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***The governance of networks***  
Research project

It is known that inter-firm relationships are more and more evolving towards network forms, abandoning the traditional vertically integrated model. The development of joint ventures, strategic alliances, consortia, subcontracting networks, franchising schemes are more and more common in many fields of industry all over the world. In this context also more traditional governance structures, like corporations, associations and foundations, present different features, playing a new coordination role among independent actors. This eminent change in the corporate governance rises new questions in the field of human sciences, from sociology to economics, from economics to law.

Why is a network model preferred to a vertically integrated pattern? Does the social, economic, legal context affect on the choice made by the agents with respect to the legal forms of the relationships they build? And, more critically, to what extent can networks be considered as a major choice in the public interest?

More and more decisions about corporate governance face public interest concerns and more and more these concerns bring about a regulation which directly shapes the governance structure of economic relationships. Public policies direct to foster innovation as well as to support new small and medium enterprises can often result in the creation of networks among public and private actors; other networks are formed on private initiative to develop innovation programmes which a sole enterprise could never carry on individually.

At a further level networks show a special feature as a governance device in the public interest. Promoting a cooperation culture, built on a learning and monitoring process led into a team scheme, networks seem to allow, by nature, a better understanding of a wider set of interests and a more relational attitude to problem solving, given the significant interdependence among the actors and their choices: firm managers, but also employees, bankers, public agents, analysts, researchers and many other agents will be involved into this complex process. Only a stable cooperation (which does not exclude the autonomy of the single agent) will allow the 'team' to take advantage of the complementarity often coupled with this interdependence and one of the main functions played by the network is to govern the interdependence while promoting cooperation among the actors.

One of the issues faced by the research is whether and to what extent a network pattern, either intentionally or accidentally, would allow firms to get a better understanding of public interest concerns. At a further level the question is whether and how regulation of corporate, contract and tort law could foster this attitude.

Even starting from a theoretical study of the phenomenon, the research aims at developing an empirical investigation about network patterns concretely adopted to shape inter-firm relationships, with a special attention to the contexts in which this governance structure is chosen as or results into a better device to produce or govern innovation processes.

Considering the European perspective as a major horizon due to be analysed prospectively, the project will start from case-studies concerning the Italian reality, mainly (but not only) regarding the industrial districts of North, Central and, as far as it will be possible due to the different environment, South Italy.

The research will face three major issues:

- a) whether the governance structure of the network presents any special characteristic depending on the innovation policy it adopts and on the way in which the knowledge is produced and rights related to innovative knowledge are allocated within the network;
- b) whether the governance structure of the network presents any special characteristic depending on the financial structure of the networks itself; in other words whether either the network arises or develops to reply to financial constraints;
- c) whether the governance structure of the network presents any special characteristic depending on the organization of labour within and among the firms and whether either the network arises or develops to reply to any constraint related to labour relationships.

With respect to these three major questions, different governance patterns will be analysed and mainly:

- I) contractual devices (mainly: subcontracting networks, franchising, licensing agreements, strategic alliances, contractual consortia ...)
- II) corporate devices (corporate joint ventures, corporate networks, interlocking directories, ...)
- III) selfregulation devices (ethic codes, charters, ...)

The expected results coming from the research are:

- the elaboration of a research report or a brief summary covering the theoretical issues mentioned *sub* (a), (b), (c);
- the elaboration of a second research report in the forms of case-studies concerning a number of networks in North, Central and South Italy;
- a further analysis which links the theoretical and the empirical study proposing new analytical tools in the study of networks as governance devices in public interest;
- (possible) elaboration of contractual and corporate models regulating networks, also on a self-regulation basis