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THE ITALIAN ECOSYSTEM FOR SOCIAL ENTERPRISES

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1 Historical evolution of social enterprises in Italy[1]

Social enteprises, and more generically an entreprenaurial approach to the Common Good, are well far dated in italian history starting from Middle Ages "Monti di Pietà" from the half of 15th century to the "Società di mutuo soccorso" at the half of 19th century so a long time before the birth of the italian national State itself.

But in the 1970s, Italy experimented for the first time a growing rift between new, emerging needs and the ability to cope of the public welfare system.

Until than social and personal care was considered as falling mostly within the responsibility of individual families, and not as a public policy issue, and so Italian welfare authorities found themselves unprepared to handle the emergence of these new needs. The public or semi-public structures that provided a few social services, i.e. the so-called "welfare and charity institutions" (Istituzioni di Assistenza e Beneficienza, or IPABs), were not only unprepared to face the new needs but they also tended to segregate, rather than integrate, those who turned to them.

At that time the Law N. 6972/1890, which established the IPABs, was still in force, and this law included a ban on the provision of social services by private entities, and required that all activities in this field be authorized by the Ministry of the Interior and managed as IPABs, thus placing them under public control. Furthermore, according to the wording of the Civil Code, associations and foundations could not perform production and commercial activities.

In the 1980s, the marginalization of various segments of the population (a phenomenon linked inter alia to the "new poverties") gradually began to gain ground, due not only to the emerging new needs, but also to the progressive closure of the traditional facilities for people with health and social problems (i.e. psychiatric hospitals), as a consequence of the reaction against their segregative nature.

As a reaction to these failures of public policies and in an attempt to answer the abovementioned needs, groups of people bound by high idealistic values began to organize themselves voluntarily.

This process, however, was hindered by the lack of appropriate legal forms for managing business activities with a social purpose. The legal form of cooperative was adopted: cooperatives were commercial organizations, but they also had the typical democratic characteristics of associations and were recognized by the Italian Constitution as having a social function. Furthermore, the Italian legal system had restricted the distribution of profits and assets by cooperatives since 1946. These various aspects facilitated the decision to adopt the cooperative form to deal with the "new" social needs. However, in those so-called "social solidarity cooperatives", in comparison to traditional cooperatives, elements of internal mutuality were attenuated, while those concerning solidarity were boosted.

It was not a phenomenon brought about by public policies (and even less so by government funding); rather, it was driven by social movements. Secondly, the areas of competency in the field of social services and the contractual forms that could be adopted by social solidarity cooperatives were not clearly defined.

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[1] Borzaga, Poledrini, Galera, Working paper 97/2017, EURICSE

2 A dedicated national legal framework

A fundamental impact in the sector derived from the Italian Constitutional Court's decision N. 396/1988, which declared unconstitutional art. 1 of Law N. 6972/1890, according to which all welfare activities had to be carried out by IPABs, and had to be public; the 1890 law thus expressly excluded the possibility of an independent form. By invoking art. 38 of the Italian Constitution, the Constitutional Court declared that the provision of welfare services could not be monopolized by the government, and therefore sanctioned the right of all citizens to establish organizations that could provide welfare services and have them assigned a legal form consistent with their characteristics.

This decision paved the way to big changes and immediately after two main laws concerned with the recognition and regulation of voluntary organizations (Law N. 266) and social cooperatives (Law N. 381) were both approved in 1991.

Law N. 266 recognizes voluntary organizations, provided that the members only work for charitable purposes and that, within the organization, voluntary work outweighs remunerated work. The law also allows voluntary associations—even those that are not recognized—to own property, to carry out commercial activities (although in a limited way) and to enter into contractual agreements with public authorities for the provision of services.

Law N. 381, on the other hand, recognizes the new cooperatives that had developed during the previous years as "social cooperatives". This law also allows for the presence of volunteer members and defines, in a separate article, the activities that these cooperatives can perform—namely social, healthcare and educational services, or work integration activities for disadvantaged persons.

As a consequence of this law since 1991, social cooperatives have been registering an average annual growth rate comprised between 10 and 20%.

The next step was the Law N. 328/2000, "Framework law for the realization of the integrated system of welfare policies". This law aims at promoting welfare, social and health services to help individuals and families in need. Through this law, Italian institutions explicitly recognized, for the first time, non-profit organizations and social enterprises as actors of welfare policies, in partnership with public authorities, and it regulates their involvement in both the planning and delivery of services.

Another important step dates back to 2005, when the Parliament approved Law N. 118 on social enterprises, which was later completed with Legislative Decree N. 155/2006. This law recognizes and regulates forms of social enterprise other than social cooperatives (Fici and Galletti, 2007). In particular, the new law expands the range of organizations that can qualify as social enterprises, and it extends the types of goods and services that can be provided by these enterprises. It does not introduce any new company form, instead it creates a new legal qualification that can be assumed by any organization that meets specific requirements (the organisation must have an explicit social aim; it must comply with a non-distribution constraint; and it must make its balance sheet public), regardless of its legal form. Therefore, any cooperative (including social cooperatives), foundation, association or limited company can now qualify as a social enterprise. This legislation clearly constitutes, at least in theory, a significant change in the field of Italian social enterprises. In fact, this law makes it possible to create social enterprises without necessarily making use of the social cooperative form.

3 The current evolution of the legislative framework

In Spring 2014, the Italian Government launched a public consultation aiming to define the guidelines of a comprehensive reform of legislation concerning the entire third sector, including social enterprises. The government draft law presented after the consultation was followed by an intense debate, both in the parliament and among leading Italian non-profit sector organizations. Discussions ended in June 2016, and Law N. 106, on “Mandate to the Government for the reform of the third sector, social enterprise and for the regulation of the universal civil service”, was approved.

After such a long discussion the law opts for some compromise solutions: non-profit organizations that operate a business are not obliged to assume the qualification of social enterprise, but they must in case fulfil all the obligations that any enterprise is expected to comply with. In particular, they should ensure transparency and accountability as other enterprises do. As for the distribution of profits, the new law allows for a limited distribution, in line with existing provisions regulating social cooperatives.

Law N. 106/2016 also stipulates that social enterprises belong to the third sector, whatever the legal form they assume. In comparison to Decree N. 155/2006, the new law allows the government to expand the business areas where social enterprises can operate. It also enlarges the category of disadvantaged individuals who are entitled to work in social enterprises. The reform allows public authorities and for-profit corporations to become members of social enterprises. They can also be appointed in the board of social enterprises, provided they do not appoint in turn the majority of the members.

The law also establishes that all social enterprises must be accountable for their activities; they must consequently produce an annual social report. Finally, the reform does not change the law on social cooperatives, but it states that all social cooperatives are considered as social enterprises by law.

4 Different kind of social enterprises in the italian legislation

According to the EMES[2] definition a social enterprise is a private legal entity, independent from the government, which carries out production activities, regardless of the legal form adopted. Moreover, unlike conventional businesses, SEs have an explicitly social aim and engage in activities that generate direct benefits for a community or for disadvantaged persons; they are constrained—at least partially—in their profit distribution, and they are characterized by an inclusive and participative governance. Although the EMES indicators are not intended as conditions that should be entirely fulfilled for an enterprise to qualify as a social enterprise, they can serve as a basis to identify, also in the Italian context, the following four groups of social enterprises: (i) social cooperatives, as regulated by Law N. 381/1991; (ii) social enterprises under the form of associations; (iii) social enterprises under the form of foundations or religious institutions; and (iv) limited companies social enterprises (complying with Legislative Decree N. 155/2006).

The article 1 of Italian Law N. 381 defines “social cooperatives” as those cooperatives that aim to pursue the general interests of the community and the human promotion and social integration of citizens through: (a) the management of social, healthcare and educational services, or (b) the performance of any activity with the aim of providing employment for disadvantaged people. There are four types of organizations that belong to the SC sector. The first type consists of those organizations that only perform the activities described under point (a), and are therefore referred to as “A-type social cooperatives”. The second type consists of cooperatives that only perform the actions referred to under point (b), i.e. work integration of disadvantaged people, such as former drug and alcohol addicts, prisoners and prisoners in probation, or individuals with physical, mental and sensory disabilities. Disadvantaged persons must

[2] EMES is an international network of research centers about Social economy founded in 2002 in Bruxelles

constitute at least 30% of the total number of workers, and their employment must be the ultimate purpose of the social cooperatives. These cooperatives are referred to as "B-type social cooperatives". The third type consists of social cooperatives that perform activities indicated under both points (a) and (b). For this reason, these are referred to as "mixed social cooperatives". The last category is made up of consortia of social cooperatives.

Social cooperatives have in common with traditional cooperatives a democratic governance (i.e. they are governed according to the "one person, one vote" rule) and a partial non-profit distribution constraint. Social cooperatives cannot distribute more than 70% of their overall profits, and with a cap of about four-five% (depending on the rate of return paid to the subscribers of bonds issued by the Italian postal services) for each share, and they cannot distribute any asset to their members in case of closure, merger or bankruptcy.

Three very important aspects distinguish social cooperatives from traditional cooperatives. First, social cooperatives pursue the general interest of the community, and not the interests of their members. The second difference lies in the possibility for social cooperatives to include volunteers as members, up to 50% of the total membership. These members have a power of control over the cooperative but cannot receive any monetary or non-monetary reward. In other words, the volunteers are part of a "dominant" group in terms of decision-making, but they are distinct from the beneficiary group. The last difference with traditional cooperatives is the presence of disadvantaged people among the members of B-type social cooperatives.

In Italy, associations are freely established and can be non-recognized or recognized by public authorities. The legal recognition, and therefore the legal status, is granted by the president of the Italian Republic, or, if the association operates within a limited geographical area, by the president of the region in which the association is based. With this recognition, associations can sign contracts and assume obligations.

The Italian Civil Code foresees that associations are constituted to pursue only non-economic goals. They cannot distribute profits to their members but they are not required to be democratically managed. Since 1991 however, after the approval of Law N. 266 on voluntary organizations, associations of volunteers were allowed to engage also in income-generating and commercial activities. Furthermore, in the following years, several special laws were approved that recognize specific types of associations (e.g. social promotion associations), progressively expanding the possibility for associations to carry out income generating activities.

The Civil Code defines foundations as assets dedicated to pursuing a specified objective. According to Italian law, a foundation must be recognized by a public authority and must, therefore, have legal status.

Based on the activities performed, a distinction can be made between grant-making foundations and operational foundations. Grant-making foundations manage their assets with the goal of distributing profits in the form of grants to individuals or to other organizations performing activities functional to the achievement of the foundation's objectives. In Italy, these foundations were comparatively underdeveloped until the creation of the so-called "banking foundations". These are the result of the transformation and privatization of numerous saving and public banks implemented by Law N. 218/1990. This law requires banking foundations to focus their activities on philanthropic and social objectives. In particular, they must pursue goals of public interest and social utility in the fields of scientific research, education, art, and healthcare; they can also pursue goals of support and protection of disadvantaged social groups.

Operational foundations, on the other hand, instead of distributing the revenues derived from their assets, directly perform activities that are functional to the pursuit of their objectives. These foundations can for example manage museums, hospitals, rest homes, libraries or other types of business.

Religious and charitable institutions—which almost all belong to the Catholic Church—can also be included in the category of foundations, and more specifically in the subcategory of operational foundations. These organizations conduct different charitable activities, such as providing educational, health and social services. They often take the form of foundations or a similar form (such as that of "moral entity") and are governed, like foundations, by a board of directors—which, in this case, is appointed by the religious authorities. Non-religious activities fall entirely under specific legislation intended for them (e.g. private schools run by religious institutions), and the organizations performing them often have a contractual agreement with public institutions.

As previously mentioned, the possibility to use the limited company form to create a social enterprise was introduced in 2006, with Decree N. 155. In order to qualify as a social enterprise, a limited company must meet three main criteria: (a) it must be privately owned; (b) it must mainly perform business activities, involving the production of goods or the provision of services; and (c) it must act in the interest of the community on a non-profit basis. Social enterprises established as limited companies cannot be controlled by public agencies nor by for-profit companies. Furthermore, the law requires that these social enterprises respect certain general principles regarding transparency and proper and efficient management, as well as guarantee the participation and protect the interests of both their workers and users (Fici, 2006).

The law does not recognize a new legal figure, but introduces, on the basis of general defining elements, some qualifications applicable to any private legal form (not only of non-profit origin, but also of a commercial nature). These qualifications concern: - the purposes of the company that the law identifies as objectives of "general interest"; - the sectors of intervention, for which a social enterprise is such as it produces goods of "social utility" which, operationally, correspond to a relatively wide range of sectors such as culture, education, social tourism, etc., completing thus the classic social welfare and educational services and economic activities for the employment of disadvantaged people; the governance structure, envisaging "forms of involvement" (differently modulated in the application decrees) for at least two types of stakeholders: workers and beneficiaries of the activities; the distribution of company profits that is prohibited, even indirectly; reporting methods for entrepreneurial activity through the obligation to draw up not only the economic but also the social balance sheet.

The measure of the potential of social entrepreneurship does not concern only the non-profit sector. As previously mentioned, the law recognizes the possibility of assuming the status of a social enterprise also by companies with legal forms of commercial origin, provided that the latter take on very specific characteristics in terms of mission, sector of activity, governance structure and systems of accountability. In this case, the variable chosen to define a pool of for profit businesses potentially oriented towards social entrepreneurship is the fact of operating in the sectors identified by the legislation as areas where it is possible to produce and exchange goods and services of "social utility" in view of objectives of "general interest". The result of this exploratory survey carried out on ISTAT databases is just over 85.000 units (excluding individual companies); a very limited percentage, equal to 5.5%, compared to the total of companies of the same type operating in Italy in the year indicated.

After the recent approval of the Law N. 106/2016 and the more recent related legislative decree these social enterprises can distribute profit with the same limits of the social cooperatives but cannot distribute their own asset facing also some limitations to the remuneration of workers and managers.

Like the other legal forms qualifying as social enterprises, limited company social enterprises may undertake activities in a specific number of 24 sectors among which the most relevant are: social and healthcare services; education and training; social tourism; environmental and ecosystem protection; promotion of cultural heritage; university and post-graduate education; research and provision of cultural services; extra-curricular training; delivery of services that are instrumental to social enterprises.

Furthermore, social enterprises operating under the form of a limited company have to publish not only a financial budget but also a social report, to show how they fulfil their social mission (Fici and Galletti, 2007).

5 The size of the Italian ecosystem of social enterprises[3]

One of the most relevant problem is that the wide variety of organizations which can be included in the sector and the different registers and sources of data make really difficult to have a clear and affordable measure of the national ecosystem. If we take national census from ISTAT as main reference we can have in 2016 343.432 organizations which are, by law, submitted to a (total or partial) non-distribution constraint, have a social aim and perform general-interest activities, and so in order to identify social enterprises among them, we simply had to single out those that could be regarded as enterprises.

In this way they were identified 15.600 social cooperatives (4,5% of the total number of non-profit institutions and a vast majority of all the Italian social enterprises).

These social enterprises account for more than EUR 28 billion in terms of revenues, i.e. about 40% of the sector's total revenues and for more than 57% of the employed people. The share of revenues of SEs in the revenues of all non-profit organizations (NPOs) is particularly high if we consider the income derived from the sale of goods and services to government agencies. SEs' share amounts to approximately EUR 17 billion out of a total of about EUR 18,6 billion (just over 90%), while revenues from the sale of goods and services to private individuals exceeds EUR 9 billion for SEs, which corresponds to 76.3% of the non-profit sector's total, which is around EUR 12 billion.

In such perspective, the SEs are distributed as follows:

(a) 8.491 (41,1% of all SEs) are social cooperatives;
(b) 7.883 (38,1% of all SEs) are associations;
(c) 3.324 (16,1% of all SEs) are foundations and religious institutions;
(d) 235 (16,1% of all SEs) are limited company social enterprises.

As regards the distribution of the labour force,

- social cooperatives had 428.713 employees in 2016[4], which constituted almost 60% of all the workers employed by SEs except limited companies and 52,7% of all the employees working for NPOs;
- associations represented 19.1% of all the employees working for NPOs;
- foundations and religious institutions had almost 220.000 employees, constituting 28.2% of the entire non-profit sector.

Northern Italy was indeed home to 43.5% of all the social cooperatives (3.690 organizations), while Southern Italy and the Islands are home to respectively 23% and 14.9% of SCs (3,218 enterprises for both regions together). The remaining 18.6% (1.583 SCs) are located in Central Italy. These data goes back to 2011.

[3] Vedi nota 1
[4] ISTAT, "Struttura e profili del settore non profit", 2016

As expected, 75.3% of SCs are concentrated in two sectors: social services (40.6%) and economic development and social cohesion—a sector of activity that includes almost only work integration social cooperatives (34.7%). The large majority (77.1%) of A-type and mixed social cooperatives provide social and health services, and 97.2% of B-type social cooperatives have work integration activities (economic development and social cohesion).

A-type and mixed SCs derive approximately 70% of their income from “contracts and/or agreements with public institutions” and 26.2% from the “sale of goods and services to private clients”. Donations play a very limited role. B-type SCs rely to a much larger extent on resources derived from private clients: 37.8% of their total resources come from the “sale of goods and services to private clients” and only 57.1% from “contracts and/or agreements with public institutions”, often acquired as a result of participation in competitive tenders.

Like the other types of Italian SEs, associative SEs are more concentrated in Northern Italy. This part of the country is indeed home to 52% of all associative SEs (4.101 associations). The distribution of associative SEs in the various regions is quite similar to that of SEs in general: associative SEs located in the Central Italy represent 23.2% of the total number of associative SEs (the corresponding figure for all SEs is 20.3%), and associative SEs located in Southern Italy and on the Islands represent approximately 25% of all associative SEs (the corresponding figure for all SEs is 28%).

Concerning the activities performed, it should be noted that 37% of all SEs in this group operate in the field of “culture, sports and recreation”. 2.925 associative SEs are operating in this sector, which corresponds to approximately 77% of all the SEs working in this field. It should also be noted that, even though only about 12% and 3% of all the activities performed by associative social enterprises fall respectively within the categories of “other activities” and “environment”, associative SEs in these two sectors represent respectively 75.3% and over 67% of all Italian SEs active in these fields. Finally, also worth noting is the fact that the area of activity in which these social enterprises are less present is that of “economic development and social cohesion”. In fact, there are only 165 entities operating in this area, which corresponds to 2.1% of the total, while about 16% of all Italian SEs are active in the same area.

Social enterprises in this group derive 52% of their revenues (about EUR 3 billion) from “contracts and/or agreements with public institutions”. Associative SEs thus depend less on public resources than SEs overall. Among all the types of Italian SEs, they are the type with the highest percentage of “other” sources of funding (13.9%); these are primarily constituted by membership fees.

Among the various types of SEs analysed, the group of SEs operating under the legal forms of foundations or religious institutions is that with the greatest concentration in the North of Italy. Indeed, 71% of these institutions (2.351 enterprises, out of 3.324) are located in the Northern regions. Throughout the rest of Italy, this form of SE is distributed in the following manner: 17% of these SEs are located in Central Italy and 12.3% in Southern Italy and on the Islands.

Like those in the previous two groups, SEs operating under the form of foundations and religious institutions concentrate their efforts on specific areas of activity. Approximately 52% of these SEs (1.726 organisations out of a total of 3.324 entities) operate in the field of education and research. They account for 44% of all SEs operating in the field of education and research. Other important activities performed by social enterprises in this group are social services, healthcare, and culture, sports and recreation.

Of all the types, SEs taking the forms of foundations or religious institutions have the highest overall revenues. These amount to over EUR 10 billion, and account for 35.3% of all the revenues generated by SEs and approximately 16% of all the revenues produced by the non-profit sector—even though these organizations only represent 1.1% of all NPOs. Furthermore, SEs belonging to this group can be distinguished from the other types of SEs by the fact that the revenue they derive from the sale of goods and services amounts to over EUR 3.4 billion—a figure that is significantly higher than the corresponding figure for the other types of SEs, and which corresponds to approximately 38% of the total income derived from this source by all SEs.

Another source of data is the business register of the Chambers of commerce where both cooperatives and social enterprise have to be registered. According to this source, 1350 private organizations had registered as social enterprises at the beginning of 2018. Of these 1350 organizations, only around 30% had the legal form of limited company. The remaining 70% are cooperatives, mainly social cooperatives and a few associations, already included in the Census data.

Some more detailed information can be obtained by crossing the data from the Business Register with a sample survey conducted by the Iris Network[5]. It appears that 55% of these SEs are primarily engaged in education and training activities, with a particular focus on education and other education-related services. The remaining enterprises are mainly involved in the provision of social and healthcare activities (22% of organisations), including medical and dental services, and in environmental, cultural, heritage protection, and social tourism activities (13%). These figures reveal that, although the new law allows SEs to operate in a wider range of fields than those permitted to social cooperatives, SEs have actually seized this opportunity only to a limited extent. Analysis also reveals that a large share (47.5%) of these SEs are located in the southern regions.

Moreover, SEs operating under the form of a limited company can be distinguished from traditional social cooperatives by their focus on the demands of households. In fact, they mainly offer their services directly to individuals and families, rather than through local authorities.

Not all SEs in this category have paid workers, and the average number of paid workers is much lower in limited company SEs than in the other types of SEs. In fact, in 2013, the average number of employees for limited company social enterprises in Italy was 16, while for the other types of SEs, it was around 27.

According to the data[6] from ISTAT in 2016, the total of non-profit institutions operating in Italy at 31st December 2016, employ a total of 812.706 employees. The territorial distribution sees over 50% of the institutions active in the northern regions against 26.7% in southern and insular Italy. Employees are even more concentrated than territorial institutions, with over 57% employed in the North.

The association is the legal form that brings together the largest share of institutions (85.1%), followed by those with another legal form (8.2%), social cooperatives (4.5%) and foundations (2.2%). The distribution of employees by legal form remains rather concentrated, with 52.7% employed by social cooperatives compared to 19.1% and 12.1% of associations and foundations. The average number of employees, equal to 27.5 among social cooperatives, drops to 0.5 among the associations.

The distribution by economic activity remains substantially stable, with the sector of culture, sport and recreation that brings together almost two thirds of the units, followed by those of social assistance and civil protection (9.3%), of labor relations (6.4%), religion (4.8%), education and research (3.9%) and health (3.5%). Although less concentrated than the institutions, over half of the employees fall within the sphere of social assistance (36.4%) and health care (22.6%); followed by those employed in the sectors of education and research (15.1%) and economic development and social cohesion (11.9%).

Among the employees of non-profit institutions the percentage of women is much higher than that of males (71.9% against 28.1%) while in companies the male component prevails (59.4%). The distribution by

[5] Venturi, Zandonai, "Rapporto sull'impresa sociale 2014", IRIS network
[6] Struttura e profili del settore non profit, ISTAT, 2018

age group is rather aligned between the non-profit and profit sectors, with over 57.3% of employees in the 30-49 age group (56.9% among companies), 31.6% in 50 years and more (27.3% in companies) and 11.1% under 30 (15.6% in companies). Employees of non-profit institutions have higher levels of education than those employed by companies: graduates are 31.0% (14.4% in companies) while workers with at least a secondary school certificate (first level) average license) are around 25% (34% in companies).

Over two million users, equal to 48% of the total, have benefited from the services of social enterprises operating in the northern regions, against 32.5% of the central ones and 19.5% of the southern and island regions. Among the different types of beneficiaries, minors and adolescents stand out (the main beneficiaries of the activities of 31.6% of companies), families (22.8%), the physically and mentally disabled (19.2%) and the elderly (13.2%). Observing in particular the main beneficiaries of the two most widespread sectors of activity, it is clear that educational activities are mainly aimed at minors and adolescents (73.9% of cases) and only marginally for adults and families (17%), while physical and mental disabilities and the elderly are the primary recipients of social or health assistance activities.

The analysis by geographical breakdown shows that in the southern and island regions there is a greater incidence of smaller social enterprises: 66.3% of the companies (compared to 55.1% in the Center and 44.2% in the North of Italy) produced a value of less than 250 thousand euros and only 7.9% (compared to 17.8% of organizations located in the northern regions) exceeds one million euros.

From the data some interesting suggestions emerge: investing is not a general choice because it concerns less than half of social enterprises (45%). On the other hand, among those that invest, a significant part (40%) exceeds the quota of ten thousand euros a year. A figure that is not consistent, but that should be parameterized considering that from the economic point of view they are small and very small companies (just over half do not exceed 250 thousand euros in turnover). Another important aspect concerns the origin of the resources earmarked for investment: in most cases it is in fact self-financing (68%). The "self-generated" character of investments is also confirmed in the field of innovation. About 1/3 of social enterprises introduced some innovation during 2010 and most of these focused on improving the efficiency of production processes and internal organization (19%).

Little more than embryonic is the relationship with the beneficiaries of the services (only 15% of social enterprises act in some form of involvement), at a time when the contribution of users as co-producers is considered the objective primary of innovative companies in a broad sense. The relationship with workers is more developed (which is practiced by 70%), confirming the laboratory approach of social enterprises that is increasingly carried out also through methods other than the traditional adhesion to corporate governance. Finally, the community vocation of social enterprises reappears in a structured and continuous form over time: many of them (around 50%) carry out activities in favor of their local communities, not only through the standard offer of services, but also by using the medium of cultural production and recreational events. In this context, social reporting accounts for a limited role. The tool of the social balance sheet is very widespread among social enterprises (70% write it up), but it circulates at short range (only 6% distribute it to service users).

The surprise, on the other hand, concerns the articulation of the client system which still sees the public body prevailing for many social enterprises (45%), but for a fairly large share (38%) the main customer is represented by people and families.

From this point of view, a model of collective entrepreneurship characterized by a glue of values that unites different subjects (68%) prevails. Alongside what can be defined - at least in Italy - the archetype of the social entrepreneur, the figure of the individual entrepreneur (18%) emerges in a non-residual and growing form, until now diffused in contexts such as the Anglo-Saxon one.

6 The “market” perspective

The main result of the above analysis of data is the following: despite the fact that, in this period, the Italian GDP dropped by more than nine%, total employment fell by over one million units, and public spending was drastically cut, especially by local authorities, social cooperatives maintained a positive trend.

Relying on data provided by the Chambers of Commerce and the National Social Security Institute (Inps), Carini and Borzaga (2015) show that, between 2008 and 2013, both the number of SCs and their overall number of employees increased by about 15% (from 11.334 to 13.414 enterprises, and from 339.763 to 390.079 employees). The value of production showed an even more positive trend: it increased by 31.5% (from EUR 6.8 billion to 9 billion).

The recently approved Law on the third sector, which reduces constraints on SEs and increases the number of sectors of activity in which they can operate. Social enterprises can now be active in the fields of waste management, services for SEs, management of cultural events, social housing and so on. These sectors are characterised by a widening gap between supply and demand, which social enterprises should be able to take advantage of to launch successful businesses.

It is thus highly unlikely that financial support for these services will increase in the future. The capacity of these SEs to overcome the main challenge they will face will depend on their ability to start new cycles of innovation, which will allow them to move towards new services. New services could include health, educational and some of the more traditional welfare services, such as those for the elderly. In order to be able to move in this direction, social cooperatives should also identify new resources (as opposed to traditional ones, i.e. public resources), “intercepting” private demand as well as demand for corporate welfare services from conventional enterprises.

B-type social cooperative will face several challenges. These enterprises depend much less than A-type social cooperatives on public procurement: about half of their total turnover comes from the sale of goods or services to private clients. The other half of their incomes is derived from successful participation in public tenders. The weakness of these cooperatives is thus not mainly linked to their type of funding, but rather to the type of activities they carry out, both for the government and for private parties. These activities are indeed, to a large extent, low valueadded activities, such as cleaning, maintenance of green areas, or assembly activities, and the current crisis has reduced the demand for these.

The many associations, foundations and religious institutions will also have to face many challenges. These types of NPOs, although they have not formally assumed the form of social enterprise, do operate as such. In fact, a significant part of their revenue comes from the sale of goods or services to private users and public administrations.

It has already been shown that the impact of the law on the creation of limited liability social enterprises has been rather limited, due to the lack of fiscal compensations to make up for the constraints imposed on the distribution of profits. The new law reforming the legal framework for the third sector could make the SE legal form more attractive, in particular in new sectors of activity, other than those where NPOs have traditionally been engaged. In some of these areas, the use of non-profit joint stock and limited liability companies could prove more appropriate than the legal forms usually used by social enterprises.

ISNET, a research center for the social economy, provided in 2018 its annual report[7] collecting data from around 400 SEs and the information provided give us an interesting additional perspective of the national sector.

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[7] Impresa sociale 4.0 – Osservatorio ISNET sull’impresa sociale in Italia, XII edizione 2018

In particular, among the 400 inteviewed, 40% consider their organization in a growth fase for the 2018, 40,5% in a stable situation and only 19,5% answer they are facing a decrease.

Same answers about the turnover which is considered growing by 38,5%, stable by 51,5% and declining only by 10% and for the staff (growing for 31&, stable for 62% and declining for 7%).

In an overall positive sentiment They can be particularly alarming the answers related to the innovation approach (which 94% consider not enough and 69,1% answer they have not enough money for it) and about the awareness of the importance of innovation process which are considered not strategic by 37% of the interviewed. Still more impressive the 67% of SEs which declare themselves not interested in innovative financial tools. It seems so that, despite a strong resilience, the italian SEs are not really looking at the future and are not ready to profoundly innovate themselves and this could put at risk a long success story.

7 The sector enlargement in cooperation with business, finance and other support structures

7.1 The business support infrastructures

The social economy sector is already wide and with many different actors and stakeholders within it but it is also in a quick process of change due mainly to the new approach toward the cooperation with the business sector but also thanks to the introduction of new technologies and new financial tools.

These steps toward the innovation in the sector in Italy are mostly done within some spaces which are typically dedicated to support and to speed up the innovation in the social economy and in particular in the field of Social enteprises.

These spaces are built around the concept of social innovation and their design itself is a social innovation: the communities of social innovators respond to emerging social problems (such as changing the dynamics of the labor market, or the emergence of new relationships between professionals and organizations) by proposing new spaces in which to exchange experiences and information, according to the principles of the Knowledge Economy and thanks to the support of the Digital Economy.

The spaces of social innovation must allow a neutral exchange of information between different actors who normally attend places that are not interconnected. In this way the collaborative relationships are increased and the variety of the mix of competences put in place improves the innovative performances.

A place of social innovation pursues a mission that is as clear, precise and shared with stakeholders as possible. The experiences of open (and social) innovation come "from the bottom" (i.e. from the actors that populate these places) and are the result of the diversification of the activities and the "multivocality" of the aggregation spaces of different actors. Anyone who decides to take part in it shares its values and mission.

Beyond the legal nature (company, cooperative, etc.), it is important to hybridize profit and non-profit logics. In fact, if the economic aspect (in terms of criteria for organizing activities, expected results, sustainability, etc.) is of primary importance, it must go hand in hand with the social one, allying the different user-contributors coming from communities of practices (and needs) very different from each other. The ideal role of an innovation space is to give shape to the initiatives coming from the community, supporting their growth and presentation to more institutional actors, which in some cases will be able to help them to start up, to finance them, to co-design them, to make them sustainable and to replicate them on larger scales.

The effectiveness of a place of innovation is positively correlated to its rooting in the reference ecosystem. The innovation space creates and strengthens a community of transversal practices that can contribute in terms of ideas and skills to the creation or refinement of the products and services that the space is called to realize.

A place of innovation can be seen as a sort of "research center" (and also of training) that generates transversal knowledge, for topics addressed and sectors concerned, which can benefit the various actors of the ecosystem. In particular, participating in activities organized by a place of innovation can have important benefits for the individual actor of an ecosystem, even when they concern issues or prototypes that are not relevant to his reference sectors. Participation in activities carried out by a place of innovation can help to develop, accumulate and apply certain codified knowledge that can improve the capabilities of the organization of origin, contributing to the development of new ideas and projects.

These places can be grouped as incubators/accellerators, hubs and co-working according to the different stage of development of the social enteprises sharing them or their different level of involvement in the activities realized within them.

Community Hubs: this name refers to places where people spend their time between home and work. They are places where ideas are exchanged, fun and relationships are built. Traditional examples of hubs are churches, parks, recreation centers but also some businesses such as hairdressers and bars. Since these are hybrid spaces at the service of the community, especially in the big cities, many urban spaces are being organized by proposing this type of places in the popular districts. A very interesting example is that of the Community Hubs of Milan, Bologna and Turin that are experimenting with this model.

A somewhat similar concept is that of **Living Labs**, an operational model that defines innovation as a collaborative process of co-production and co-creation of innovative services aimed at studying the population and its interaction with new technologies in environments of real life. The model is based on the concept of open innovation in which the research approach involves the involvement of the user community, not only as observed subjects, but also as a source of creation, no longer only at the center of innovation, but rather true and own "drivers" of change. The exploration, experimentation and evaluation of innovative ideas make the living labs an experiential environment in which users are immersed, "live", in a creative space from which social planning is born and services and products of the future come to life.

Coworking spaces: scattered all over Italy, coworking involves the sharing of work spaces between professionals who are not necessarily part of the same organization. In a single environment you can find more companies and freelancers working in fields even very far from each other. In addition to being a physical environment, coworking space is a mental space and a relational context that allows people to share spaces and ideas in a collaborative and stimulating environment.

Business incubators and accelerators: the incubator is an organization that activates the process of creating new companies by providing them with a wide range of support services that include physical spaces, activities for business development and opportunities for integration and networking. The accelerator operates in the very first period of life of the company and supports it with mentorship services and physical places where to operate, in addition to the services necessary for its growth; it is managed mainly by entrepreneurs and mentors and is a place where assistance is received for the creation of a business model. Typically, startups operate within this type of space, where they are welcomed for a specific incubation / acceleration period (generally from 6 months to 2 years). Some examples of social incubators and accelerators present in Italy are: Make a Cube (Milan), Impact Hub Milan, Social Fare (Turin), Ashoka Italy (Rome), ReStartAlp (Premia, Verbano-Cusio-Ossola), Dialogue Place (Naples).

Fab Lab & Makerspace: a diminutive of "Fabrication Lab", the Fab Lab was born to offer the opportunity to learn, learn and use advanced manufacturing tools from the general public, in order to provide new bases and opportunities for innovation and social entrepreneurship even outside the classic research centers. Being a Fab Lab means not only being an open laboratory (open lab), but above all being part of a global community of students, professionals, educators, technologists, researchers, makers, innovators and artists distributed in over 30 countries and sharing passion , experience, good practices and projects. In addition to projects and knowledge, the Fab Labs also share a set of basic tools for digital fabrication (such as 3D printers), so that a project born and shared in the global network can be replicated, improved and modified according to one's taste , its resources in every fab lab (according to an open source logic). This new process of sharing and local manufacturing has given way to a new distributed and open production model in which information and data are shared globally, thus stimulating the development of local based economies and a more conscious use of our resources.

On the other hand, 'social innovation' is a transversal theme, even the 'mixed' incubator model has its advantages, capable of creating positive contaminations between very different entrepreneurs and facilitating the cultural change of those who still confuse social impact with no profit.

The role of incubators to support companies of this type is fundamental, not only for the support that can be given in terms of business model development, managerial support, social impact assessment, but also and above all in terms of relations and support for the search for capital.

Today **162 incubators are currenty mapped in Italy** among which there are different types of incubators:

- Business incubators - 0% of incubates with a significant social impact compared to the total

- Mixed incubators - from one to 50% of incubates with a significant social impact compared to the total

- Social incubators - More than 50% of incubates with a significant social impact compared to the total

From a legal point of view we find:

- Public incubators: organizations managed exclusively by administrations or public bodies, often through the creation of regional "in-house" companies

- Public-private incubators: organizations whose social structure includes both public and private subjects

- Private incubators: organizations managed exclusively by private parties

The data shows that more than 60% of Italian incubators have a private nature. Only a small percentage (less than a fifth of the total) has a public nature. In Italy there are 15 university incubators and 9 incubators in possession of the EC-BIC quality certification mark. About half of the sample incubators incubate organizations with a significant social impact (mixed and social incubators). 90% of social incubators are private, one in ten is public.

The mixed incubators also have a predominantly private nature of 63.6%, while the business incubators are almost equally divided between public nature 30%, public-private 35% and private 35%.

Social incubators consider the offer of social impact assessment and training and consultancy services on CSR and business ethics to be more relevant than the business and the mixed.

Business and mixed incubators consider the offer of physical spaces and shared services more relevant.

Entrepreneurial and managerial training: a service considered most relevant for those who incubate organizations with a significant mixed social and social incubators impact.

Some incubators with a social impact in Italy:

- SocialFare - Turin

SocialFare Center for Social Innovation is the first Italian center entirely dedicated to Social Innovation: through research, capacity building and co-design develops innovative solutions to pressing contemporary social challenges, generating new economy. Through two annual calls, it selects and accelerates the best national and international social impact startups, investing in realities able to develop innovative solutions to pressing contemporary social challenges.

- Get it! – BASE - Milan

Get it! is an initiative promoted by the Social Venture Foundation Giordano Dell'Amore ("FSVGDA") and Cariplo Factory S.r.l. that promotes and supports economically sustainable projects and start-ups that are able to generate social, cultural and environmental impact on the Italian territory.

- Impact Hub network (Milan, Turin, Trento, Reggio Emilia, Florence, Rome, Syracuse and Bari)

Impact Hubs are members of the homonymous international network dedicated to innovation and social entrepreneurship and to the people who promote it. In addition to events, coworking, workshops, they offer tailor-made incubation paths to launch social impact startups on a local and global scale.

- Avanzi - Make a Cube3 - Milan

It is the first certified incubator and accelerator of companies with high social, environmental and cultural value. It offers customized incubation / coaching routes also based on the stage (from the idea to the company). It has privileged sectors such as personal services, the circular economy, craftsmanship 2.0, sustainable agriculture, education, art and culture, finance.

- FabriQ - Milan

FabriQ is the social innovation incubator of the Municipality of Milan. Operatively managed by the Giacomo Brodolini Foundation and Impact Hub Milan, from 2014 FabriQ supports new and future entrepreneurs and entrepreneurs to carry out projects of social, environmental and cultural value. Our mission is twofold: to contribute to the development of innovative and sustainable business models and to operate also in the territory in a perspective of local development and urban regeneration.

-Social Innovation Teams - Milan, Turin

Social innovation Teams (SIT) is an international community of social innovators and entrepreneurs promoted by the Maieutics foundation since 2010. This community creates and supports social innovation projects and supports social entrepreneurs who have created social enterprises or non-profit organizations in Italy or abroad. abroad. SIT proposes new forms of active participation by creating interdisciplinary project teams capable of enhancing the specific skills of its components.

- Casa Netural – Matera

A young and very particular incubator, which was born and is held at Casa Netural, a house in Matera that brings together people from all over the world, in which to inspire, regenerate and concretize their ideas around the themes of social and cultural innovation and creative. The incubation path is super fast, lasts only 3 days and is reserved for the members of Casa Netural: you must join the community and go to Matera to participate in the incubation process and develop a prototype.

- Italian Renaissance - Turin

Acceleration program for companies with social impact organized by SocialFare in collaboration with the TOP-IX Consortium. The acceleration program, tailored to each reality, is carried out in three steps, in which new entrepreneurs are accompanied in a program that will lead them to launch and test their business so as to identify shortcomings, potential and value, perfecting the offer and collecting investments and holdings of various kinds.

-Dialogue Place – Naples

It is based in a central but very problematic neighbourhood of the city of Naples where the unemployment is at his European peak especially for women and young people. The incubating process addresses more these disadvantaged categories, including recently migrants and refugees, and build new start ups with a social purpose making possible the contamination among different world and ideas.

7.2 The social finance ecosystem[8]

The Italian social impact investment market represents an interesting case: its strong and long lasting tradition in the field of Third Sector organisations and social finance is, at the same time, its strength and its weakness. On the one hand in fact there is a potential wide – although fragmented – demand side; on the other hand, also the supply side seems well developed.

However, the Italian social impact investment market is still far from having achieved a full development and it keeps struggling with some burdens to its deployment. In other words, despite the Italian ecosystem has almost all the required ingredients, socio-political as well as institutional peculiarities make it difficult to see where this richness is heading, or which face the fully mature social impact investment market will have.

In fact, the Italian social impact investment ecosystem, following a bottom-up approach, is being established almost exclusively by private initiatives put in place through the commitment of those actors coming from the field of the social economy (such as cooperatives and not-for-profit organisations, or more recently social enterprises and hybrid organisation-like entities).

In the UK, social impact investment emerged as a strategy to face the long lasting crisis of the welfare state. The awareness of the gap between the increasing demand for social services/protection and the decreasing availability of public resources triggered the research for new ways to attract additional private resources to balance the public expenditure retrenchment. To this extent the advent of social impact investment in the UK, while it represented an answer to the welfare state crisis, it also envisaged a further step into the "financialisation process" initiated two decades before the advent of the 2008 financial downturn.

The economic crisis of 2008 acted as an enabler of such a process, reducing the families' out of pocket spending capacity, and also affecting their fiscal capacity. In Italy, instead, the social impact investment approach has been build on a pre-existing form of social finance, and it developed through a quite different path. The Italian social impact investment ecosystem did not follow a clear design, being able to be translated into a defined strategy and thus to shape a policy agenda (that is what defines the UK experience). The rise of the Italian social impact investment movement followed rather a bottom-up approach. It is not by chance in fact that in Italy, at least in the first phase of development, rather than social impact investment, the public discourse focused on another term, i.e. "social finance" (finance for

[8] M. Maduro, G. Pasi, G. Misuraca – "The social impact investment in the EU" – JRC Science for policy report, 2018

those actors working in the field of “social”). Indeed this term defined the conceptual perspective through which the social impact investment phenomenon has been understood: a set of financial tools and products to support and foster the social economy, as an answer to the crisis of the Italian long lasting tradition of social finance. This feature characterises the Italian social impact investment market development cannot be underestimated when trying to grasp its development paths. In light of the important role played by the specific institutional settings, in order to better understand how the social impact investment practice emerged in Italy, it is worth to start with a general overview of the context.

The Italian Third Sector is funded by many actors, all belonging to the long lasting tradition of social finance which, compared to other countries, showed a quite important volume, being one of the biggest in Europe in term of both employed workers and number of entities (EESC 2016). To better understand this pre-existing experience, it might be useful to mention the emergence of some initiatives by commercial banks and philanthropic foundations originated in the Nineties after the adoption of the Amato Law act.

For instance, in 2007 the largest bank in Italy, Banca Intesa San Paolo, founded Banca Prossima (and since 2016 this is a Certified Benefit Corporation but on 2018 merged again with the mainstream Bank). Within the Group, Banca Prossima was meant to be the bank with the mission of serving lay and religious not-for-profit organisations, with a specific service model, products and consulting services dedicated to this type of customer. Following such an approach, and the willingness to engage with Third Sector organisations, also Banca Sella and Banca Esperia established philanthropic funds, with the aim of collecting capital, invest it in products able to give a market-average return, and devolve a percentage of their fees to charitable organisations.

Another relevant initiative is represented by the **launch of social bonds**: designed and implemented by UBI Banca (the third retail bank in the country), social bonds are debt that the bank sells on the market to finance its own operations; the bonds are “social” because the bank commits to devolve to charitable activities a small percentage of the return to investors. At the same time, the appearance of **bank foundations** in the Italian economic landscape has been the result of a deep legislative process of reform involving the Italian banking system during the Nineties. Following these legal initiatives, Italy had a strong, new, private foundation community created out of a process of privatization. The financial weight of such an experience makes Italy the world leader in the field of what Salamon has labelled as “Philanthropication thru Privatization”[9], meaning with this expression the process through which the creation of significant endowed charitable foundations out of the proceeds of the privatization of state-owned, or state controlled assets, is achieved.

This shows that the seeds for the social impact investment landscape in Italy can be found somehow ante litteram since the creation of cooperative banks, further reinforced by the creation of numerous institutions operating in the credit sector, which extended their services to the Third Sector. These institutions have always operated with relatively simple financial instruments, being mainly focused on the provision of credit through mortgages and loans. More recently, however, the availability of credit to Third Sector has been mainly provided as a contribution to the liquidity of not-for-profit organisations, which had a large part of their revenues from the outsourcing of public services and the grant-making activities of the strong philanthropic sector.

As it seems clear from the information reported above, the history of Italian social finance is rooted in a long lasting tradition of financial credit services, philanthropy and public procurement of social services. Against such a rich landscape of experiences, it is however difficult to avoid an uncomfortable question: why has the pre-existence of such a developed social finance sector not translated into a prompt and full

[9] L. Salamon - “Philanthropication thru privatization. Building permanent endowments for the common good”. Bologna, 2014, Il Mulino.

emergence of a strong social impact investment market? The answer to such a question is in part related to how the relationship between capitals in support of the Third Sector and all the various actors related to it has been structured. Above all, it is a matter of understanding what effects the already existing social finance has had in terms of behaviour and morphology of Third Sector organisations. To this extent, and in order to complete the picture of the pre-existing Italian social finance, it should be mentioned the **role of the public sector**: in fact, at least since the Nineties, under the influence of New Public Management approaches and the trend toward privatisation in service delivery, and therefore the development of what has been named “welfare mix”. This phenomenon, which consequences might be appreciated still today, brought the Third Sector to be heavily dependent on public resources, i.e. payments made by the public sector versus production and delivery of services (traditionally priced for the outputs). However, to the purpose of the reflection here proposed, the financial dependency of the Third Sector it is not the only relevant aspect to be taken into account.

The close functional interdependence seems emerging along with weak government regulation of the sector and a failure to base the partnership regime on explicit criteria of what is public interest. In other terms, while the recognition of the role of not-for-profit organisations as either primary or supplementary providers of social services was not clearly defined in law and government programs, being such a recognition undermined, the public administration basically proceeded to replicate, almost mechanically, the already in place social programs, without questioning the relevance of the provision of services with respect to social needs[10]. These two aspects, along with the focus on efficiency, brought to an isomorphic process of the Third Sector organisations, which – according to Carazzone[11] – lost their identity, and the awareness of their mission, becoming mere suppliers of services. Such a picture, probably a bit too severe, however explains why a strong preconception, the one that would like to see Third Sector organisations always reducing their management costs to the extreme, has remained strong in the public opinion, as well as among the operators in the sector.

The mantra that the Third sector itself should be cheap and that all funding should be allocated to projects with the related formula of the percentage of structural costs / general costs as the only indicator of efficiency, reduced Third Sector entities to “project builders or project-executors”, with inadequate organisations, structures and staff. Indeed, both in the case of organisations that work with the public administration, and in the case of organisations supported by philanthropic foundations, individual projects have become more and more the driving force – when not the inspiring one – for Third Sector actions, thus reducing these organisations' long-term vision and their ability to design development strategies.

This approach does not allow such organisations to create a real a transformative social impact of the system, since based on instruments that are not able to capture the complexity of the processes of social change, trying to harness articulated actions in linear meshes, way too narrow, limited and binding. The institutionalisation of the separation between the promotion of processes of social change and activities has thus produced an inherent weakness of not-for-profit organisations and their almost total dependence from projects. Therefore, the idea of an almost zero operating cost of Third Sector organisations, together with the bidding mechanism, strongly exposed the Italian Third Sector organisations to the risk of a “starvation cycle” with the consequent risks, evocated by cash flow and operational capital issues, due to payment schedules policy adopted by the public administrations and related delays in transferring resources.

[10] F.Mento – “Il nuovo Terzo Settore: non di ragioneria, ma di impatto”. Laboratorio Secondo Welfare. 26/03/2018

[11] C. Carazzone – “Due miti da sfatare per evitare l’agonia per progetti del Terzo Settore”, Il Giornale delle Fondazioni, marzo 2018

The percentage of operational costs for Third Sector organisations usually span between 7% and 15%, and only in few cases it reaches higher point. However it is always lower than the average for for-profit actors that are usually around 35%[12].

Also those actors populating the so-called Third Sector that were and still are used to work with the support of philanthropic foundations faced this starvation cycle risk. To this extent is important to notice that Italian philanthropic foundations have always mainly worked through a **grant-making approach**, sometimes with some sort of reporting back, and in any case on the basis of clear projects. To this purpose, the two main adopted mechanisms to select projects to be funded were either a direct proposal from a Third Sector entity, which would have become a beneficiary or a competition among different proposals, all elaborated to comply with the specific requirements of the open call. However, the risk of a starvation cycle of Third Sector organisations has been in part mitigated, by the fact that an important number of resources has been made available by social finance actors offering not-too-complex financial products, mainly debt products like loans, in order to allow Third Sector entities to overcome their issues of liquidity and to make small and short-term investments. This allowed not-for-profit organisations, either in the case they were working mainly with the public sector, or in the case of not-for-profit entities used to work on individual projects funded by philanthropic foundations (or in the case of a mix of both), to develop a relationship with the financial system mainly oriented to cover possible operating costs, while waiting a payment from the public administration or the award of funding for a project by a philanthropic foundation.

In light of the above-illustrated trends, it is easy to understand that the 2008 financial crisis had important effects on the emergence of social impact investment in Italy. One of the main consequences of the decrease in the volume of available resources has been the higher level of competition among Third sector's organisations, which in turn exacerbated those structural limitations at the basis of the starvation cycle risk. On this point it is worth also remembering the reduction in household spending capacity for health and care services, another important item of the Third Sector organisations' lines of revenue. These trends need moreover to be considered along with the general credit-crunch the credit system was suffering as a whole. In such a situation, the starvation cycle, initially perceived as a potential risk, became real, with some relevant effects, including a polarisation between size and wealth of organisations: bigger and better structured organisations continued to grow, while smaller ones started facing financial instability. Nevertheless, the Italian Third Sector has been able to face the crisis, above all due to its high resilience and to a diversification of revenue strategy, such as greater openness to the market and new forms of engagement with private donors.

As an indicator, still in 2016, according to UBI-AICCON, the demand of finance in the sector mainly concerned loans and debt products in order to cover costs related to project's activities. Despite this evidence in this period a general rethinking of the Third sector sustainability strategies constituted a window of opportunity for social impact investment to enter into the Italian debate, especially due to some actors that made such a topic the object of their mission. Therefore in Italy it started from a self-awareness exercise of a limited group of actors, as a grass-roots movement advocating for a change from a bottom-up perspective, and – probably the most important feature – building on the pre-existing social finance tradition.

The social impact investment in Italy can be considered a conceptual spin-off of the Third Sector, and at least in a first phase, it has been conceived as an add-on, not a real strategy of general rethinking of the system. While this may be an element of weakness, since there is not a comprehensive vision able to act as

[12] The real cost of doing business, Standard & Poor's Global Industry Classification

a coordinating element at the policy level, on the other hand the raise of social impact investment represents a slow but not subject to the policy agenda process.

To better understand strengths and weaknesses, as well as prospective developments of the social impact investment in Italy is important to look at the dynamics and paths through which it entered the Italian institutional and entrepreneurial systems. Social impact investment entered into the Italian debate in 2013, through the participation in the G8 Taskforce on the topic, created by the then UK Prime Minister David Cameron, and led by Sir Ronald Cohen. At the same time, the adoption of the Italian Social Innovation Agenda proposed by the Italian Ministry for Research, allowed to identify a set of actions to address the most pressing social challenges faced by the country, and included reference to innovative financial tools that were considered enablers to unleash social innovation in the country. With the endorsement of the Presidency of the Council of Ministers, the work of the G8 Social Impact Investment Taskforce brought to the creation of the Italian National Advisory Board (NAB) coordinated by Giovanna Melandri, president of Human Foundation, and which has engaged representatives of the not -for-profit, private and public sector, resulted in the publication of a report aimed to catalyse social impact investments in Italy (Italian NAB 2014)[13].

In the same year, Italy has been the first EU country to adopt a regulatory framework on equity crowdfunding, which scholars have considered as one particular form of social impact investment (Bugg-Levine & Emerson 2011). In the wake of this awareness, and building on first results achieved from a set of policy initiatives adopted between 2012 and 2013 with regard to technological and socially driven innovative start-ups (start-up innovative a vocazione sociale), one of the recommendations proposed by the Italian National Advisory Board was to include a set of benefits and incentives into the Legislative Decree that would have regulated the raising phenomenon of social enterprises. In fact, the previous overall legal framework for social enterprises was seen as too restrictive and not aligned with the emerging needs of these entities (Calderini & Chiodo 2014). The effort of the Italian NAB of the G8 Taskforce, formally ended in September 2014 with the publication of the report “La finanza che include: gli investimenti ad impatto sociale per una nuova economia”, has contributed to trigger the debate about the opportunities to leverage additional private capitals, beyond the philanthropic ones, and to use an outcome based approach in financing organisations with social goals. In January 2016, the Italian NAB has been transformed into the Social Impact Agenda (SIA), an association that intends to be the advocacy network of Italian social impact investors. The advocacy efforts made by SIA, leveraging also on the commitment of the forming epistemic community, heavily affected the debate and the policy responses given by the Italian Government: in June 2016, the Italian legislator issued a Law delegating to the Government the reform of Third Sector and social enterprise and the discipline of universal civil service. By the beginning of August 2017, most of the subsequent implementing decrees were published in the Italian Official Journal and, including some of the Italian NAB recommendations and evidence coming from the experts’ debate, what resulted is an attempt at harmonising, simplifying and incentivising the Italian Third sector.

However, the awareness of the need to change within the Italian Third Sector, and the belief that social impact investment could have been an opportunity to unleash such required transformation, precedes the adoption of the legal framework for the Third Sector. Along with the debate on the reform, banking foundations have shown interest for the development of new financial instruments and the creation of an ecosystem ready to receive new investments. While this can be considered a signal of available resources to feed the social impact investment market, it also shows the bottom-up approach that social impact investment in Italy is following. In fact, within a quite extensive set of activities and initiatives already in

[13]Italian NAB – “Inclusive Finance: Social impact investments for a New Economy. Italian Report of the Social impact investment Task Force Established by the G8”, 2014

places, at least since 2007, foundations started some piloting tests with debt and bond instruments within the raising social impact investment market.

Cariplo Foundation, for instance, is playing a leading role in building the social innovation ecosystem and opened a new line of social impact investment along with more traditional grant-making. This is the investment philosophy that was behind the extensive Social Housing programme designed and implemented by Fondazione Cariplo at least since 2004, when it created the Fondazione Housing Sociale, with the aim of beginning to experiment an innovative model based on sustainability and ethical investment, with the objective of expanding the range of planning instruments and seeking to involve in its initiatives other public and private institutions interested in supporting the Lombardy region in addressing the issue of disadvantaged conditions in housing through real estate projects of a social nature. More recently Fondazione Cariplo created the Giordano Dell'Amore Fondazione Social Venture, with the aim of supporting the emerging social impact investment market, via direct investments and capacity building. This initiative should couple with the Cariplo Social Innovation program, and together, they constitute the Cariplo Foundation's intersectorial programme, to contribute building the Italian social impact investment ecosystem.

Another example is Fondazione CRT, which already in 2007 founded a dedicated vehicle, named Fondazione Sviluppo e Crescita CRT. This is a not-for-profit organisation that focuses on the development and growth of the local Piedmont and Val d'Aosta territory, and according to its statute, it «operates in accordance with the traditional and institutional activity of the Fondazione CRT including numerous innovative activities in the field of impact investing». Through its interventions the Fondazione aims to transfer skills, develop new networks, increase the sustainability of projects and promote innovation. To achieve these goals, the Fondazione's activities are planned mainly along three relevant paths. approval of the Third Sector reform, and while the debate was still in its more open stage, Italy has been the first country in the world, after the United States, to recognise the **Benefit Corporation (B-Corp) model** into its legal system, thus acknowledging and accepting the possibility of hybrid organisations playing at the cross-roads of traditional and social economy. Cariplo Social Innovation, in particular, is focused on the demand side of a potential market: the idea is to support and enhance Third Sector organisations' capacity willing to enter a new social entrepreneurship dimension oriented to produce social innovation via economically sustainable initiatives.

Fondazione Social Venture, instead, will act mainly as an investor, either through direct investment or co-investments. However, within the scope of the foundation's mission, there is also the aim of disseminating knowledge on social impact investment, thus confirming on the one hand the importance of this dimension in shaping an emerging market, and on the other hand, the need for a further effort in building the related epistemic community, keeping the debate alive and updated.

A second path of activities is the one in which there are shareholding and special investing vehicles: here it needs to be anticipated that since 2007 Fondazione Sviluppo e Crescita CRT has invested in PerMicro, a company specialised in microcredit and birth in Turin thanks to some of the Italian social impact investment pioneers. Finally, Fondazione Sviluppo e Crescita CRT is active in the field of entrepreneurship and innovation carrying out several initiatives, among which some are related to crowdfunding and others oriented to select enterprises or entrepreneurial ideas with high potential social impact with the aim of supporting them in the definition phase of their business model, and in their growth.

In a context characterised by a growing interest for social impact investment schemes and principles it is useful to mention few initiatives that seem to embody the most characterising Italian elements and dynamics of the social impact investment market development.

An interesting case is the Social Impact Bond for social and labour market inclusion of ex-offenders. Although not started yet, it is entering in an implementing stage, with the signature of underlying contracts. Interestingly, the pilot project stems from the feasibility study. The application of pay-by-result tools for the innovation of social and labour reintegration programs for detained persons, and represents a new model of public -private collaboration. Fondazione Sviluppo and Crescita CRT and Human Foundation carried out the study, with the contribution of the Polytechnic of Milan, the University of Perugia and KPMG, along with the support of the Department of Penitentiary Administration and the effective collaboration of the management of the Lorusso and Cutugno Institute of Turin. In this sense what seems important here is that the feasibility study has been the instrument through which many actors gathered around a common concrete objective: in such an attempt, stakeholders with a long tradition and belonging to a social finance world preexisting to the advent of the social impact investment have interacted with new actors, born with the emergence of innovative financing models for social impact. The dialogue between these actors and others, such as two universities and a consulting firm, as well as public actors, is an important feature of this new effort.

Another recent case that needs to be noticed is the case of Ospedal Grando in Treviso. In September 2017, Ospedal Grando Impact Investing (OGII) was established as a company limited by shares with the mission to carry out social impact investments aligned with the project for the new hospital in Treviso[14]. This might be the first social impact investment initiative in Italy devised with an explicit purpose to combine profitability and impact to unlock the potential of a large infrastructure project accelerating innovation, economic growth and greater value generation for the local community. The main goal of the project in fact is to create a regional hub for health, with a total value of €250 million. The project was initiated in 2011 when the public sector was experiencing unprecedented restrictions on access to capital. So the Veneto regional authority which is in charge of health policy, opted for project finance. Lendlease, an Australian multinational corporation specialised in urban regeneration and infrastructure projects, won the contract to finance, design, build and operate the non-medical services for 21 years. Together with other financial and industrial partners Lendlease established the Special Purpose Vehicle Ospedal Grando S.p.A. (OG) to operate the project. Although the initial plan was to issue a project bond to finance the project instead of borrowing from banks (as often happens in the United States to finance local infrastructures), the adopted solution found another form, since the European Investment Bank (EIB) offered to finance the project in a club deal with UniCredit Group, and Intesa Sanpaolo Bank Group. The lowest rate in the market performed by the EIB reduced significantly the cost of lending, and the use of the European Fund for Strategic Investment (EFSI) guarantee allowed managing the risks attached to financing the construction phase. This case is especially relevant because transforming the financial model for the infrastructure project, has generated new resources to be invested as a corporate venture capital operation with impact.

On April 2017, the Ministry in concert with the Ministry of Labour and Social Policies launched a new policy initiative envisaging a set of aid and incentives to support the development of the social economy. The initiative assumed the form of a revolving fund with the goal of enabling the access to credit services for the Italian social enterprises. The measure is among those legislative initiatives that accompanied the Third Sector reform. The initiative envisages an active role and a direct responsibility of the bank, called to carry out an assessment of the socio-economic impact of the proposed investment programs. This assessment will consider three specific areas of impact: increasing employment of disadvantaged categories, social inclusion of vulnerable people and safeguarding and enhancing the environment, territory and cultural heritage. Despite the innovative aspects and the positive impact this initiative, and similar as well, might

[14] Addarii, Lipparini & Medda – "Impact Investing Innovation: Bringing Together Public, Private and Third Sectors to Create Greater Value: The Case of the Public Private Partnership Initiative for the New Public Hospital of Treviso". In Social Impact Investing Beyond the SIB. Evidence from the Market, La Torre, M. & Calderini, M. (eds.). Palgrave Studies in Impact Finance. London: Palgrave Macmillan, 2018

have, however, it should be noticed that most of them seem to be more aligned with traditional sectorial incentivising policies rather than a policy oriented in supporting the raise of a social impact investment market in Italy. The resources made available for the revolving Fund for Enterprise Support and Investing in Research amount to € 200 million, and it represents a premiere in the Italian context: it is in fact the first time a similar financial scheme is oriented to support actors pursuing social purposes. The financial rules underlying the use of the fund foresee investments between € 200.000 and €10 million. Entitled to these financial aids are social enterprises and social cooperatives, and the financing, with an interest rate subsidy of 0.50% with a 15-year refund, is available up to the 70% of costs for manufactured goods, machinery, computer programs, as well as specialist consultancy, patents and overheads. The remaining 30% is expected to be covered by traditional credit services by the Italian banking system

Among the public-driven initiatives closer to the field of social impact investment, one of the most advanced so far, at least in terms of conceptualisation and design, is probably the new Social Impact Investing Fund built by Regione Sardegna. During 2016, in fact, the Regional Council of the Region of Sardinia established an innovative financial engineering tool aimed at supporting pilot activities of social entrepreneurship that have a positive, measurable social and employment impact. Crucial to the overall design of the initiative is in fact the possibility to verify the social impact achieved, thus ensuring transparency and accountability in the management of the financial instrument. The instrument, envisaged inside the measures of the "Priority Work" resolution approved by the regional executive in June 2016, will have an initial budget of €8 million (six from the "Social Inclusion Plan" of PO FSE-ESF-2014-20 and two by Axis III "Competitiveness of the production system" of PO FESR-ERDF-2014-20). The Fund invests, in the form of risk capital, in companies or organisations with the aim of generating measurable social, employment and environmental impact along with a financial return. The Social Impact Investment Fund will intervene by providing loans, venture capital or bond issuance in favour of projects aimed at creating positive social impacts, and to this extent, it seems to go beyond the logic of traditional grants: privates receiving resources through the fund are committed to return the amount of received funding as in the private equity logic. The logic is therefore that of revolving funds, which are self-generated through the repayment of funding. This feature combines private investors with the possibility of contemplating a remuneration system based on the results achieved, thanks to the savings coming from the use of the Fund's resources, thus innovating with regard the traditional alternative funding instruments, believed more expensive and unable to regenerate funds through the return of the resources disbursed.

Another interesting initiative, especially due to its institutional scope, is the National Outcome-Based Fund. On December 27th 2017, the Italian Parliament has issued its budgetary law (n. 205/2017), containing significant measures aiming to favour and strengthen social innovation in Italy in line with European standards. Among many provision, one envisaged the creation of a **new Fund for Social Innovation**. This fund was conceived as a support measure for the delivery of feasibility studies and the development of local and national public administrations' capacities to implement contracting schemes informed by outcome-based principles and mechanisms. The new fund will have an initial budget of €5 million for 2018 and €10 million for 2019 and 2020 each. Concrete functioning and access criteria of the fund should have been further specified in an Implementing Decree by the end of March 2018. This new fund represented a substantial change and a key opportunity for the Italian public welfare system. Despite the overall amount of money, quite limited in absolute terms, what seems to be innovative is the adopted approach. After years of debate, the Italian fund might have finally contributed to effectively start experimenting "payment by result" mechanisms, that are expected to increase the private sector involvement in the production of welfare services, their integration (inter-sectoral as well as intra-sectoral), and their measurability, at least spreading the culture of social impact assessment and evaluation. Moreover, this initiative reflects one of the most debated recommendations of the GSG, which advocated for "outcome funds" with the aim of attracting private capitals towards public administrations without replacing public resources, but integrating them and making them more efficient and effective.

Finally, it is worth mentioning that local authorities are also playing an active role, with an increasing interest for social impact investment especially conceived as a new approach to enable social innovation within local ecosystems. For instance, Torino Social Innovation is the first Italian municipal public programme that finances social start -ups through soft loans and grants. The Municipality of Milano, within the broader Smart City program, has supported the diffusion of social innovations to solve several urban issues, playing between social innovative incubator and urban regeneration projects. Other cities, such as Florence, are planning social innovation public programs.

Moreover it seems that there is no clear vision on what social impact investment should support: social economy and social entrepreneurship, start-ups with some social impact, Third Sector organisations, or for-profit firms that however generate positive social impact. However, the debate remains open. Given consideration to the peculiarities of the Italian socio-economic and institutional context, some trends that have been identified on a global level, might be recognised also in the Italian ecosystem: first, public and private collaborations represent a robust way to test new emerging application of the Social Impact Investing principles and logics; second, financial institutions, i.e. the supply-side of the social impact investment market, seem ready and available to mainstream impact -driven capital allocation strategies; third, venture capital is eager to follow initiatives in which technology's role in social impact investment is clearer; fourth, grass roots strategies are emerging in addressing specific community needs.

Some financial actors have also developed new financing vehicles and instruments for social enterprises that while making access to credit easier for social initiatives also shift them towards a more robust economic sustainability. However, there are at least a couple of challenges that this performative social impact investment market still has to face. On the one hand, there is the **investment readiness of potential investees** of social impact investment. This means the need for further efforts in capacity building on the demand side of the rising market. On the other hand, and on a more general level, it seems useful to bring the debate ahead, overcoming a too narrow perspective on social impact investment: this is not a mere "moderniser" for the pre-existing Italian social finance, rather a set of principles and approaches that develop their effects on a broader scope than the one related to Third Sector organisations. While the first challenge on investment readiness clearly brings to some specific and possible actions, oriented to support a capacity building process among the investment's targets, the second challenge above mentioned is quite more demanding. In order to accept that the social impact investment conceptual perimeter is broader than the Third Sector's one, a general rethinking of the relationships between finance, markets, and society needs to be developed among the involved stakeholders.

Then this might not be sufficient, if it will not reach decision-makers and those who have the power to shape the policy agenda. This depends on the fact that, despite the bottom-up approach followed by the Italian social impact investment phenomenon, at a certain point this new emerging market will need to be envisaged within a broader political view, entering in such a way into an institutionalisation phase.

Although there is not a broad national strategy with regard to the role the public sector might play within transformative process of the Italian social economy sector, the few and very early-stage policy initiatives that come from national, regional, local governments or related quasi-public institutions, seem to show the public sector role will be crucial not only in terms of possible investments, rather in building and providing the extremely needed intangible infrastructure, i.e. the social impact measurement and a regulatory framework able to aggregate and organise the demand-side. These tasks might be carried out through various approaches and strategies, however, promoting benchmark practices in the social impact measurement domain, as well as a clearer legal discipline (also fiscal) are instrumental in enabling the

Italian social impact investment ecosystems to flourish. In particular, a further aspect that directly involves the public sector in shaping the future of the Italian social impact investment market is mainly cultural: a general rethinking of public accounting principles, as well as exploring new forms of institutional arrangements and ad hoc created bodies, are both worth to be on the agenda. Regardless specific provision that might be adopted in the future, this will however contribute to the advancement of an evidence-based culture, benefiting the demand-side and the supply side of the future Italian social impact investment market, as well as the public administration and management practices, not to say its overall accountability. Moreover, it seems worth to notice that, as it comes out from the experimentations put in place by philanthropic foundations and all the mentioned cases of more genuine social impact investment pilots in the country, the project finance nature of such initiatives is clear, and needs to be taken into high consideration when looking at the evolution of social impact investment in Italy and its prospective scenario: in such a situation the role of the public sector is – once again – crucial. Insisting on the project finance nature of most of the promising social impact investment initiatives might also be a better way to keep the public sector in the game, while allowing it to enlarge the scope and boundaries of action of the Italian social impact investment ecosystem: the public sector's role in fact is not just that of injecting capitals or enhancing financial leverages for Third Sector organisations, rather to shape strategic objectives and mission to be pursued by social impact investment approaches. To this extent the public sector, or better, the policymaker seems to be the only actor able to draw the line between social impact investment policies and other broader policies on social economy, entrepreneurship, and innovation. Finally, as a vehicle to build these intangible infrastructures, it is worth to notice how the procurement activities carried out by the public sector act as a demand-side stimulus that may push relevant actors to develop specific behaviours. To this extent, it is important to pay adequate attention also to the public procurement activities and related legal frameworks, as they will help to improve investment readiness and capacity building purposes, as well as to shape the required cultural shift mentioned above.

An alliance between initiatives and actors playing in the world of social economy, on the one hand, and the production chain of some relevant industries in the country, could be a promising field in which new financial instruments that incorporate social impact investment principles can be applied. Here lies the reason for this prospective effort, with which we attempted to identify – by way of example only – some industrial sectors of the Italian economy that could be coordination nexus of a mature Italian social impact investment market, therefore entry point for new financial instruments for which the social economy has expressed a growing interest and need. In the first place, we are thinking at the domain of water infrastructure, waste management and other public utilities: these sectors are characterised by quite high levels of intrinsic sociality, meaning with such an expression that in these domains, provided an adequate supply of patient capital, there is room to keep aligned social impact, represented by the public interest, and financial returns. This idea is furthermore supported by the fact that in Italy a large share of these markets is owned by publicly owned companies, playing de facto as profit -with-purpose entities, often in a quasi-monopolistic context.

Another industry that shows some relevant possible synergies with the Italian social economy is the one related to public interest infrastructure, urban regeneration and construction: as shown by some of the above mentioned cases, the field of real estate is an interesting area in which experimentation in linking social outcomes and profits has already taken place.

In conclusion, this prospective scenario on the Italian social impact investment market, although it would require further data and more in-depth analysis, allows however to identify a possible path for developing a successful strategy for achieving a fully performative Social Impact Investing market: in Italy there are some traditional sectors that seem to be strongly suitable for the internalisation of social goals; by increasing, via capital supply, possible relationships between these sectors and the dynamic social economy, a social impact investment market might grow up pursuing its own goals while valuing also more traditional economic models. Despite the Italian social impact investment have so far developed within an important though limited conceptual perimeter, i.e. the one of the social economy and its traditional social finance, there are however interesting signs of a potential and significant expansion in the coming years. In particular this is related to the possibility of assuming social impact investment principles as an approach in designing new business models and interventions in several industries. This also means that, on the one hand, the initial semantic scope of the concept is undergoing a quite substantial change, in terms of width and potential "application areas" – merging "physical and social infrastructures". On the other hand, the Italian social impact investment market will probably embrace a development path quite different than the Portuguese one, requiring different volumes and types of capital supply, as the high recourse to EFSI financing instruments suggests.

8 The best Italian practices of Social Enterprises

Italy has a vast and various track record of social enteprises and, to conclude our overview of the Italian social enterprising ecosystem, here there is a selection of some which can be considered good practices also due to the particular origin and relevant impact:

SLOW FOOD

Carlo Petrini founded Slow Food, an eco-gastronomic organization, in Italy in 1986. The main goal of the enterprise is to counteract the spread of fast food and the frenzy of fast eating.

Its philosophy consists in the idea that the food we eat should taste good, it should be produced in a way that does not harm the environment, animal welfare or our health, and food producers should receive fair compensation for their work.

In details Slow food is a network that works in three main areas:

- Awareness and education,
- food and agriculture biodiversity protection,
- bringing together food communities

The enterprise is organized into volunteer-based local chapters called Convivia, in which promote courses, tastings, dinners, and campaigns at the local level are realized.

There are actually more than 1,000 Slow Food Convivia active in 80 countries with a volunteer member network that allows to achieve all this with less than 150 full-time staff and a budget of €25M.

Slow Food has two commercial bodies to finance their activities:

1) Slow Food Promozione deals predominantly with the organization of major events such as the Salone del Gusto, Cheese and Slow Fish, in addition to fundraising, publicity, and sponsorship sourcing.

2) Slow Food Editore is responsible for the association’s publishing activities, including websites, member magazines, and newsletters, as well as over seventy food and wine guides, essays, and cookbooks.

ADDIO PIZZO

Dario Riccobono, the founder, was born in Sicily and he was touched by the anti-mafia movement “Addio Pizzo”, whose approach is of leveraging the power of consumers in fighting against the Pizzo (i.e. protection bribe).

He desired to create a new approach to solve the problem from a different angle, therefore in 2009 he created a AddioPizzo Travel.

Addio Pizzo Travel organizes tours of Sicily by making sure all the services purchased, from hotels to restaurants, from car rental to bars, are pizzo-free. In doing this tries to make more and more people aware of the danger that the mafia represents in Italy and abroad. Tourists are taught to understand that they can make a difference by choosing to spend their money in mafia-free products and services. During their stay, Dario offers a tour of anti-mafia called “cultural mediators” to understand the issue beyond the clichés of the Sopranos. Others activities of the organizations are: to connect AddioPizzo to the rest of Italy and the rest of the world, by making sure more and more businesses choose to free themselves from pizzo to join this network and to spread Addio Pizzo Travel among schools to get the next generation aware about the mafia better.

Since 2009, the organization’s activities have involved 11.000 tourists, producing a turnover of 617.671 € for pizzo-free enterprises.

Any profit that Addio Pizzo Travel may make at the end of the year is reinvested in Addio Pizzo or other local anti-mafia organisations.

MAAM

Riccarda Zezza believes that work-life balance should radically be redefined, so parents can stop seeing their time off work spent with their children in conflict with their careers. To reach this objective, she works with employers, particularly in the corporate world helping them to stop seeing maternity leave and parental care as a burden, but as a time for developing key skills that are useful for personal as well as professional development. Riccarda refers to this concept as MaaM, Maternity as a Master.

Her project develops in two programs:

- **Piano C**: A physical place for mothers to meet, work, engage in care and experiment with new ideas emerging from MaaM. Plan C is located in Milan, where it hosts an average of 80 professionals every month. Aside from desk space for co-working, it features several larger multi-purpose rooms for workshops or activities, including yoga and a kindergarten.

- **Workshops**: She organizes workshops created by CEOs, the human resources departments. These begin at the individual level in which participants are helped to understand how to implement the skills they acquire through their children on the workplace, working even on stereotypes.

Then she tries to move from an individual level to company level, consulting the top management on how to make their workplace more in line with this new conception of leadership. Pirelli, Luxottica, Valore D, Schneider Electric, HP, Invitalia, Ikea, Poste Italiane and Unicredit are among the many companies who have hosted such workshops.

Piano C has already spread to a dozen cities in Italy. The focus should now be on growing the work with companies in Italy and abroad and widening the maam U community.

MaaM already collected 1 M € in crowdfunding to develop the online tool «Maam U» and making it adaptable to other contexts.

GOEL

Since 1996, Vincenzo Linarello has been determined to change the inevitability of a mafia presence in his homeland, the Calabria region, by creating a parallel positive economy that offers the local population a third alternative between unemployment and collaborating with organized crime. Vincenzo began in the year 2000 by creating an enterprise incubator for small businesses or cooperatives. He went on to build tile by tile the mosaic that is now called Consorzio Goel.

Consorzio Goel is a consortium of 15 social enterprises and 28 businesses which came together to create a 'democratic holding for change' under Vincenzo's leadership, with the ultimate goal of stifling the Ndrangheta's hold on the economy creating new social businesses:

- **Goel BIO**, settled in Rosarno. Oranges are typically bought from farmers for as little as 5 cents a kilo from distributors that belong to the 'Ndrangheta. Goel wants to offer an alternative, buying them for 40 cents a kilo in exchange for a compulsory inspection by the authorities to make sure that workers are hired with regular contracts, that their conditions are dignified and that their cultivation is indeed organic. NaturaSi, is a client.
- **Cangiari**: is the first ethical brand in the Italian fashion industry. All textile material is organic, fair trade and ecological and the textile workers are all disadvantaged people united in a cooperative, so part owners of the means of production. Versace is among their clients.
- **Coop idea**: a community house for disadvantaged teenagers who have been excluded by the education system for behavioral issues. Many of them experienced exposure to violence at home, often in families actively involved with the mafia.
- **Aiutamundi**: a platform for a cash-free local economy.

SAN PATRIGNANO

The San Patrignano recovery community is a home for youth who have lost their way, it is a family that helps them find a life made up of self-esteem, dignity, responsibility and enthusiasm.

Since 1978 it is and continues to be unique and the best at European level, that focuses on their residents on learning a trade that can be applied and assisted from external support through **online donations**

The community of recovery from drug dependency takes care of various **prevention projects**: specific activities in schools, international events, battling with addictions.

San Patrignano has become, over the years a center of excellence in the organization of events, training and corporate communications.

Companies that believe in **social responsibility**, can choose from one of the quality services offered by the community.

San Patrignano is a non-profit foundation whose sole objective is "social solidarity". Its body includes:

- San Patrignano Soc.Coop.Soc.: the heart of San Patrignano is to promote companionship, welfare, cultural and training activities and those that support school education without profit-making objectives, in a democratically self-managed structure it undertook the rehabilitation process to tackle all kinds of marginalization and drug addiction
- San Patrignano Soc Coop Soc. of Agricultural: it supports all activities related to agriculture, the vegetable horticulture, gardening and forestry, farming of animals with additional activities relating to wildlife and to the environment
- In addition to these, other bodies include the San Patrignano Association of Education and Training and the San Patrignano Association of Amateur Sports.

CGM group

The CGM group (Cooperative group Gino Mattarelli) was established in 1978 with the aims of creating a national and international network and of enhancing the Italian social cooperatives.

Today they constitute a large consortium network , that coordinates the social enterprises and cooperatives’ activities.

They provide corporate services as legal and accountancy ones and they promote national and international projects to support consortia and local networks.

The cooperative group includes:

- 58 local consortia
- 701 social enterprise and cooperatives
- 42000 employees

The most relevant bodies are:

- Mestieri: an agency for job mediation
- CGM finance: a fund to support the cooperative development within the group
- Welfare italia: a network of local slight health centers
- CooperJob: a job agency and a television service

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