



UniCredit Foundation

SOCIAL ENTERPRISES IN ITALY: FIGURES AND CASE HISTORIES

Giuseppe Ambrosio

Sofia, 5th October 2015

ITALIAN NONPROFIT SECTOR

- December 31, 2011, **nonprofit institutions active in Italy are 301,191**. In Italian production the nonprofit sector represents **6.4% of economic units**, with **3.4% of employees employed by them**. The nonprofit is the main industry in the areas of social assistance (361 nonprofits every 100 companies) and cultural activities, sports, entertainment and fun (239 nonprofits every 100 companies).
 - Voluntary work (**total amount of 4,7 million people**) represents the largest share (83.3%) of people working in the nonprofit sector, while employees (**total amount of 680,000 units**) are 11.9% of total human resources employed.
-

LEGAL FORMS

- From the legal point of view, Associations are 289,000 (89.4%).
- Social cooperatives are 11,000 (3.7%), 6,000 foundations (2.1%), and the remaining 14,000 nonprofit institutions with other form (4.8%).



MAIN FEATURES OF SOCIAL ENTERPRISES

- Social enterprise is **a productive organization**, whose objective is to achieve a social benefit through the development of goods and services. These organizations create social value to improve the welfare of a community.
 - The innovative nature of social enterprises is the **ability to promote new tools, new products, new processes**. They often pursue goals as reducing inequalities through the employment of most vulnerable members of the community.
 - Social enterprises do their activities and reinvest their profits in order **to improve the conditions of the greatest number of people**.
 - **In legal terms, there is not a single/specific model to define this type of business**. Many social enterprises are classified as private enterprises, others are social cooperatives, associations, charities, etc.
-

SOCIAL COOPERATIVES (Law 381/1991)

- Particular types of cooperatives that will aim to pursue the general interest of the community to human promotion and social integration of citizens through the following activities:
 - **the management of social and health services and educational services (type A)**
 - **conducting various activities aimed to provide employment for disadvantaged people (type B)**
 - Presence of **constraints to the distribution of profits** generated by the economic activity
 - For type B, **the disadvantaged people must be at least 30% of workers**
-

SOCIAL ENTERPRISES (Law 155/2006)

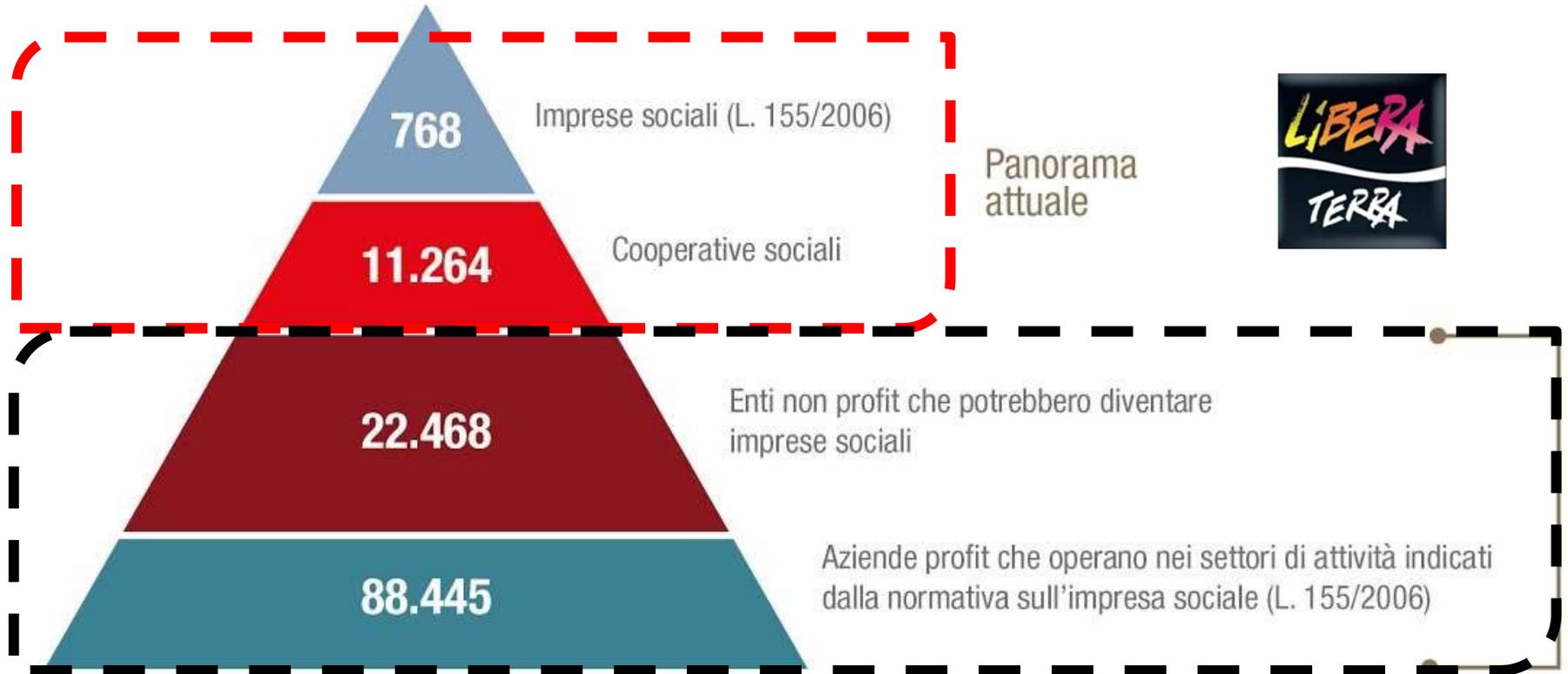
Private organizations, whatever legal form they have, whose the **production is stable and organized in order to exchange goods or services with a social aim, designed to achieve objectives of general interest.**

A social enterprise allocates the profits and operating surplus to the institutional activity or to increase assets. It's forbidden to distribute, even indirectly, profits and surpluses .

Sectors of activities:

1. Education and training (including extra-curricular)
 2. Protection of the environment and ecosystem
 3. Enhancement of cultural heritage
 4. Social tourism
 5. Higher education and post-graduate education
 6. Research and provision of cultural services
 7. Services instrumental to social enterprises
 8. Social assistance, health and social services
-

POTENTIAL OF SOCIAL ENTERPRISES



Oltre
VENTURE

LIBERA TERRA: PREMISES AND MISSION



The confiscation of the mafia assets is already regulated by a 1982 law (the first that established the crime of criminal organization with mafia).

After a collection of 1 million signatures throughout Italy, a new law established the social re-use of confiscated property to mafia: Law 109/96.

The law provisions permit the allocation of confiscated goods also to nonprofits, and among them, to social cooperatives

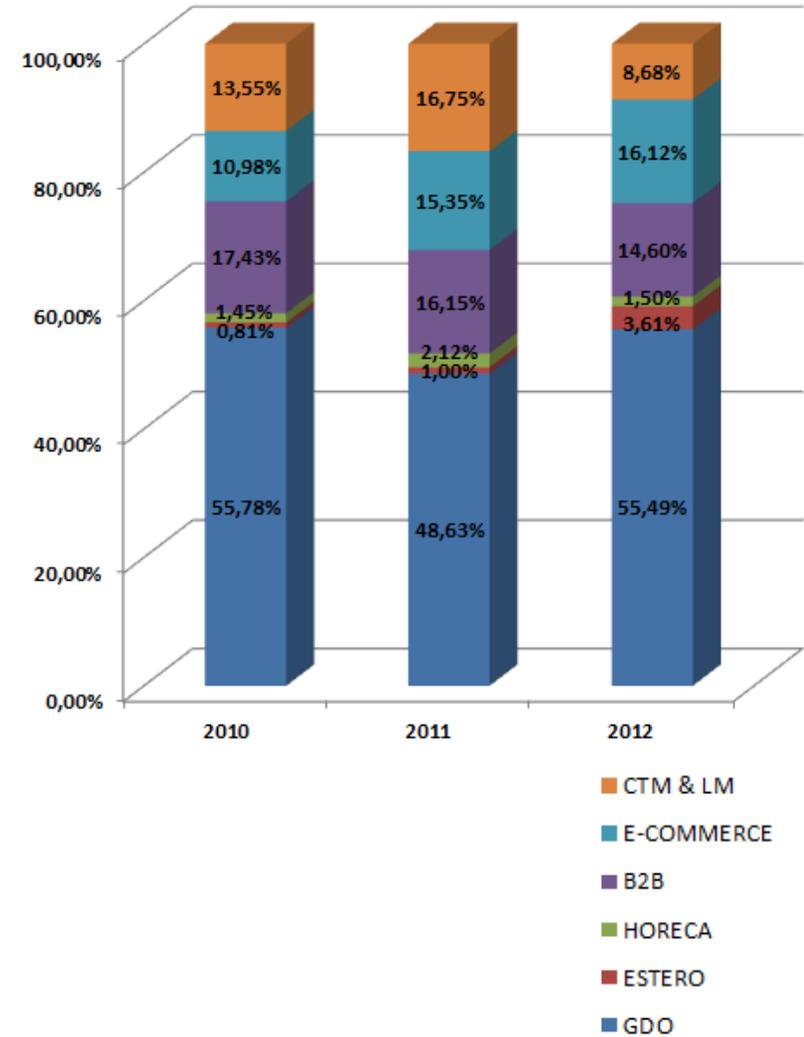
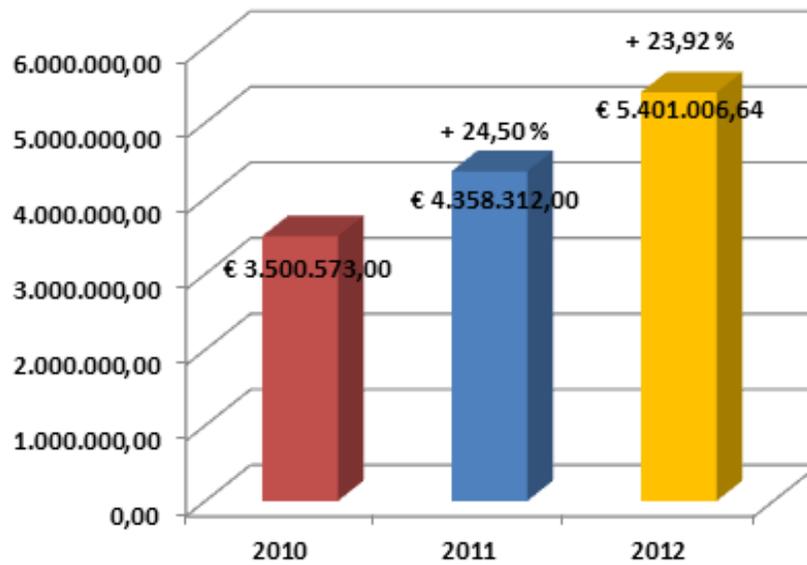
In several Italian regions (not just the South) the law 109/96 has allowed start-ups of social entrepreneurship initiatives leveraging on confiscated goods

The mission of Libera Terra is to give dignity to the land characterized by a strong mafia presence, through the creation of social cooperative farms, autonomous, self-sustainable, able to give work, creating a positive and virtuous economic system, based on the Law, the social justice and on the market.

LIBERA TERRA: SOCIAL COOPERATIVES AND PRODUCTS



LIBERA TERRA: REVENUES AND COMMERCIAL CHANNELS



OLTRE VENTURE: MICROCREDIT



- 🕒 PerMicro was created with the goal of building a professional operator of microcredit and economically sustainable to support micro business activities of people who have no access to bank credit.
 - 🕒 The main target is the world of immigrants.
 - 🕒 All previous experience in Italy have been local, in ways nonprofit and run by volunteers: no survived in the long run.
 - 🕒 Permico was founded by Oltre Venture and Paideia Foundation, supporting the project of a young man (Andrew Lemon) experienced in the ethical finance sector and who proved to be a successful entrepreneur.
 - 🕒 Permico has grown steadily attracting new shareholders including: many Italian banking foundations, the European Investment Fund and the banking group BNP Paribas, up to raise capital to EUR 7.5 mln.
 - 🕒 Permico has 12 branches in major Italian cities, it screened 15,000 loan applications and disbursed 6,000 loans for a total amount of EUR 30 million.
-

OLTRE VENTURE: SOCIAL HOUSING



- 🕒 The housing issue is one of the more pressing needs of our society: Oltre Venture focuses on the housing needs of the population segment that sees in accommodation a temporary solution to their housing needs, and social relationships.
 - 🕒 The intervention consists in the creation of companies that take leased properties by the owners (usually funds of real estate in housing) and develop the housing model and relational services.
 - 🕒 In 2009 Oltre Venture created Sharing Srl developing two social housing projects for the temporary creation of 250 housing units for about 830 beds. The first project was opened to the public in 2011, the second will be inaugurated at the end of 2015. Within these housing solutions there are also commercial activities.
 - 🕒 In 2013 Gastameco Srl was founded with the goal of creating one of the main Italian companies in the management of student residences. Today's market is characterized by the student residences private offer at high prices (700-800 €/month) and public offer low fares (100/150 €/month) and with poor quality. Gastameco offers good quality at affordable prices (250/350 €/month). The company already operates two residences in Milan and Venice.
-

OLTRE VENTURE: HEALTH



- 🕒 Centro Medico Sant'Agostino is a chain of clinics that provide medical services.
 - 🕒 The centers operate in both areas only recently covered by the Public System (dentistry and psychology) and in all other specialist areas, offering high quality (clinical and service) at prices well below the market rate, slightly higher than the Public ticket.
 - 🕒 The offer is characterized by :
 - ✓ high value
 - ✓ innovative models that take charge of the patient for the entire cycle of diagnosis and care while reducing costs and increasing patient satisfaction
 - 🕒 The center is growing at an annual rate of over 50% and now has 50,000 patients.
 - 🕒 In 2013, the results were higher than the budget, with a turnover of more than EUR 5 million and positive EBITDA.
 - 🕒 Through increase of capital attracted new members, the company aims to become a national operator.
-