti, *Le fabbriche di bene*, 2014), he justified the decision by the management of the Olivetti company of partly collaborating with German occupants, with the aim of rescuing the factory and consequently the collective communitarian interests. Moreover, in order to overcome conflicts coming from “alienation”, Olivetti stated in his well-known discourse soon after the re-opening of the factory in June 1945³, that workers, entrepreneurs and the community should be intertwined by a “reciprocal understanding”, emphasizing how employees had to know “the effects and the aims of their work, in order to understand where the factory goes and why it goes [...], *with the purpose* of giving a deeper sense to job and to make workers conscious about individual and collective aims of their work” (Olivetti, 2014, p. 64).

AO reflection switches then from the factory and the problem of its efficient organization, to its surrounding environment, public administration and political fields: “I saw that every problem of the factory ... became an external problem and that only who was able to coordinate internal problems with external ones would have managed to find a correct answer for everything” (Olivetti, 1952, p.11). From his practical personal experience as a chief of industry, AO analysed the political reality around him and proposed a path-breaking political solution that, according to him, could face problems of societal development. The new political-administrative and economic structure should have been based on "communities" in order to achieve administrative efficiency and harmonious development of all productive activities:

*"If I had been able to show that the factory was **a common good and not a private interest**, then transfers of ownership would have been justified, as would town plans, bold social experiments for decentralizing work... The way of balancing these things existed, but it was not in my hands: a just and human authority needed to be created which was capable of reconciling all these things, in the interest of everyone. For this authority to be efficient, it had to be invested with great economic powers. It had, in other words, to do in the interest of everyone what I had done in the interest of a factory. There was*

³ This speech was published for the first time in Cadeddu (2006).

only one solution: to make the factory and the surrounding environment economically in tune with each other. Thus, the idea of a Community was born" (Olivetti, 1952, p.11).

Communities had different scales, however the basic natural one had to be "neither too large, nor too small [...] but in proportion to mankind". It should take on interstitial dimensions that naturally coincided with traditional geographical unities (like the neighbourhood, the diocese, the precinct and the constituency) and made possible to create an ideal unity that had "its foundations" in nature and history and in the life experiences of the individuals. It should be consistent with the "the optimal dimension of local auto-government" (Olivetti, 1960, pp.37-51), consisting for example of a consortium of municipalities, in order "to strengthen common bonds of solidarity between farmers and workers" (Olivetti, 1960, p.45). In the Italy of that time (the same as in present-day Italy), the single municipality was often "too small", and the province corresponded "neither to geographical criteria nor to human needs", remaining "an artificial creation". An effective means of self-government needed "natural geographic limits", i.e. a "communitarian province" conceived practically as a consortium of municipalities where history, traditions and institutional affairs could represent a "concrete element of solidarity" (Olivetti, 1960, p.70). Bringing together "common interests", this place would be the fundamental level of public administration, making possible to "establish a tangible human solidarity" and a "moral and material unity". This unity would be expressed in an appropriate **town planning**, apt to organize the territory and support the **collective assimilation of authentic spiritual values** (Olivetti, 1960, p.45).

Building on the basic unit represented by natural communities, AO envisioned a federalist project, as a "Federal State of Communities" (Olivetti, 1960, p.70), able to solve inter-classes historical conflicts, relying on a peaceful, widespread and shared convergence of interests, as "it does integrate solidarity and humanistic principles that socialists and Christians share. [...] So, our

Christianity and Socialism have taken a new name: Community, and our revolution will be a communitarian revolution” (Olivetti, 1952, p.44)⁴.

Finally, the word “spirit”, that runs throughout his political writings, refers to a set of "greater human goals" or "supra-individual goals" that converge towards the "common aim" of civilization. We have already met the main essential forces of the "spirit" when introducing the communitarian enterprise: Truth, Justice, Beauty and Love. Spirit, this apparently unsubstantial aspect, is as a matter of fact the feature that mostly characterizes AO last work, *La città dell'Uomo* (1960), where the emphasis shifts notably from reformist push to the "spiritual values" of society. In this work, AO underlines the necessary conciliation that must occur and that naturally exists between practical principles and spiritual values (Cadeddu, 2012, p.66). All the Olivettian oeuvre (entrepreneurial and literary) should be read considering this strict interdependency⁵. Justice is described semantically as the institutional form of charity, Town Planning is conceived as a sort of applied aesthetics or, yet, a community can define itself as a social organism just when there is among its members a deep consciousness about its ultimate goals. This resonates perfectly with title and contents of the last book of Giacomo Becattini (2015b), “The Conscience of Places”, again.

4. Local development and communitarian shared value

We can trace an intellectual silver thread that, sometimes explicitly and occasionally implicitly, connects AO social and political thought to more recent contributions in subject of local development. On this matter, before coming

⁴At the basis of AO works, a complex and motley philosophical culture shapes his thinking, drawing on the works of Saint Augustine, Benedetto Croce, Marx, and more recent contributions such as from French philosophers Jacques Maritain, Emmanuel Mounier and Denis De Rougemont (Olivetti, 1952). AO probably derived his complex “socialism” from those authors, with other theoretical foundations related to French personalism and, more generally, to different Christian religious currents (Berta, 1980).

⁵Scholars have struggled to place AO activity and oeuvre within specific paradigms, given his cross-disciplinary cultural project, dealing with philosophic issues, politics, economics and city-planning concerns. This should explain the use of apparent oxymoron, as "Entrepreneur of Ideas" (Ferrarotti, 2015) or the "Concrete Utopian" (Mazzei, 2016), which have been moulded over the years to describe his emblematic and visionary personality and the uniqueness of his concrete work of experimentation and application.

back to Becattini, we would like to concentrate a little on the figure of Giorgio Fuà.

Fuà was a leading Italian economist. His working and life experience was crucial to address and shape his research interests and academically he contributed to shape the debates in the second half of the 20th century on Italian growth and political economy, relying on Keynesian theories⁶ and his fierce critics of *laissez-faire*, as well as in the last decades on micro-economic aspects connected to the local development research stream.

In his path, the meeting with three charismatic figures was crucial: Adriano Olivetti, who brought him into the company in 1941 as an economic adviser, and then as an intellectual and a journalist at the *Comunità* Editions until 1949; Gunnar Myrdal with whom Fuà worked at the Economic Commission for Europe (1950-54); and, finally, Enrico Mattei at ENI, where he founded the Research Department in 1954. These three outstanding figures contributed undoubtedly to nurture his research interests and direct his academic works towards specific research paths, that dealt with entrepreneurship and development.

According to Fuà, also drawing on Schumpeterian and Marshallian contributions, an entrepreneur should be a creative innovator and a *natural leader of men*, capable to give meaning and direction to the work of others. Entrepreneur-leaders do not strive only for economic profit: rather, following Olivetti's example, they love their products, they are able to motivate their employees without strict application of authority, and they seek to improve the environment that can nurture them (Fuà, 2000). These entrepreneurs, according to Fuà, trigger the economic, social, political, and cultural development of a nation. On the practical side:

⁶ On this issue the articles by Fuà on *Comunità* newspaper, in particular G. Fuà, *Bisogna dar retta agli economisti?*, «Comunità», a. I., n.6, october 1946.; G. Fuà, *Schemi tradizionali e materie nuove della scienza delle finanze*, «Comunità», a. I, n.3, June 1946; G. Fuà (eds.), *"Dove i governi dovrebbero trovare i quattrini?"* Bibliografia economica, «Comunità», a. IV, n.8, May-June 1950.

“Fuà understood the need for training, in order to strengthen and broaden the Italian entrepreneurial culture and, in this perspective, he conceived two far-sighted projects: the Faculty of Economics of Ancona, which he founded in 1959, and ISTAO (Institute Adriano Olivetti), established in 1967 with the purpose of carrying on research in subject of entrepreneurship and management, and conveying practical managerial education.”⁷

Fuà and his disciples brought precisely the view of the importance of an increasing entrepreneurial and managerial culture in *local development* studies. Fuà referred in particular to the economy of Marche (an Italian centre-east region), and he was one of the first to relate the Marche model of manufacturing development in the 1970s and 1980s to sources non-strictly dependent on the strategies of large firms. In constant interchange with Becattini (1973), Sebastiano Brusco (1982) and other economists and social scientists, like Arnaldo Bagnasco (1977) with his Third Italy, he generalized the Marche model into the so-called NEC (North-East-Centre area of Italy) model: “based on local firms, mainly small, broadly distributed in a given territory, closely tied with the rural surroundings and with small and medium towns around [...]” (Fuà and Zacchia, 1983). He acknowledged what was also at the basis of the MID model (see Section 1), i.e. the intimate interconnection among those enterprises, their productive specialization, and the territory, defining an "integrate" productive system.

We have recalled that Fuà entitled his school of higher managerial studies to Adriano Olivetti. He surely took inspiration from him. However, we have not been able yet to find signs of explicit linkages between his Olivettian experiences and his studies on local development. On the other side, Fuà was one of the few mentors that Becattini acknowledged (Becattini, 2004, pp.151), even if on matters of industrial districts and local development Becattini was not a disciple but a master himself. We know that Becattini, probably helped by Fuà, visited the Olivetti company soon after he graduated⁸. Becattini did not acknowledge, in his turn, an Olivettian lineage impinging on his main concepts

⁷ http://istao.it/old/en/giorgio_fua/.

⁸ Bellanca and Dardi, M. (2018), pp. 83-84.

on industrial districts and local development, even if we have seen that he sometimes referred to the Olivettian experience. However, contrary to Fuà, he and his disciples used deeply the concept of community, communitarian ties, communitarian markets, etc. in their works. It is important at this point to go a bit deeper on the relation with AO communitarian concepts.

In the same article on shared value, Becattini (2011, p. 5) merges masterly the proposal by Porter and Kremer with the example of the Olivetti company. Let us come back more extensively to this quote:

“Let’s examine a case, which fits reasonably well, I believe, in Porter’s current studies. What may mean: reconciling the Company’s profit function with the function of social utility of a place, proposed by P.K.? It can mean, for example, weighing the various plans of production of Olivetti with the supposed peculiarities and preferences of Canavese people. And vice versa, to collocate possible development plans of the Canavesians within the operative strategy of Olivetti. This constitutes an unusual situation for economic studies in which, ex ante, the needs of Olivetti are introjected by the population of the Canavese and/or the recognized needs of Canavesians are incorporated in the Olivetti strategies. This does not mean (notice!) allocating the profits of the Olivetti, whatever their origin, to meet certain needs of the Canavese, but to discuss the long run needs of, and possibilities for the simultaneous progress of Olivetti and of the Canavese in advance, around a table, simultaneously and constructively”.

Although Becattini, apart from this explicit mention, did not make a more explicit reference to Olivetti throughout his academic work, semantic and theoretical proximity between Olivettian thought and Becattini's work, though concealed or simply not explicitly declared, runs throughout his academic contributions. Indeed, this conceptual and semantic nearness, sometimes theoretical overlapping, is particularly unmistakable in the use of the concept *Community*, that seems to be the true core of the two authors' works. Obviously, their perspectives are different: on the one hand, Olivetti, as entrepreneur, in analysing the surrounding reality, considered the (big) communitarian enterprise the first lever for communitarian “local” development; on the other

hand, the economist Becattini, dealing mainly with decentralized models of economic development, struggled for understanding why and how a community of people opted for a peculiar, small-enterprise centred development path. In other words, despite their different starting points, their thought converged on the awareness that the (local) community could give social, shared sense to the economic production, emphasizing the true consistency of a peculiar, historical *spiritus loci* and productive know-hows that the economic production was able to unveil.

The community was furthermore considered the optimal solution for local auto-government by Olivetti (1946): the local community, one of the first in his multi-level political "communitarian" layout, was required to reveal local "expressions of life" (Olivetti, 1960, p.60) in order to strengthen local "communitarian ties between workers and farmers".

Similarly, according to Becattini, the community was apt to give a sense to the local production being the community the social and productive core of the local industry. The same definition of sector/industry proposed by Becattini, overlooking the technological proximity, relied mainly on a sociological approach that centred into the local sense of belonging (Becattini, 1979, p.12). We do not know for sure from which sources Becattini got the concept of community, but we can hypothesize this concept, characterizing his cross-disciplinary approach, was probably a credit of exchanges with sociologists, the interaction with the legacy of his master at the Faculty of Economics of Florence, Alberto Bertolino, and the reflections on Marshall socio-political view of economy in which the "social nature" of men was a central feature (Becattini, 2010, p.49).

In particular, the concept of community in Becattini is related to that of "communitarian culture", an expression that gradually replaced the original formulation coming from Alberto Bertolino's "social culture" (1961). Bertolino's emphasis on the need to consider local institutional and cultural asset and, obviously, the interconnections among social and economic spheres when analyzing economic development/underdevelopment of an area, certainly influenced Becattini's thought.

There is no clear evidence connecting Becattini's to AO's "community" even though we can remark a semantic and slightly conceptual overlapping linking these two views of "community". Given that societal value and productive experiences are strictly intertwined in their viewpoints, this interconnection is likely to express through the local sense of belonging, the true engine of endogenous productive experiences. But, whereas for AO, the big communitarian enterprise is the social organism apt to boost local socio-economic endogenous dynamics, for Becattini this task is up to the local society organised, productively, in a population of small-medium specialized enterprises.

Furthermore, we can trace in AO thought, specifically in his last work *La città dell'Uomo* (1960), some other intersection with crucial points characterizing the local development literature. One is the deep attention of AO to the problems of territorial planning in relation to community. This can be matched with the definition of "territory" as outlined by geographers, urbanists or economists contributing to that literature (Becattini, 2015). Becattini had appositely a line of reflections on the importance of territorial planning, again with relations to some Marshallian suggestions on the life in the cities and the "garden city movement" but also with place-based approaches to the problems of environmental sustainability (Becattini, 2009; Trullen and Boix, 2017). In his latest contributions, this was linked to the vision of the reproduction of the "conscience of the place" - through an indissoluble alliance between "critical economists" and "critical city planners" (Becattini, 2015, pp. 115-140; Magnaghi, 2000).

Another point that links AO's theorization to Becattini's works concerns the pivotal role of the family, seen as a crucial societal unit that can rebalance strict market rules (Becattini and Bellanca, 1986); similarly, AO considers the family the first and essential unit of communitarian relations out-of-work (Olivetti, 1946).

Becattini's and Olivetti's beliefs are therefore apparently connected, even if they follow different perspectives and life experiences: after recognizing the centrality of the local society, or the community of people, of the "territory" as

the real expression of a particular history and embedded society, their reflections shift towards inevitably different directions but conveying similar philosophies:

1. Economics for Becattini is a discipline whose duty is the understanding of the means that can move people towards a better life, retrieving their natural *joie de vivre*; this can be ideally associated with the significance and social value of the communitarian enterprise and the role of the responsible entrepreneur who strives for dealing with all the stakeholders.

2. The importance of a coordinated, multi-level planning dealing with social, political, economic and cultural issues shared by the communities is clearly expressed through AO's multilevel communitarian project; but, in the same way, can be synthesized by the explicit use of a *multilevel governance* formula, expressed in some relevant contributions within the local development literature (Pichierri, 2001; Trigilia, 2005; Bellandi, 2011).

3. The peremptory critics to an "apolitical economy", to use Becattini's words or, simply, the common critics to purely liberal, *laissez-faire* economic assumptions, with the reference to Keynes' principles, is explicit in Olivetti, Fuà and Becattini's works.

Let's come back now to the expression "communitarian shared value" that we proposed earlier to explain how the shared value issue could be easily associated to clusters and industrial districts.

We know that for Porter and Kramer (2011) "shared value" represents a last-ditch effort to face a crisis of legitimacy that capitalistic firm has to deal with. It is true, on the other side, that their more or less implicit context is represented by clusters, which provide a list of practical means (logistics, suppliers, distribution channels, training, market organization, and educational institutions) to enhance virtuous circles of shared value among local and supra-local actors. Indeed, they also suggest a "positive cycle of company and community prosperity" (Porter and Kramer, 2011, p.15). We have seen how those implicit relations may be made more explicit, thanks to Kostantinova and

Wilson (2017) and their emphasis on an institutional perspective related to district concepts in policies of cluster development.

Becattini argues that “value is defined as benefits relative to costs, not just benefits alone” and that “businesses have rarely approached societal issues from a value perspective but have treated them as peripheral matters”. This would have “obscured the connections between economic and social concerns” (Becattini, 2011, p.2). The true “value” consists of “reconciling the Company’s profit function with the function of social utility of a place”, to be conceived as a “group of people located in stable, self-reproducing communities” (Becattini, 2011, p.3-5). Shared value should be intrinsically “communitarian”, and the only viable solution to reach shared value is to embed it in a place-based process, as the Olivettian experience clearly demonstrates.

Therefore, relying on Olivetti, Becattini and Porter and Kramer’s argumentations, “communitarian shared value” represents a process of symbiotic and concerted dialogue and territorial planning, involving the enterprises, the community of people and the institutional bodies. It does not involve only the consideration of the societal needs of the community by the business sector, but also a joint effort engaging interrelated local communities and productive systems under a perspective of true local development, within a multi-scalar “value” chain.

6. Conclusions

This paper has tried to come back to the concept of shared value, and its natural root in the alliance with cluster and industrial district issues. We have proposed to introduce in this discussion the analysis of the Olivettian experience. Adriano Olivetti's original and forerunner theorization, that dealt with issues that decades later would have characterized academic literature on Porter and Kramer’s “shared value”, stakeholders' theory and local development studies, lies on having merged all these topics in a unique socio-political paradigm that features his political thought.

The analysis of Olivetti's writings has enabled us to remark a plausible connection linking such writings to the academic work of Giorgio Fuà and, maybe indirectly, to the concepts of community and sustainable capitalism that interpenetrate with the studies of Giacomo Becattini on industrial districts.

On the other hand, this paper has aimed at drawing attention on the modernity of Olivetti's thought, laying the foundations for a cutting-edge reflection about the desirable role of enterprise within the society. In this direction, we argue that the Olivettian thought can hold the seeds of the future stakeholders' theory and the recent shared value issue. AO's reflection is easily linkable to Becattini's thought who explicitly argues, in his comment on Porter and Kramer (2011), that the true nature of shared value is by definition communitarian and place-based, as the Olivetti's history teaches. Making reference mainly to Becattini, Porter and Kramer and Olivetti's contributions we have sketched out our definition of communitarian shared value as a multi-scalar "value" chain that has its deep origins in local geographic concentrations and that, to harness its full potential, must rely on a full understanding of social, territorial and economic factors.

Although the uniqueness of the Olivettian entrepreneurial and philosophical "oeuvre" has been implicitly recognized by the UNESCO committee that awarded the town of Ivrea for the industrial and avant-guard town planning marked by the presence of the Olivetti company (UNESCO, 2018), further research is needed to uncover the modernity of AO entrepreneurial action and far-sighted cross-disciplinary theoretical contribution. We have focused just on some of the distinctive aspects that characterize his thought, uncovering an unprecedented tie among Olivettian thought and the literature on shared value, sustainable capitalism and local development. On the other hand, this is a preliminary effort to analyse the true consistency of shared value and of its "local", "communitarian" nature.

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