



**Interreg**  
CENTRAL EUROPE

**SENTINEL**

WP 1

**Elaboration of cooperation and support models of SEs operating in disadvantaged CE regions**

ACTIVITY 1.1.

**Analysis of existing SE support services and SE networking initiatives in PP countries**

DELIVERABLE 1.1.2.

**Country report on SE support services and networking initiatives - ITALY**

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### EXECUTIVE SUMMARY

The framework of the social enterprise in Italy derives from a consolidated cooperative experience, which has historically marked the economic and social dimension of some regions of the country. Being a country of long and consolidated experience in this sector, Italy represents a case that permits us to analyze the situation of the social enterprise in Italy in a dynamic dimension, because it not only gives us the picture of a specific situation in the current historical context, but also allows us to understand the historical process and the complex evolution. Therefore, with the aim to develop a comparative analysis within a geographical area such as that of the Interreg Central Europe Programme, the description of current characteristics and trends of the Italian experience could represent an interesting benchmarking to support future comparative study with other countries where SEs represent a rather recent experience.

The present report shows that, despite the consolidated historical path, also in Italy, as in other European countries, it's difficult to catch a clear profile of the social enterprises domain: the sector is rather complex, fragmented and sometimes chaotic. The national legislation has evolved, having however held for years only the cooperative profile, and having tried to put order in the entire social enterprise sector only recently.

As at trans-national level, also at national level the SEs sector presents substantial diversity in regional economic and welfare contexts, as well as in regional legal frameworks. Anyway, some common principles permit us to recognize a national cultural background and to define a common cultural approach.

The cooperative approach finds its first and highest recognition in the Italian Constitution (art. 45), that stresses the social function of cooperatives. The whole Italian legislation is based on this principle, starting from the Law 381/1991 that defines the social co-operatives, dividing them in two types, plus Consortia. Later on SEs are regulated by the Law 155/2005 that defines the areas of interest and the legal forms that a social enterprise may adopt: productive activities with an economic interest are crucial, according to entrepreneurship criteria (continuity, sustainability, quality), however, unlike conventional companies SEs must also have a clear social aim.

As far as social cooperatives and social enterprise are concerned, Italy has promoted different legislation in order to adapt or to tailor the existing legal forms to take account of the specific features of social enterprises. From a even wider perspective, Italy approved a new law in June 2017, for the reform of the Third Sector, which introduces significant new developments including

a series of fiscal and financial levers with the possibility of establishing new forms of “social financing”.

Because of their growing in number, with different legally or institutionally recognised forms of social enterprise, it’s hard to capture the ‘de-facto’ universe of social enterprise. Third sector entities are non-profit private organisations who carry out activities of general interest of solidarity, but also for civic and social utility purposes, and the new law includes associations and foundations with commercial activities; social cooperatives serving general or collective interests; social enterprises pursuing an explicit social aim. For this reason it is difficult to determine a precise number of existing SEs in Italy, also because of the lack of a unique source of data. Concerning social cooperatives there are provincial and regional registers, and according to different sources the number of cooperative varies from 80.363 to 114,629.

The present report highlights the case of two Italian region, Trentino and Friuli Venezia Giulia, that are both areas of strong interest for the SENTINEL project objectives: they present positive and consolidate experience of SEs but also disadvantaged mountain areas where innovative solutions are needed.

The evolution of the Trentino co-operative movement has been driven by the concepts of autonomy and economic development in an alpine area. The Province of Trentino was the first regional government in Italy to regulate social co-operatives in 1988. The Autonomous Province of Trento is a unique case of Regional Administration having a dedicated Department for Cooperation.

The Friuli Venezia Giulia Autonomous Region proclaimed a specific law for social cooperatives in 2006 (regional law 20/2006), with the aim to provide rules for the social cooperation domain.

In Friuli Venezia Giulia (FVG) social co-operation is well-known and consolidated, with a general positive feeling by the population. The first social cooperative in Italy, and consequently in Europe, was born in 1972 in Trieste as results of the psychiatric reform that took place in the Psychiatric Hospital.

It is problematic to obtain a statistically robust picture of what social enterprises do. However, a broad typology of activities are presented on the basis of existing sectoral classifications, going from the most traditional ones to the recent innovative sectors. In Trentino and Friuli Venezia Giulia there are social cooperatives working in several sectors, from the traditional sectors of agriculture and welfare, with organisations such as co-operative banks, agricultural co-operatives, worker and social co-operatives, consumer co-operatives, to the most innovative ones linked to agrifood and wellbeing, smart cities, tourism, natural heritage and landscape valorisation.

The system stands out particularly for the presence of consortia: inter-cooperative societies which coordinate and integrate cooperative activities, creating a second-level organisational system.

Italian cooperatives are represented, at national and regional level by: Confcooperative – Italian Cooperative Confederation, Legacoop – National Cooperative League, Italian National Cooperative Union, A.G.C.I. - General Association of Italian Cooperatives.

Networks are mainly umbrella and advocacy organisation, and they provide skills, knowledge, and information to the co-operatives which may lead to improve governance and performance.

Consortia have promoted a broad variety of business development services and support schemes specifically designed for social cooperatives and social enterprises, with different services for different kind of organization (i.e. a start-up or a big company).

Regional and local consortia are networks aimed at the direct management of services (assistance or other type of services) provided by the cooperatives. In other cases, Consortia address the needs of their members by offering mainly administrative and accounting services. Provided services can include: incubation spaces and related services, business coaching and advice, orientation in scouting financial opportunities, training to enter the job market, marketing and communication strategy, legal support, networking, co-working.

The experience of social enterprise networks and/or some form of mutual support structures shows that these can play an important role in supporting the development of the sector by offering support, guidance and advice, as well as acting as an advocate for the sector.

At the end of the report key Factors Enabling or Hampering SE support services and networking activities are listed in a SWOT analysis scheme. The main common strengths are autonomy of the regional Government enabling a closer understanding and connection with the local needs, the increasing number of social cooperatives and social enterprises and the existing policies supporting social economy as an instrument for sustainable development. The main common weaknesses are the rural and remote areas that are characterized by depopulation, localism, high dependence on public policies and resources (cut in public expenditure), lack of SE support service training.

As far as the SEs are concerned the evolution of the Reform of Social Economy and Third Sector in Italy is an opportunity but also a threat.

## **1. SOCIO-ECONOMIC AND INSTITUTIONAL CONTEXT**

A brief introduction on the legal and fiscal framework regulating social economy and co-operatives in particular is required to understand the development of cooperatives over social enterprise in Italy.

The Italian legislation stresses the social functions of cooperatives which is explicitly recognized in Article 45 of the Italian Constitution, which states: “The Republic recognises the social function of cooperation with mutual character and without private speculation purposes,” and promotes and favours its growth. This general indication is at the base of a more detailed Italian cooperative law which has undergone different changes over time and which mainly establishes the requirements needed for cooperatives to be recognized as having social purposes: i.e. the requirement of conducting at least half of its business with members; the obligation to choose between two regimens (“predominant mutuality” that is a regimen with limitation to distribute their profits and mutual obligation, or “non-predominant mutuality” that is a regimen characterized by the same obligations, but in a lighter form); and the restriction for the distribution of profit.

Further specific laws are foreseen in the Italian legal framework according to the typology of cooperative (i.e. production, worker, consumer, credit banks and social cooperatives -types A and B) as follows:

- Social cooperation is governed by Law 381/1991, promulgated by the Italian State, which regulates the constitution process and the specific activities.
- Social enterprises by Law 112/17 e Law 117/17
- Cooperative credit banks are based on 1993 Testo Unico Bancario (Consolidated Law on Banking) and on the instructions provided by Banca d'Italia (Bank of Italy), which are fully-fledged laws.
- Production and worker cooperatives relate to Law 142 April 4th 2001, which regulates the position of worker members.
- Agricultural cooperatives are managed through the regulations of both the legislative decree no.228 May 18th 2001, and of no.99 on professional agricultural entrepreneurship March 29th 2004.

The Italian legal system foresees specific regulations for social enterprises (SE). Accordingly, an SE is a private juridical subject, autonomous from public administration, which carries out production activities according to entrepreneurship criteria (continuity, sustainability, quality). However, unlike conventional companies, social enterprises act according to an explicit social aim: their main purpose is not to generate financial gains and profits but to provide goods and services either to their members, to the community at large, or to disadvantaged sectors of the society, i.e.

pursuing goals other than profit, establishing a balance between a fair remuneration and the possible benefits to those using the services/products.

SEs involve different types of stakeholders (from volunteers to financial supporters), both in terms of property and management; maintain strong bonds with the local community in which they operate; and get the resources they need from a plurality of sources (public administration, charitable donations of money and work, from the market and private sources).

In Italy social enterprises are regulated by Law 112/2017 and Law 117/2017 defining the areas of interest and the legal forms that a social enterprise may adopt. Social enterprises can carry out productive activities with an economic interest, but they must also have a clear social aim. They may have different legal forms but the private limited company is the most common. The typical areas of competence are research and supply of cultural services, environmental and cooperative education, environmental protection, promotion of public assets and cultural heritage, social tourism and supply of development services for enterprises with a social purpose.

Members and voting: In Italy, members have 1 person, 1 vote. Non members may be part of governance bodies, but cannot vote. Non members who are directors may only vote on the board. Italian social enterprise allows non members to be part of governance bodies as well. Residency requirements vary. A minimum entrance fee is required.

The Italian law requires co-operatives to invest at least 30% of their surplus in a reserve that may not be divided among members, which contributes to self-capitalise the growth of the co-operative and encourages investments in the “social” business. Reserves are permanently owned by the co-operative, ensuring financial stability in the long term.

Other provisions regard the treatment of the surplus or net profits and the benefits of tax exemptions or reductions. The rule is that they should be invested for further job creation or local social initiatives. For this reason, the co-operatives are restricted from distributing profits among current members in favour of reinvesting towards new democratic employment or initiatives that are the consequence of the mutual nature of the co-operative as such. (OECD, 2014, The co-operative model in Trentino – Italy).

The Italian legislation establishes that any remaining profits should flow into a reserve that cannot be divided among members (asset lock) either during the life of the cooperative enterprise either in case of dissolution or if the cooperative is sold or transformed into a different type of company. Until 1993 these profits were donated to charity; since then they flow in dedicated funds aimed at the development of cooperation which are managed by its representative bodies. With regards to the conversion of cooperative banks into joint stock companies, the current reform prescribes that the

coop banks (i.e. with less than €200 million in net assets) wishing to remain independent will also be required to transfer their assets to one or more mutual funds for the promotion and development of cooperation (*fondi mutualistici per la promozione e lo sviluppo della cooperazione*) established under Law n. 59/92. the question of asset lock is more complex and governed by specific laws/provisions which prescribe different rules as for example the taxation of the reserves. Nowadays as the cooperative banks are under reform, the question is not well defined

As far as taxation is concerned, cooperatives are exempted from the payment of a part of the taxes on profits or gains which are allocated to the indivisible reserve and are needed to strengthen the enterprise and its capital. For instance, the exemption from the payment of corporate tax (IRES) can vary from 30% to 70% out of the assets according with the regimen characterising the cooperative (predominant mutuality or non- predominant mutuality). Social cooperatives are totally or partially exempted from the payment of tax previously mentioned. Moreover they benefit from a reduced value added tax (VAT). Additionally, social cooperatives type B (similar to WISEs) are exempt from the payment of the social security contribution for the disadvantaged workers employed. There are also tax exemptions from private donations to social cooperatives, NGO and ONLUS organisations. Social enterprises had no fiscal benefits until June 2017 due to the new fiscal regime. In fact with the new law approved in June 2017, Italy has adopted the reform of the third sector which introduces significant new developments including a series of fiscal and financial levers in order to encourage the start-up and development of social enterprises and organisations in the third sector which didn't take off with the previous law of social enterprises considered not so satisfactory than the law on social cooperatives (Law 381/1991). Furthermore, the reform introduces the possibility of establishing new forms of "social financing". There are many novelties that the reform should introduce in relation to the current discipline and their effects will be integrated and reported during the life of this project.

As far as the size of the phenomenon of social economy is concerned it is difficult to determine a precise number of cooperative in Italy, due both to the evolution of the legislation regarding this economic field and the lack of a unique source of data. In Italy, there are provincial and regional registers for cooperatives. Social enterprises have to register at the Chamber of Commerce and the public registry. The Italian Cooperative Society Register counts 114,629 Cooperatives (figure updated last July 2017). However, the database is continuously updated and is be easily accessible in the website of the Ministry of Economic Development <sup>1</sup>.

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<sup>1</sup> <http://dati.mise.gov.it/index.php/lista-cooperative?resetfilters=0&clearordering=0&clearfilters=0>

According to the Confcooperative report<sup>2</sup>, the number of active cooperative in Italy at 31st, December 2016 is 80.363.

Social enterprises are part of the Third Sector defined by the recent Italian legislation 112/2017, and it is worth to analyze the content and meaning of the recent law to provide the general framework that includes social enterprises.

In 2017 the Italian government has also issued the Third Sector Code (Decree 117/17), with the main aim, among several specific objectives, to provide a common framework to a sector that is growing up in quantity and quality of activities without a precise and single definition. In the last 30 years, sectoral laws have been approved but they were not linked to a common strategy. The increasing role played by the Third Sector organisations, especially in the welfare sector, required policy intervention mainly to address the need to check and verify the quality of services and activities provided, to define who are the providers and how they work. The approved Code is important because clearly defines which are the organisations of the Third sector, what they do, and for which purpose.

Third sector entities are non-profit private organisations who carry out activities of general interest of solidarity, but also for civic and social utility purposes. The limitation to the Code is related to the unclear relation with other existing laws, as the one on social enterprises (Decree 112/17) and the one on social cooperatives (L 381/91), and to the absence of implementing decrees.

The implementing decrees should be important to dwell on the value of some terms adopted in the Code, in particular the concept that the goal of the Third Sector's activities is the pursuit of the "general interest" – usually related to public organisations aim - that has been added to the already foreseen "private interest", traditionally pursued by the market-oriented sector.

The legislator indicates the Third Sector as the subject able of achieving the whole set of conditions that guarantee the concordance between the good both of the individual and of the community. This definition recognizes the potential important role of the Third Sector that for some experts overrides the level of the two interests (private and public) or at least is at the same level as the public one. That means that the legislator placed the Third Sector, and consequently entrusted it with high responsibility, on the same level as the Public organisations, but without defining the tools that enable the Third Sector to play this role.

The effects and consequences of the law will depend on the future actions both of the Third Sector and of the Public Administrations.

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<sup>2</sup>[https://www.google.it/url?sa=t&ret=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwihyt2O8v7UAhXIIMAKHeC\\_DGkQFggnMAA&url=http%3A%2F%2Fwww.reggioemilia.confcooperative.it%2FDesktopModules%2FEasyDNNNews%2FDocumentDownload.ashx%3Fportalid%3D0%26moduleid%3D482%26articleid%3D2141%26documentid%3D331&usq=AFQjCNFCKOfcXfZTd6CplZWqoZiExodLXA](https://www.google.it/url?sa=t&ret=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwihyt2O8v7UAhXIIMAKHeC_DGkQFggnMAA&url=http%3A%2F%2Fwww.reggioemilia.confcooperative.it%2FDesktopModules%2FEasyDNNNews%2FDocumentDownload.ashx%3Fportalid%3D0%26moduleid%3D482%26articleid%3D2141%26documentid%3D331&usq=AFQjCNFCKOfcXfZTd6CplZWqoZiExodLXA)

The priority will be then to strengthen the capacity building and commitment of public bodies to involve the Third Sector in the design and implementation of activities and services. Otherwise, the risk is that the Third Sector will keep working as a mere provider, focusing on emergencies and not on long-term strategies, without any common consciousness of its role and new potential responsibilities.

## FOCUS ON THE TRENTINO REGION

In the Italian panorama, a specific cooperative case is represented by the Trentino Cooperative Movement. In fact, the Province of Trento (or Trentino) is one of the European regions with the highest density of cooperative enterprises, some of which have been active since the end of the 19th century. Cooperative members amount to 270,000 people out of a population of 500,000 counting 210,000 family units. Trentino is also one of the regions with cooperatives in the greatest variety of economic sectors. Over the years, the cooperative experience in Trentino has expanded from the traditional areas of credit, agriculture and consumers, to now encompass social services, environmental management, energy production, culture and education, with the ever important role sustained by the one unique Federation engaged in innovative cooperative training and education activities.

The system stands out particularly for the presence of consortiums: inter-cooperative societies which coordinate and integrate cooperative activities, creating a second-level organisational system.

The evolution of the Trentino co-operative movement has been driven by the concepts of autonomy and economic development in an alpine area. In 1951, the economy of the province of Trentino was still weak: 41% of the population was employed in agriculture and the province ranked 67 out of 90 Italian provinces, in terms of per capita GDP. Industrialisation was slowly growing based on small enterprises operating in declining sectors. Tourism, which is now a relevant source of wealth and local development also for remote areas, at that time needed a radical re-organisation. Also agriculture needed to enter a process of modernisation and now there are key productions that reach excellent levels at national/international level.

The Trentino Autonomous Province (PAT) has wide administrative and legislative competences

over a large range of subjects. This special status<sup>3</sup> had a strong impact on the legal framework that shaped this economic development of Autonomy allowed the Region and the Province of Trento to autonomously manage its own industrial and economic development policies which required more than a decade to take effect as seen in the consistent migration out of the area up through the 1960s. This is a crucial point to understand the rise of the Cooperative movement in Trentino and the peculiarity of the Social Economy District developed in this territory. In fact, the promotion, development and supervision of co-operative enterprises were included among the autonomous region's exclusive legislative competencies. In 1954, the regional Co-operative Supervision Law assigned these functions to the Federation of Trentino Co-operatives. For the rest of Italy, the supervision of co-operatives was regulated by a national

This is still a remarkable peculiarity. In fact the Autonomous Province of Trento is a unique case of Regional Administration having a dedicated Department for Cooperation.

The strength of co-operatives in Trentino is in great part due to the role Federation has played in defining the strategic framework which allowed the rise of single co-operatives as well as consortia. Federation has chosen an internal organisation around the different sectors with the establishment of four different committees:

1. co-operative banks,
2. agricultural co-operatives,
3. labour services, social and housing co-operatives,
4. consumer co-operatives.

This type of organisation has made it possible to strengthen the collaboration among co-operatives operating in the same sector.

The consortia are the anchor of the whole system, providing the economic viability for the majority of small cooperative. This stimulated single co-operatives to adopt convergent strategies in terms of quality of production, innovation etc.

It is worth noting that this model is still acknowledged and the list of consortium members has been growing consistently over the decades.

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<sup>3</sup> In 1947, the Autonomous region of Trentino Alto-Adige was created with exclusive legislative control over many key areas including agriculture, handicraft, and tourism. The autonomy of Trentino Alto-Adige roots in the situation emerged after World War I when Trentino passed from the Austro-Hungarian Empire to Italy and the centralisation and intensive Italianisation processes caused great discontent, especially among the German speaking populations. After World War II, both the Peace Treaty between Austria and Italy and the Italian Constitution granted considerable autonomy to the former Tyrol area in order to protect the identity of the German speaking population.

“Taking a closer look at those operating in the agricultural sector we note that in 1949 the Federation supported the creation of the CCPA (*Consorzio delle Co-operative dei Produttori Agricoli della Provincia di Trento*, Consortium of Trentino Farmers) to coordinate the phases of fruit production and centralise its commercialisation on behalf of the member co-operatives. In 1951, the CAVIT (*Consorzio delle cantine sociali del Trentino*, Consortium of Trentino Wineries) was set up which since the beginning provided technical consultancy, participated in national wine expositions and fairs, commercialised wine within and outside the borders of Trentino. In the same year the CCS (*Consorzio dei caseifici sociali del Trentino*, Consortium of Trentino Communal Dairies) was also created to provide technical assistance and help farmers with maturing cheese and promoting local products. Between 1973 and 1978, the CCS contributed to the creation of a second consortium, named *Trentingrana*, to centralise the ageing, commercialisation and directs sales of grana cheese. To sum up, since the 1950s, the three most important Trentino agricultural sectors (wine, milk and fruit) benefited from the services of second level co-operatives for promoting, and improving the quality of their products.

Even when these organisations were not always successful, they laid the foundations for modernising agriculture and above all for the development of the agro-industry across the valleys.” (OECD, 2014, *The co-operative model in Trentino – Italy*).

FTC co-operatives are divided into the following economic categories: agriculture, consumer and retail, financial and LSSA (labour, social, services and housing co-operatives) which includes manufacturing, resource and community development, housing, tourism and recreational activities as well as social services. This last category is very heterogeneous and reflects the dynamism of the cooperation movement in the last 20 years.

### **Historical cooperative sectors:**

#### **Rural banks.**

Rural banks historically have played a pivotal role in the Trentino economy and within the co-operative system, granting loans to agriculture and retail during the 1950s-1970s, and afterwards to industry, tourism and agriculture.

#### **Consumer co-operatives.**

The co-operative movement developed retailing and banking sectors having the awareness that the quality of life in small communities, especially in dispersed rural areas and in depressed mountainous areas, depends also on the availability of shops and bank branches and therefore small shops and bank branches should be scattered in the whole region also in remote villages. Only the

co-operative model is able to offer in 113 municipal area of Trentino shopping at normal prices, thanks to the social objectives and the economies of scale achieved through the consortium as a common buyer and distribution centre.

This is a challenge for the cooperative system because the competition with bigger player is high and to maintain small shops is more a social commitment to support local communities and avoid depopulation.

It is very important to underline that all sectors are permeated by a social commitment, namely to create the condition for a sustainable local development by enhancing different activities in different areas of the region.

Consumer co-operatives currently have 44% of the market share, and a turnover of € 430 million (figures for 2016) Including retail operations, distribution, logistic services located within the urban centres and tourist areas and 76 Famiglie Cooperative with 396 shops in the smallest communities in the valleys.

### **Agricultural co-operatives.**

The promotion of agricultural cooperatives have three main implications: to enhance the quality of production, to maintain the rural environment and the agricultural tradition (it is worth remembering that Trentino is an alpine territory); to keep farmers in their valleys preventing the abandon of mountain areas.

Main agricultural productions are: wine, milk, cheese and fruit (apples and small fruits such as strawberries). One dedicated consortium was set up for each of these categories and mountain farming finally became market oriented. The two-level co-operative model separating production and marketing activities highly supported the small enterprises composing the majority of the farming structure in Trentino. At the first level the co-operative provides the farmers the technical and financial support for innovation and other forms of advancement in production. The second level consortia, created at the end of the eighties, improved the product development and reinforced the marketing function.

### ***Labour, social, service and housing co-operatives (LSSA)***

Since the start in the eighties, FTC decided to merge the social objectives into four activities: labour, social, services and housing. There is a wide diversity in size, membership and the way they function with respect to the “traditional” co-operatives.

The development of labour co-operatives in the Province of Trento began in the 1980s in relation to a dedicated policy adopted to reduce unemployment which granted incentives for hiring laid off workers and provided financing for public works under a special project, called *Progettone*.

Hundreds of people who were unable to get onto the job market were assisted and then employed thanks to an inter-cooperation strategy promoted by the social and labour co-operatives. More than 3 000 affordable homes have been built and handed over since the set-up of the first housing co-operatives. The co-operatives are mainly providing services, although some new co-operatives, still in the service sector, are seen as an

opportunity for self-employment, since they are organised and formed with a minimum membership of 3 (three) persons, usually with high technical competences.

The Federation fostered the creation of worker co-operatives and in 1987 created a second level organisation due to the fact that most of these co-operatives were small in size and specialised in low value added activities. Since then the *Consorzio Territorio Ambiente* (Territory and Environment Consortium) has helped these co-operative with long term technical and commercial assistance.

### **Social co-operatives**

The Province of Trentino was the first to regulate social co-operatives in 1988, while the Italian government waited until 1991 (Borzaga e Ianes 2006).

These co-ops are multi-stakeholder enterprises with non-profit sector origins, which bring together providers and beneficiaries of a community service under one membership. These groups are linked to the evolution of the Italian local welfare systems. As for other sectors the development of social cooperatives led to the constitution of a Trentino provincial consortium, named *Consolida*. It was created to provide member co-operatives with technical and managerial help, vocational training courses and to organise promotional activities within the communities. *Consolida* includes social co-operatives type A, i.e. that offer social assistance and educational services; and type B, i.e. that work towards reinserting people with personal and social difficulties in the workplace.

Social cooperative cover a variety of services that range from social inclusion of people with various forms of disability, to working with infancy to adolescence, working with the elderly, immigration and in social tourism.

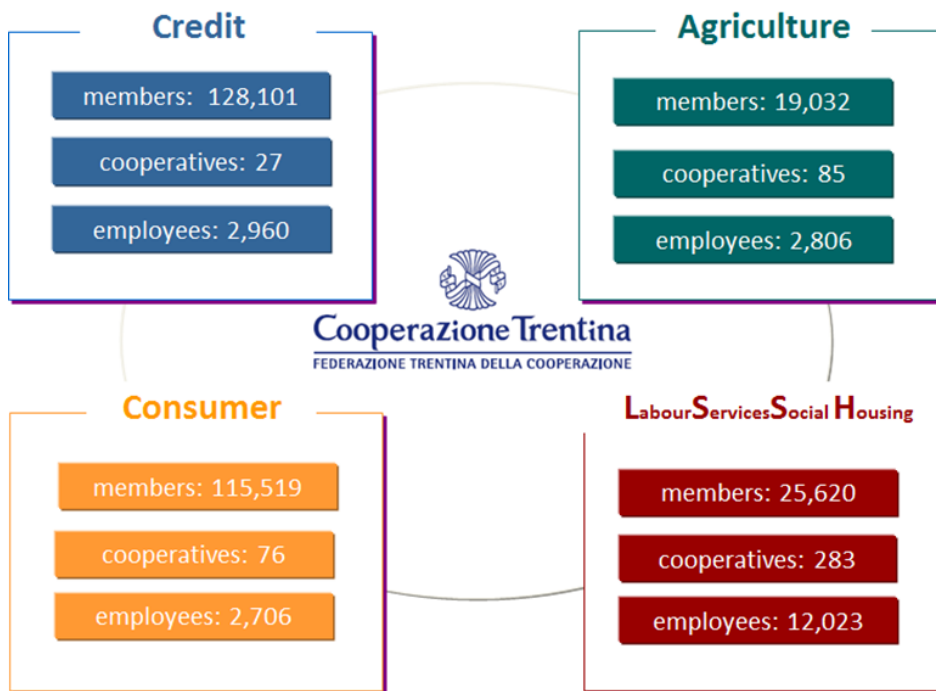
### Evolution of the co-operative sectors in Trentino (2010, 2013, 2016)

	Number of co-operatives			Active members		
	2010	2013	2016	2010	2013	2016
<b>First level co-operatives</b>	<b>517</b>	<b>508</b>	<b>463</b>	<b>273.753</b>	<b>289.069</b>	290.201
Agriculture	68	69	81	17 167	15 414	18.602
Consumer and retail	80	80	75	96 491	108 933	117.892
Financial	46	43	36	120 352	125 153	128.101
LSSA	294	289	212	24 070	24 370	25.606
Other	29	27	59			
<b>Central and Second level co-operatives</b>	<b>22</b>	<b>25</b>	<b>32</b>			
<b>Total</b>	<b>539</b>	<b>533</b>		<b>280 831</b>	<b>299 222</b>	

The market share of cooperative businesses in the agriculture sector is almost 90%, while it stands at 60% in the credit sector (*Casse Rurali*), and 38% in terms of consumption (*Famiglie co-operative*).

The co-operative turnover of € 2.51 billion (FTC 2016) guarantees stable employment to more than 20 000 people. The widespread presence of co-operatives throughout the province has led to the definition of Trentino as a "co-operative district" having few analogies around the world (Cattinelli 2007, Co-operative Europe 2009; PAT 2011). For its role of aggregation, direction and support, Trentino Federation has been acknowledged as a "collective entrepreneurial force" in its capacity to "rationalise and coordinate" a movement otherwise fragmented in small cooperatives (Cattinelli 2007).

## Main sectors and related figures



## New and potential businesses related to local resources

The mapping work leading to the identification of the Smart Specialization of Trentino has pointed out the following leading sectors: Energy and Environment, Mechatronics, Agrifood and Wellbeing. Among the field of Wellbeing there are several areas of interest:

- Health, wellbeing and social care
- Smart cities
- Tourism, Culture and Sport
- Natural heritage and landscape valorisation

Trentino is an alpine region with a great heterogeneity of landscapes offering an heterogeneity of tourism opportunities.

In rural areas with natural touristic resources social enterprises should be key actors to enhance these resources in the benefit of the entire local community. In Trentino many organizations for tourism promotion are cooperatives. The challenge is to combine traditional tourism flow in a sustainable perspective. An interesting example is the combination between agriculture and tourism as a combination of factors where food, landscape and tradition are key aspects for new tourist experiences.

Other tourism related topics are the exploitation of tourism facilities in low season when they are not fully used to provide alternative social and healthcare opportunities (for instance exploit spa that have therapeutic properties) and the promotion of social tourism in Alpine areas by re-using abandoned buildings and defining a common standard of services for “social tourism”

An interesting case of cross-sectoral innovation combining social care, real estate and tourism is the creation of a recreational-tourist centre in an ancient convent in a Trentino valley. The restoration of abandoned buildings in remote areas can be an opportunity to balance social and economic interest. This is a way to maintain the vitality of places that risk to become desert (especially in mountain areas), to save important buildings thus preventing their ruin and the consumption of territory for new constructions. Accordingly, this is a solution that should be pursued also for social tourism meaning the combination of tourism with health and social services (for elderly, disabled people or persons with specific needs) by using abandoned buildings in alpine areas with the effect of preserving mountainous places and enhancing them as tourist destinations with social and healthcare services.

In this reasoning the strong agricultural tradition of Trentino could play a crucial role. The sector has started a dialogue with tourism initiatives in the past few years such as didactic farms and social tourism. But this is not an easy challenge because of formal aspects (such as different fiscal regimes between agriculture and social sectors) hampering the growth of hybrid solutions. Due to the complexity of the agro-industry sector, efforts should be directed toward the creation of a favorable ecosystems that brings in a common framework different tools and cross-sectoral actors.

Agriculture is another key sector that could be highly innovative considering the new frontiers of medicine, the societal challenges concerning resource efficiency, the emerging trends in retail and consumption, consumers’ interest in greener and healthier food. In this framework it is crucial for Trentino to exploit and enhance its competence and investment in agrifood, research and technology, on the one hand, and its robust tradition of agricultural cooperatives having proved to cover relevant market shares with high quality products such as wines, apples, wild fruits, dairy products.

Economic crisis has highlighted the weakness of local SMEs, most of which are too small to compete at international level and to invest in innovation projects.

Accordingly, the challenge that FTC is facing is to promoting exchange of practices in order to stimulate the rejuvenation of traditional sectors by combining different experiences and business sectors in innovative ways. FTC will have a key role in engaging entrepreneurs and producers’ consortia to:

- mobilize public and private actors for a coherent action in the area less developed

- rejuvenate cooperative business model
- support the creation of business networks as encouraged by the Small Business Act and support regional excellences in agrifood and related industries evolving in a dynamic value chain
- strengthen cross-sector cooperation both in terms of common initiatives and in terms of co-branding policies

Another challenge that this area is facing and where social economy can give a relevant contribution is the depopulation of remote villages in the mountain and more widely the challenges relate to aging.

Social cooperatives are key actors:

- To guarantee healthcare solutions when the public services are lacking especially in peripheral areas in order to maintain a level of integration and cohesion of local communities
- To meet emerging social and healthcare needs related to active aging assuring elderly people social networks to maintain a good quality of life

## FOCUS ON FRIULI VENEZIA GIULIA

The first social cooperative in Italy, and consequently in Europe, was born in Trieste as results of the psychiatric reform that took place in the Psychiatric Hospital in the Seventies.

The Cooperativa Sociale Lavoratori Uniti born in 1972 and later add to its name the name of Franco Basaglia, the psychiatric doctor who started the reform of the Italian system.

At the beginning the cooperative's working members were the patients of the psychiatric hospital, women and men, collaborating with nurses and volunteers in doing services and activities inside the hospital.

Following these example, other cooperatives started new activities employing and paying patients in different sectors, such as in coffee shop, restaurants, gardening, radio broadcasting, carpentry, etc.

Starting from Trieste the new idea had a wide dissemination, in all the Italian regions and also abroad, and a lot of cooperatives started their activities mainly providing social services and assistance and many of them employed disadvantaged people (patients with mental disabilities, people with physical disabilities, prisoners, drug addicted etc.)

Only twenty years later the Italian law recognises the existence and profile of this new

organisations: in 1991 the Italian law 381 was approved and gave a definition of the social cooperatives, dividing them in two types, plus Consortia:

- Tipo a) providing social, educational and assistance services;
- Tipo b) providing all type of services and goods but with the obligation to employ almost 30% of people belonging to disadvantaged categories, that were defined by the law. Disadvantaged workers should be members of the cooperatives, and the condition of disadvantage must be declared by the competent public administration office (for example social services or health department).

The law also foresaw the Consortium of social cooperatives providing services and networking activities to its members that means to social cooperatives.

Law 381 also established that social enterprises can count on a reduction for the labor costs referred to disadvantaged workers and social cooperatives type b) can sign formal agreements with public institutions/organisations, to provide services or goods.

### **Regional law on social cooperation**

The Friuli Venezia Giulia Autonomous Region proclaimed a specific law for social cooperatives in 2006 (regional law 20/2006), with the aim to provide rules for the social cooperation domain.

In Friuli Venezia Giulia (FVG) social co-operation is well-known and consolidated, with a general positive feeling by the population. There are anyway some critical positions on social cooperatives, that are accused of benefitting of reduced labor costs and not realizing the social goal that should characterize them.

The FVG Region "recognizes social co-operation as a form of self-management and direct participation of citizens in the solidarity processes of economic development and growth of the social dimension of local regional communities"; social cooperative can support emancipation of disadvantaged people and create civic networks "aimed at achieving good governance and the well-being of local communities".

In line with the national law 381 (art 9) and with the aim of supporting social cooperation, the regional government established the Regional Register of Social Cooperatives.

The Region FVG also established interventions for the promotion of social cooperation and provides the content of the agreements between social cooperatives and their consortia and local administrations.

Last but not least, regional law 20/2006 defines the principles relating to the link of social cooperation with the activities of socio-health services, welfare, education, vocational training and

employment development.

In Art 1 the Region recognizes and promotes in particular those social cooperatives that are mainly rooted in the territory in which they operate, those who are able to implement qualified and efficient work placements, working in collaboration with competent offices of public services (health, social, educational) and with the disadvantaged workers themselves. The law also promotes social cooperatives (type b)) that involve a higher number of disadvantaged individuals (more than 30% established by law 381), and who invest in innovation for improving the organization.

A specific section of the law (3) is reserved to "Interventions for the Promotion of Social Co-operation", that recognizes the importance role and the potentiality of social cooperation in the society. This part provides guidance for the establishment of a Regional Technical Advisory Committee on Social Co-operation, which has the task of promoting social cooperation. It is formed by regional leaders of cooperation, health, social, work and training sectors, and there are also representatives from the regional ANCI (national associations of towns and cities), the regional associations of the cooperative movement and the trade unions and a representative of the regional organisation of disabled people.

Art 14 foresees the ways the Region can support the social cooperatives. Contributions, for social cooperatives and their consortia, can be done for investments, consulting services and start-up support.

For social cooperatives type b), contributes could be provided also to partially reimburse costs related to salaries for disadvantaged workers, or costs for their training, transports and social inclusion.

In August 2017 FVG Region approved a new Regulation on the criteria and modalities for grants and contributions to social cooperatives. The Regulation (art 25) foresees contributions to Consortia of social cooperatives to cover the costs for providing consultancy and entrepreneurial support to their members –social cooperatives. Contributions are also provided to Consortia for projects aimed to create, to support and to strengthen networks of social cooperatives for marketing and innovative services.

Although the law established this contributions and recognised to the value of social cooperation for social development, it must be stressed the fact that the law did not indicate a fixed amount of grants and contributions for the social cooperatives. The amount is decided yearly by the Regional government, and the social enterprises are asked each year to submit a request – and of course to wait for an answer – and this often obstacles cooperatives in planning their activities and budget. The funds related to the tutoring activities for disadvantaged workers have decreased over the years, although this still represents a remarkable activity that characterises - or should do - the identity and

the role of a social cooperative type b).

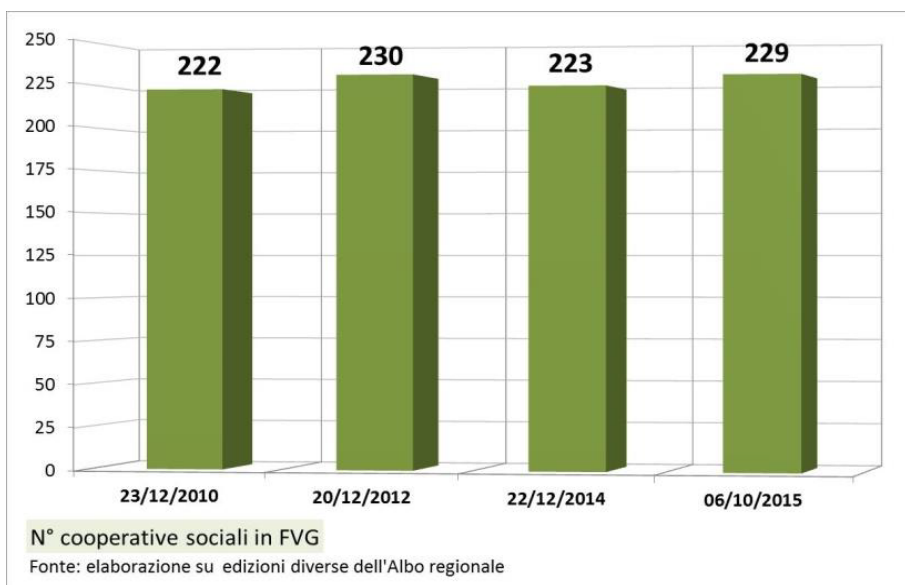
### The status of social cooperation in FVG

Table 1 shows that cooperatives a) and mixed ones grow up more than cooperative b), which are more present in the province of Udine. The number of employees is substantially stable, and in 2014 there is a small increase in the number of employees in the 'B cooperatives'.

The Consortia have grown between 2010 and 2012 but now they are less than dozen. These organisations are concentrated in the main urban areas and there is not even a consortium in the mountainous area.

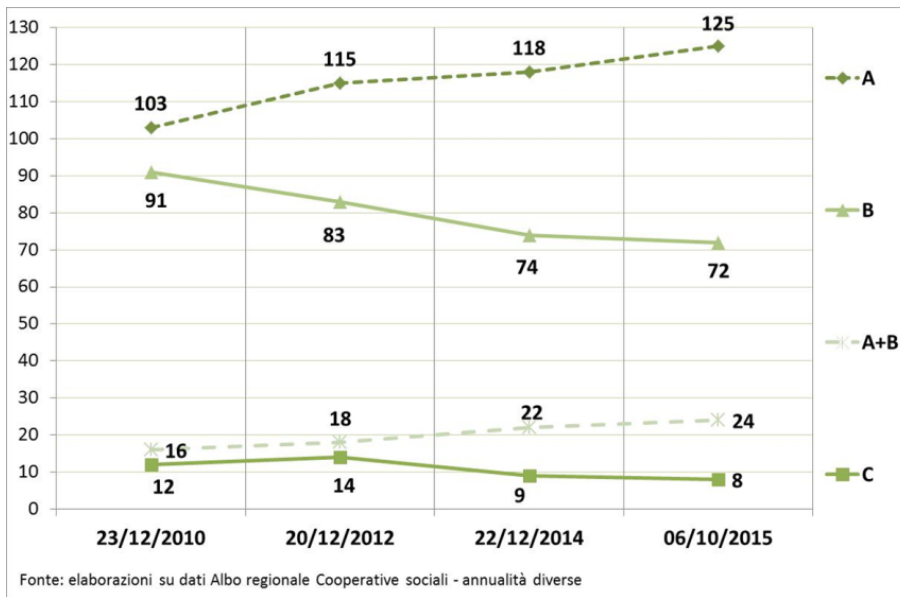
Considering the territory of Carnia, there were 7 social cooperatives registered and active in 2015, with 1.85 social cooperatives per 10,000 inhabitants. The last updated regional register of social enterprises (July 2017) counts 6 social cooperatives but for the purpose of SENTINEL project also the two social cooperatives based on other area but actually providing social services in Carnia (ITACA and Codess) and the community cooperative PanCoop should be considered.

**Table 1<sup>4</sup> Number of social cooperatives in Friuli Venezia Giulia**

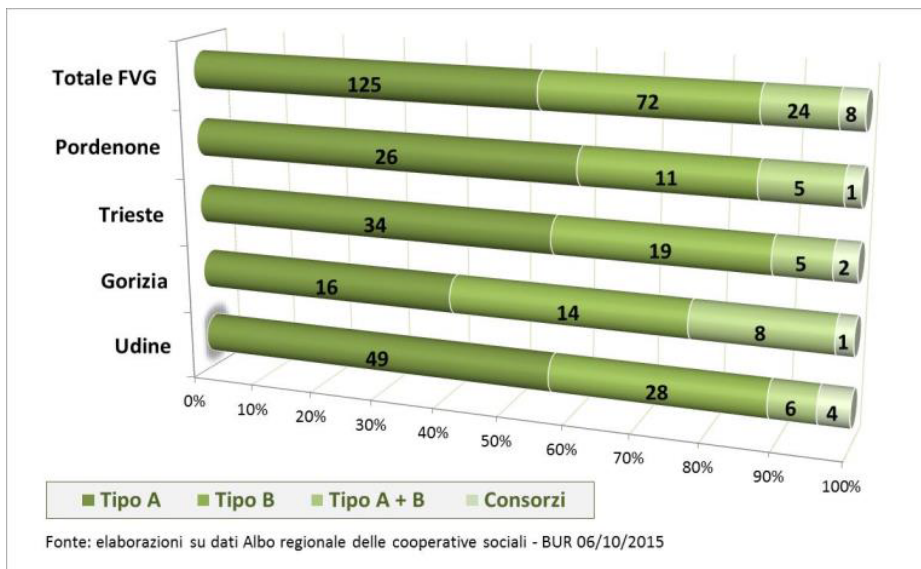


<sup>4</sup> Il terzo settore in FVG Dossier statistico 2015 I quaderni del Forum FVG n.2 A cura do Paolo Tomasin e Mario Marcolini

**Table 2 Number of social cooperative per type**



**Table 3. Number of social cooperative in the 4 Provinces**



With reference to the social cooperatives' workers, both members or not, the last available data (2014) gave a number of more than 10.000 employers and the 80% of them were employed by social cooperative type a).

In social cooperative type b) the number of employees grew up from 2013 to 2014 (source: Data from Autonomous Region of Friuli Venezia Giulia, Directorate for productive activities, commerce, cooperation, agriculture and forests).

**Table 4. Number of employees in social cooperative in FVG**

<b>Year</b>	<b>Employees in social cooperative type b)</b>	<b>Disadvantaged employees in social cooperative type b)</b>
<b>2013</b>	1204	395
<b>2014</b>	1453	470

Considering the Cadore area and its related regional legislation, the Veneto Region in 2006 approved the Regional Law n. 23 on promotion and development of social cooperation (Legge 3 novembre 2006, n. 23 “Norme per la promozione e lo sviluppo della cooperazione sociale”).

The legal framework is comparable to the ones at National level and in FVG, but in Veneto the law foresees that, the social enterprise/cooperatives can include not only disadvantaged people, but also vulnerable people (as defined by the art. 2, comma 1, letter f), of the CE Regulation n. 2204/2002 dated 5 December 2002) and frail people (as defined by the art. 22 of the Italian National law n. 328/2000 "Legge quadro per la realizzazione del sistema integrato di interventi e servizi sociali").

Moreover, the Veneto law provides more details on the ways of funding and the amount of available funds, although there are not mandatory.

## **2. SOCIAL ENTERPRISE SUPPORT SERVICES**

The overview of support services for social enterprise cannot be detached from the kind of organization because needs vary remarkably if it is a potential enterprise/start-up or a big company aiming at enlarging or restructuring its business.

We start then with considering the services related to the first phase, that is launching a business initiative.

Start up are potential new enterprises but they are not necessary run by young people, that is why the services for youth entrepreneurship as well as women entrepreneurship have a dedicated set of services within the Federazione Trentina della Cooperazione. They are provided, respectively, by the Young Cooperators Association and the Women<sup>5</sup> Cooperators Association.

The Young Cooperators Association<sup>6</sup> contributes, in collaboration with the Trentina Federation of Cooperatives and, through it, with the Italian Cooperative Italian Confederation in Rome, to the cultural formation of young people, with particular emphasis on cooperativist education.

<sup>5</sup> <http://www.cooperazionetrentina.it/Donne>

<sup>6</sup> <http://www.cooperazionetrentina.it/Giovani>

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Young entrepreneurs need, first of all, a specific training to approach in a correct way the social economy, both in terms of values and in terms of knowledge and awareness of the functioning, norms, limits and opportunities. Accordingly, much part of the services addressed to them are training, mentoring, advisor. The main objective is the empowerment of young people. Support services include education<sup>7</sup> of the members themselves, vocational training of employees, the elaboration of policies to promote generational turnover, raising awareness among young producers, workers and students, and the establishment of new cooperatives for young people. Other related services:

- Thematic meetings with experts
- Collaboration with other local, national and international youth cooperative organizations in order to foster intercooperation, dialogue and dialogue among young people in all the cooperative sectors
- Information service (newsletters and e-mails) to report appointments and initiatives, enabling a constant update on promoted activities

Within the training initiative as prerequisite to increase entrepreneurship providing young people with basic knowledge to approach the cooperative business sector and become potential cooperators, a relevant initiative provided by Federazione is the education project carried out with schools.

Protocols of collaboration between the Federazione and the Department of Education of the Autonomous Province of Trento enabled the introduction of cooperative education in schools through two main programs :

- Associazioni Cooperative Scolastiche (Scholastic cooperative associations) for managing classroom activities acquiring basic knowledge about the cooperative enterprise characteristics
- Cooperative for students training” (CFS - cooperativa formativa scolastica) for supporting the implementation of the programma school Work-Alternation.

The School-Work Alternation Project is an education method brought in by laws within the recent

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<sup>7</sup> Training include a deepen knowledge of both the peculiar aspects of the cooperative movement and pragmatic themes on enterprise management (strategic planning, resource organization, legal and fiscal aspects of the cooperative, duties and responsibilities of the directors). Classroom activities complement guided tours to cooperatives, also abroad to enlarge the experience and learn from exchange of practices

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Italian School Reform. The main goal of this project, which combines and integrates classroom studies with time spent at a business to learn on-the-job (on-the-job training experience with real problem-solving situations), is to help young people (upper secondary schools) in acquiring not only basic knowledge, but also those skills required for a successful school-to-job transition.

Within this context the Federazione Trentina della Cooperazione (FTC) has been implementing in collaboration with all schools (high schools and technical colleges) in the region, a pilot project aiming to strengthen the development of cooperative entrepreneurial competences that can be translated into a real citizenship skill. This experience includes: guided visits in cooperative enterprises, specific in-depth learning moments with coop experts, the organization of work placements, and the promotion of work/study experience.

Beyond these training initiatives to approach social economy, for potential entrepreneurs and start-up there are specific dedicated support services:

- Incubation spaces and related services
- Business coaching and advice
- Orientation in scouting financial opportunities both regional and European (bids, PCP; calls for project, awards...)
- Training to enter the job market
- Marketing and communication strategy
- Support in the preparation of documentation for accessing credit
- Networking
- Co-working (different forms, such as a position available 15 days within three months at 45 euros)

Three relevant examples of the above mentioned services in Trentino are:

1. TST <http://www.trentinosocialtank.it/> (Incubator of social enterprise).

TST encourages the development of new business opportunities, addressing businesses - already under development and start-ups - and people looking for job opportunities or professional training.

TST facilitates the recognition of talents, skills, strengths and develops strategies to overcome the limits, in order to foster business and entrepreneurial development.

2. Impact HUB <https://trento.impacthub.net/> (it is a format having various branches)

Impact Hub works as a laboratory for innovation. It is an incubator, a co-working space and a center for the development of social enterprise.

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It offers an ecosystem of resources (spaces, community of experts and peers, services, knowledge, expertise) to support the development of business projects through strategic networking and dedicated services

3. CREAMPRESACOOP <http://www.creampresacoop.it/><sup>8</sup>

CreaImpresaCoop is a network assisting people aiming to launch a cooperative enterprise. The support covers the phase of the definition, establishment and management of the cooperative enterprise, and the access to financial resources. People who intend to develop an enterprise project can receive information, guidance, and be guided by analyzing their specific needs.

For existing cooperatives, the main support services are to be found within the second level organization, namely the Consortia. This is because Consortia being focused on a definite field of activity can better meet specific needs of enterprises with customized services.

Accordingly, the presentation of services offered by second-level consortium will be sector-driven.

Services for agricultural co-operatives:

- Technical advice in harvesting, production, storage, food processing, logistics
- Training on quality and safety of products and new techniques (such as organic farming)
- promotion and sale with active marketing strategies such as the elaboration of the well known brand “Melinda”

Services in the dairy sector

The consortium has played and still plays different functions: marketing, storage facilities, formal quality control and technical advice.

Services for consumer cooperatives

- consultant services,
- training
- sales and financial services
- support strategies for small stores in peripheral areas
- innovative projects for multi-functional service centres

Services for social cooperatives

- research and project development (participation also in European calls)
- training initiatives for members, board members, management and workers of the co-operatives.

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<sup>8</sup> See details in the case study

- To create synergies among different types of co-operatives
- To provide support to their activities, as general contractor in public tenders, or promoting access to new markets outside the province

Besides those specific services there are some transversal actions that are crucial for the system as a whole:

- Networking: delegations, exchange of practices, study visits, European projects
- Branding and promotion in foreign markets
- Innovation and rejuvenation of traditional sectors
- Information and belonging to a community of practice

There are two types of support services for social enterprises and particularly for social cooperatives in Friuli Venezia Giulia: services related to business management, administrative and fiscal issues; strategic services concerning the enterprise's growth in both qualitative and quantitative terms.

In the administrative and accounting services the dimension of the enterprise makes the difference: larger and mature organisations tend to internalize these services by organizing ad hoc sectors. Smaller and new companies look for them outside, asking them to consortia or professionals, available on the market.

There is significant lack of involvement of social cooperatives and social enterprises in development of projects (including EU funded projects), training, promotion and communication, and synergies that promote collaboration between companies.

Many SEs experience weak capacity in planning and developing strategies: the urgency of returning accounts, managing daily emergencies and weak entrepreneurial culture are threats for growth and consolidation of SEs activities.

Social Consortia should be aimed to overcome some of described difficulties but their activities are often limited to supporting cooperatives in the participation in tenders/contracts and to provide some accounting service. In many cases, Consortia present the same difficulties of the cooperatives.

According to the Regional Register of Social Cooperatives (July 2017), in FVG there are currently nine consortia: three in the province of Trieste, three in Udine province, two in Pordenone area and one in Gorizia.

Some of them are networks aimed at the direct management of services (assistance or other type of services) provided by the cooperatives. In other cases, Consortia address the needs of their members by offering mainly administrative and accounting services.

Considering the number of members, the three main Consortia providing Se support services are described here following. .

**COSM** - operational consortium for mental health - the consortium activities are oriented to support its members, social co-operatives a) and b), in finding work opportunities and to provide them support for administrative activities and for the management of tenders. It is directly involved in works and activities such as rehabilitation, disabled people assistance, cleaning and transports, green areas maintenance, cemeteries services.

**Consortium Interland** main goal is to facilitate the aggregation of social cooperatives. It supports and co-ordinates activities to develop joint initiatives and projects between co-operatives in the sector of social integration and job placement of disadvantaged people. It provides technical-administrative, organizational, consulting services and training activities. It carries out general and administrative coordination of the activities related to grants and procurement as General Contractor.

**Il Mosaico**, located in the province of Gorizia, has currently 12 member cooperatives both a) and b). It promotes the value of social cooperation, provides services to its members and directly manages specific productive activities. It participates in several projects, including EU funded projects, involving co-operatives. It promotes and manages education and information activities and plays an active role in planning local social policies.

## SWOT ANALYSIS OF SE SUPPORT SERVICES

### Key Factors Enabling or Hampering SE Support Services in Trentino Region

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Autonomy of the regional Government enabling a closer understanding and connection with the local needs</li> <li>• Increasing number of start up in form of cooperatives/social enterprises</li> <li>• Joint effort between the public institution in charge of Education and the Federation to implement dedicated training sessions and working</li> </ul>	<ul style="list-style-type: none"> <li>• Rural and remote area that are characterized by depopulation</li> <li>• Localism: scarce awareness of European rules and opportunities</li> <li>• High dependence on public policies and resources (cut in public expenditure)</li> <li>• Poor understanding of the concept of SE</li> <li>• Lack of supportive legislative</li> </ul>

<p>opportunities for students</p> <ul style="list-style-type: none"> <li>• Coverage of the main economic sectors with second level organizations that can provide specific support to single enterprises</li> </ul>	<p>frameworks</p> <ul style="list-style-type: none"> <li>• Lack of access to finance</li> <li>• weak entrepreneurial attitude and professional skills for scaling up</li> <li>•</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Presence of a dedicated Office in Bruxelles both of the Federazione Trentina della Cooperazione and of the Autonomous Province of Trento enabling lobby, advocacy and promotion actions</li> <li>• Evolution of the Reform of Social economy in Italy (this could be also a threat!)</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulties of traditional small enterprises and retail centres to cope with the competitiveness of bigger players</li> </ul>

### Key Factors Enabling or Hampering SE Support Services in Friuli Venezia Giulia Region

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>- Increasing number of social cooperatives and social enterprises.</li> <li>- Existing policies supporting social economy as an instrument for sustainable development.</li> <li>- In marginal or disadvantaged areas, social enterprises are often the main entrepreneurial activities.</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of SE support service training</li> <li>- SE support services not fixed and lack of flexibility to adapt them to market needs.</li> <li>- Lack of economic resources to invest in support services.</li> <li>- Lack of specific recognition of SE support services that differ from other enterprises.</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>- The Third Sector and social enterprises reform.</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of innovative approach ( no trust in new initiatives, no changes in</li> </ul>

<ul style="list-style-type: none"> <li>- EU funding instruments</li> </ul>	<p>organisation and resistance to innovation).</p> <ul style="list-style-type: none"> <li>- Lack of or weak entrepreneurial skills.</li> </ul>
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### 3. SOCIAL ENTERPRISE NETWORKING INITIATIVES

Networking among cooperatives has always been a key aspect of the cooperative movement.

There are two main forms. The first type of network is represented by apex organisations, having provincial or local agencies. The main objective is advocacy, lobbying, policy innovation: these groups represent the co-operatives instances in the social or political arena.

The largest two Italian apex organisations are the *Legacoop* (Socialist in origin) and the *Confcooperative* (of Catholic origin). In the Italian context they also provide technical, legal and accounting assistance to co-operatives, as well as supervise their accounts (since 1947, as required by Italian Law)

Italian cooperatives are represented by:

1. **Confcooperative – Italian Cooperative Confederation.** It counts nearly 20,000 cooperative societies, involving more than 3 million members and 400,000 employees. Under Confcooperative confederation, it is included an annual turnover of over 42 million euros, divided into 22 regional, 8 provincial and 5 interprovincial units. Confcooperative is structured in 8 national industry federations.
2. **Legacoop – National Cooperative League.** As far today, Legacoop counts more than 6 million members and about 400,000 workers in associated cooperative companies, with a turnover of over 45 million euros per year. Legacoop aims to the active participation of members and to the development of the equity and self-help principles. In recent years, it has seen the growth of the number of social- health and socio-assistance cooperatives alongside traditional sectors.
3. **Italian National Cooperative Union.** It is articulated throughout the national territory in 18 regional Federations, 29 Provincial Federations, 4 Provincial offices, 6 Provincial Coordination Offices and 6 Industry Associations. It carries out information, promotion, training, assistance and advice for the strengthening of the cooperative movement,

depending on the growth of employment and overall development of the country through the information and Services Desk, located in the territory.

4. **A.G.C.I. - General Association of Italian Cooperatives.** It was officially founded in 1952, when a group of republican, social democratic and liberal cooperative groups emerged from the National League of Mutual Cooperatives and to create a third 'central' cooperative movement. In implementing the statutory principles, AGCI contributes to a general development project based on the market economy and the free movement of ideas, people and goods. With the contribution of the Ministry of Labor, branches in all regions have been set up to promote the company and the cooperative enterprise in general.

Consortia (second level organizations composed of the cooperatives operating in a specific sectors) are the second type of network. Accordingly, their service are focused to meet specific needs in retailing, banking, agro-industry sector and so on, to exploit economies of scale, to achieve collective marketing and trading goals and to have access to skills and human capital not available within the single co-ops.

An example of networking activity is that provided by Trentino Federation of cooperation which is the organisation in charge of representing, supporting and supervise the growth of the co-operation movement in the province of Trento.

It is a platform enabling the process of decision making and definition of common policies inspired by the principles of cooperation.

The Federation is founded upon the co-operative values and principles as laid out by ICA (International co-operative Alliance) and upon the solid principles of the social doctrine of the Church.

The Federation combines a mix of hard and soft policies. Hard policies deal mainly with the financing of new co-operatives or strategic initiatives for the cooperation. These operations are managed by *Promocoop Trentina SPA* in its role of financial arm of the Federation (80% ownership) and *Cooperfidi SC*, that guarantees the loans to the member co-operatives granted by banks or other lenders.

Soft policies focus on cooperative values, organisational aspects, training, auditing and consultancy. The activities are designed to oversee member co-operatives and reinforce their entrepreneurial structure.

When needed, the Federation also provides services for data processing and administration support (bookkeeping, legal, fiscal, trade union, organisational, technical and financial support).

The OECD analysis on cooperative system of Trentino shows that the effectiveness of the Federation governance and its decision making process is significantly affected by the formal and informal professional and social networks built by co-operators.

Networks may be valuable to the Federation for the following reasons: first, connections with (peer) co-operatives through board members and directors enable a co-operative or consortium to gain access to information that are especially valuable when co-operators are planning strategic alliances or expanding into new markets or businesses.

Networks do not only increase co-operator's influence but they also bring additional skills, knowledge, and information to the co-operatives and to the Federation which may lead to better governance and performance improvements. Thus, a large network reflects information, reputation and experience, and can be regarded as a guarantee of the FTC quality.

### **Networking initiatives provided by Federazione Trentina della Cooperazione**

The Federation represents its associated cooperatives and consortia, thus networking is a crucial activity to ensure a high level of internal cohesion, innovation and knowledge and a wide connection both with local stakeholders and with regional and international actors.

FTC networking initiatives are:

- Promoting inter-cooperative and inter-sectorial projects;
- Agreements for collaboration between other bodies and institutions;
- Taking part as stakeholders in controlled companies or linked to other societies;
- Formally representing in both public and private sectors at an institutional level.

In order to guarantee a continuous quality improvement and innovation in services, products and process, it is important to maintain working relationships with key local and international actors in strategic sectors.

The Federation also actively works at a local and national level, setting up protocols of collaboration with private and public institutions to promote sustainable and innovative projects. More widely, Federation hosts a number of foreigner delegations each year in order to provide specific cooperative training programs and to enlarge and strengthen business and cooperative relationships and is involved in several European projects to help local cooperatives to get in contact with experiences from abroad. Some of these networking activities has led to MoU, Business Agreements, Project proposals.

A valuable example of networking initiative leading to a more structured agreement is the evolution of an European project meant to connect different European Countries in a Programme of cooperative learning. The establishment of a Permanent Network composed of different cooperative system ensures the ongoing use of the project tools and results beyond the conclusion

of the experimentation within the project. Further, it serves to expand the use of the tools beyond the project partners themselves. This networking activity ensures the following goals:

- foster mobility
- support customization of the ECVET framework
- monitor and follow up on the implementation of the ECVET framework at the local level
- enhance cross-border cooperation
- form the basis for exploitation projects

The Network promotes mobility exchanges as a training method among the partners, coordinates training tools both developed through the CoopCampus project and elsewhere, and promotes ongoing collaboration among its members. Further, the Permanent Network will help the partners find and coordinate other opportunities to work together and can eventually be integrated with other existing networks as well.

Within the Friuli Venezia Giulia Region the “Lega delle Cooperative” groups together 220 different members/cooperatives, for a total amount of 259.205 members/persons and 16.971 employees and a turnover of about 1,5 billion Euros. The Regional Lega Coop covers different areas of interest/fields; among these, one is dedicated to social cooperatives, grouped into categories depending on their type of activity<sup>9</sup>.

Taking into account the specific information currently available on the *Lega* website, there are 41 social cooperatives which are now members of Lega Coop and 6 of them are Consortia.

The activities carried out by Lega Coop are:

- To support and promote cooperation among members and cooperation activities,
- To provide services for its members,
- To disseminate the culture of cooperation, also through the organisation of seminars or projects in schools,
- To act as spokesperson for the needs and interests of cooperatives within the framework of local institutions and at a political level.

*Confcooperative Federsolidarietà*: Federsolidarietà F.V.G. is the organisation representing at a political and unionist level the interests of social cooperatives, providing them with assistance in legislative, technical and economical terms. In particular Federsolidarietà acts for:

- promoting the start-up of new social cooperatives;

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<sup>9</sup> See *Lega delle cooperative del Friuli Venezia Giulia Totale dati per settore Esercizi 2010-2014*

- representing the local needs and requests of social cooperatives;
- planning and implementing training and projects for its members;
- supporting – through the dissemination of studies, plans and analyses - the spreading of cooperation activities based on values as ethic and solidarity.

By the end of December 2015, Federsolidarietà FVG counted a membership of 175 social cooperatives, distributed as follows: 42 in Trieste, 63 Udine, 29 Gorizia, 41 in Pordenone. Based on data at 31/12/2014, the total amount of turnover was 193.716.439 Euros, the number of workers was 6.480, while members were 6.887.

## SWOT ANALYSIS OF SE NETWORKING ACTIVITIES

### Key Factors Enabling or Hampering SE networking activities in Trentino Region

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• The model of the Social Economy in Trentino attract delegation to come and visit the region as example of social economy district.</li> <li>• Regional innovation ecosystem (made of research institute, incubators, Technology transfer bodies, start-up...) enabling a constant cooperative and networking activity</li> </ul>	<ul style="list-style-type: none"> <li>• Scarce attitude to go international</li> <li>• High dependence on public policies and resources</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Presence of a dedicated Office in Bruxelles both of the Federazione Trentina della Cooperazione which ensure a European presence and a constant connection with other international offices and institutions</li> <li>• European projects are relevant opportunities to enlarge the scope of the business of national/regional enterprises and to enrich their knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulties for small realities to access international networks and bigger players at EU level</li> </ul>

<ul style="list-style-type: none"> <li>• International delegations can open opportunities for developing Agreements, enlarging markets and establishing stronger connections among foreign countries</li> </ul>	
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### Key Factors Enabling or Hampering SE networking activities in Friuli Venezia Giulia Region

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Increase of Social economy as a good practice for local development.</li> <li>- Increase of networking culture.</li> <li>- Increase in the relevance of the networks for the Social enterprises/cooperatives .</li> <li>- Increase in ICT application.</li> <li>- EU projects for social economy.</li> </ul>	<ul style="list-style-type: none"> <li>- Social cooperatives organisation.</li> <li>- Social entrepreneurship skills.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Develop of new profiles of entrepreneurs.</li> <li>- Strengthening social cooperative role in local development</li> <li>- Enlargement and diversification of social cooperative production and/or productive cycle (Complementary approach).</li> </ul>	<ul style="list-style-type: none"> <li>- Costs of networking initiatives: who pay for what?</li> <li>- Are existing organisation able to play as network?</li> </ul>

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## 5. GOOD PRACTICES

### CASE STUDY 1. LE MAT EUROPE

#### 1. BACKGROUND INFORMATION

- **Title (name of the project/ cooperative, territory...)** Le Mat Europe
- **Key actor(s)** Social Cooperatives in Italy and in other European countries mainly Sweden, Social Enterprise Development Agencies, Self-Help Organizations, a group of professionals such as empowerment facilitators, experts in communication, hotel management experts, architects
- **Duration of the initiative (starting year)** 2005 up to now
- **Geographic size of the intervention** – The Initiative started first in Trieste up from a social cooperative called “Il Posto delle Fragole” in 1985 when was opened - and again after restoring in 1992 - a small hotel managed by a group of young people with mental health problems and drug addiction, mainly women. The Hotel marched well and became soon quite famous as it was unusual to give young marginalized people such a high responsibility in a difficult job. Since the beginning the question was which were the success factors not only for the good hotelier performance but also measuring the impact on rehabilitation, job integration and learning entrepreneurial culture and collective decision making. So after a first research and certification on the business and rehabilitation model in 1999 through a Friuli Venezia Giulia regional research organization, a group of actors (hotel experts, association of people with disabilities, social cooperatives, researchers etc) presented a project under the European Initiative EQUAL to develop the experience of Trieste. The aim of the project was to replicate the good practice and to set up a permanent network organization with the aim of enlarging the vision of social cooperatives, developing new specializations: the objective was to experiment franchising in the social enterprise domain. The project was very rich, 24 Italian partners and 5 from other countries were involved. In 2005 the network Le Mat was founded first in Italy, in 2007 also in Sweden and in 2008 finally on a European level.
- **Funding**  
The initial funding was the project budget from the EQUAL Programme. After this (2005) the network had to live on its own efforts through different resources: the members paying the services, regional development projects, training funding.

- **Thematic focus and main sector addressed**

“Accoglienza” (reception, welcoming, hospitality)– how to welcome people from abroad in your own community is the main focus of Le Mat. Somebody simplifies calling it tourism, social tourism, responsible tourism, sustainable or community tourism, but the approach of Le Mat is wider: through the management of special places (which maybe hotels, hostels, restaurants whatever helps people to come together) we want to welcome people from abroad and want them to meet with the local community. At the beginning there is a strong empowerment process working with the excluded or unemployed members of the community to plan this activities, to learn how to take entrepreneurial risks and responsibilities, to promote the good practices in their community. Its communication, sharing, contamination of cultures.

- **Main reason for highlighting this case**

It’s a European specialized network, the first case of European Social Franchising. It comes up through a bottom up approach, managed by social entrepreneurs, empowering people and communities, working in many different European countries and quite different environments.

## 2. SERVICE DESCRIPTION

- **Overall objectives**

- 1) Empowering excluded and unemployed people through social entrepreneurship in the field of community building and sustainable tourism;
- 2) Replicate good and well functioning practices and keep these practices together through a brand and a “social franchise system”
- 3) Welcoming people – to increase the culture of hospitality (in Italian it is “accoglienza”)

- **Description of activities/services**

Le Mat is a social brand and any social entrepreneur can call asking to become a “Special Place Le Mat”. There is a list of quality criteria that should be matched and there is also handbooks to guide the initiative. A joint process is carried out to become a Special Place Le Mat, to match the quality criteria and to plan the business and social activities. They applicant may need training, restoring, fund raising, marketing, and Le Mat offer all these services: a sort of consultancy but

made jointly with the new aspiring Le Mat group, through a participatory and bottom up plan of the different activities.

- **Description of Recipients**

The main recipients of the services of Le Mat's development agency are social entrepreneurs and other development agencies at national or local level, public or private, interested in the local development of Le Mat Special Places, the inclusion and entrepreneurial training of unemployed people, the development of a local sustainable community and the use of abandoned places.

- **Resources used (kind, amount...) and financial sustainability**

The work of Le Mat is built as a network of experts, more than a fix structure. The Le Mat development depends on the number of consultancies they are asked to provide, which depends on how many organizations/people are interested in becoming part of the network. All Le Mat experts are freelance which means that we call them only if there is a paid consultancy or a special development project.. They all help to promote Le Mat and to find opportunities. So, the organisation of Le Mat is a network/franchise system based on the participation of intelligent professionals who are also social entrepreneurs themselves; in this way the network can go on and be financially sustainable. There are no fixed funds or contribution: Le Mat franchisee never will be able to pay high monthly fees or entrance fees.

- **Management and evaluation**

The management is done by a very small group that includes the people who developed the brand and the project, in Italy and Sweden. The evaluation is nothing else then the success of the Le Mat Special Places: that means that they have achieved social and economic results, they have satisfied the customers, the clients and also the workers are well and the empowering process is going well. Another important criteria for the evaluation is the fact that they are asked to transfer the experience, if there are people asking to replicate it and if the workers in the Le Mat Special Places are involved in the replication process.

- **Main outputs/ results**

- The number of Special Places Le Mat is growing and there are more and more countries asking to participate.
- The Le Mat entrepreneurs are learning a lot and working in very different environments.

- Le Mat is becoming more able to provide excellent consultancies.
- The brand is acquiring value.
- Social entrepreneurship is becoming an important issue and step by step unemployed, excluded, disadvantaged and disabled people may become their own entrepreneurs.

- **Partnerships with local, national, international organizations and institutions**

There are partnerships with the EU Institutions, the European Network for Social Entrepreneurship, the ILO – International Labour Organization, with the Swedish government, the Regions where the Le Mat Special Places are situated, the municipalities, the Labour Offices but also the Hotel and tourism organizations.

- **Replicability**

Replicability is the aim of Le Mat business

- **By-product effects**

The work on sustainable tourism products, the work on abandoned places.

- **Problems / challenges to face**

Le Mat should have a big European project to strengthen the Le Mat organization and to accelerate the development. We also would like private partners interested in a big project on Social Impact.

### 3. CONCLUSIONS: KEY SUCCESSFUL FACTORS AND LESSONS LEARNED

Le Mat main successful factor is the work done through a real bottom-up approach. The work always starts with marginalized people, their capacities, their development ideas, their passions. They achieve self-estimation and step by step they become able to plan and to manage their business.

In the replication process – the franchise approach - Le Mat learned how it is difficult and maybe useless to think in a traditional way: in this way only standard organizations can be replicated. The idea is that processes can be learned, replicated and changed, adapted to the different environments. The group-learning process is the most powerful replication methodology you can imagine. But there is no real group learning without conflicts and empowerment and without the wish to tell others about your excellent performance, your results, your increased passion. Without story telling there is no replication, because nobody can learn how to imitate the good practice.

Le Mat never stops wanting to discuss and to deepen this.

## CASE STUDY 2. CONSOLIDA

### 1. BACKGROUND INFORMATION

- **Title (name of the project/ cooperative, territory...)** CONSOLIDA
- **Key actor(s)** : CONSOLIDA is a consortium of 54 social cooperatives: 33 type A cooperatives that offer social assistance and educational services, 18 type B cooperatives that deal with the job placement of disadvantaged people, 2 consortia (CSSS and Solidarity Enterprise) and 2 cooperative development organizations (Promocoop and Coperfidi)
- **Starting year:** 1984
  -
- **Geographic size of the intervention:** Consolida is the largest network of social cooperatives of the Trentino Region established as a consortium both to support social cooperatives with dedicated service and to address the community with educational and recreational services, care and assistance, creation of job opportunities for weak or disadvantaged people. The need analysis carried out by the consortium together with the collaboration with other public and private entities enables social cooperatives to provide a sustainable and inclusive economy: sustainable because it enhances public and collective resources with a multiplier effect and it redistributes them. Ecological not only in specific productive sectors (organic food, recycling, energy savings ...), but also paying attention in many other services. Inclusive of all fragilities, enhancing talents and latent resources of people and communities. Educative as it helps active citizenship to reduce inequality.
  - Total number of employees of the cooperatives belonging to the consortium: 2.602
  - Number of users of the coop system: about 18,000 figures updated 2014)
- **Funding :**
  - Total turnover of the Consolida consortia: 7.970.955,00 € at 31/12/2016
  - Total turnover of the social cooperative joining Conoslida: 151.820.621, 00 € at 31/12/2016
- **Thematic focus and main sector addressed**
  - At regional level the Consortium operates in the following fields of activity: services for the elderly, young people, minors, disabled people, for disadvantaged workers

- Social cooperatives manage these kind of services: Day Centers, Infant-toddler centres, Family support services, Youth aggregation centers, School laboratories; Animation services; House assistance; Home delivery of meals; Home educational interventions; School assistance; Post-placement support; Work placement paths; Employment laboratories; Catering service

- **Main reason for highlighting this case:**

Consolida represents a valuable case study on support services because it gathers the main social cooperatives in the region and in this way it has a strong capacity to monitor emerging social needs and to address them in partnership with the local Government. Consolida can elaborate policy recommendations through a bottom up process of understanding the regional needs and opportunities.

## 2. SERVICE DESCRIPTION

- **Overall objectives**

The consortium aims to increase the ability of member cooperatives to provide social services for disadvantaged people thus enhancing the social, economic and cultural development of the local communities and to address territorial needs according to the principle of reciprocity.

Particularly, Consolida serves the following functions:

- 1) to guide and to accompany associated co-operatives enhancing the specific features of each one to contribute to their success, in coherence with the Consortium founding goals
- 2) to help members to interpret socio-cultural, economic and political changes
- 3) to develop policies and strategies with cooperative members and territorial actors
- 4) to spread the vision, the interests and the needs of local communities in order to support a social, cultural and political development

- **Description of activities/services**

Main areas in which the consortium has a strong tradition:

Education:

For social cooperatives education is a crucial value that affects many kind of the services and activities provided.

Education thus means to put attention to improving the way of working and addressing social needs: governance, organization, territorial alliances, networking.

An example of this objective is a joint project with the research centre for social Economy (EURICSE) focusing on the actual educative role of social enterprise within communities. Education to cooperative entrepreneurship is crucial to support the evolution and improvement of social economy.

Education within enterprise or to become entrepreneur regards the human capital dimension, but also the relationship with the economic and cultural social contexts, which implies active participation, democracy, sustainability

### Employment:

Social cooperatives are interested to the wider effects of employment not only in economic terms but also for the wellbeing of families and collectivity. For this reason the consortium has elaborated tools, project and skills to support social inclusion and social cohesion.

In the last decades Con.solida and its related cooperatives have developed methodologies to include disadvantaged people with dedicated job opportunities. This approach will be extended to integration of migrants, who are vulnerable groups that represent a delicate issue to maintain social cohesion.

To this end, in the context of the Trentino solidarity economy, Con.Solida has launched a research involving social cooperatives in the experimentation of projects focusing on cultural and multi-ethnic integration and encouraging the process of certification of knowledge and skills. The best practices identified for this experience will be extended to other subjects adhering to the discipline of the solidarity economy, in different sectors.

### Health and wellbeing

The knowledge and skills gained by social cooperation in social care and education can also be useful in other areas, particularly in healthcare. The growing investment of Consolida and its associated cooperatives in this field responds, besides the coherence with its mission, to a multiplicity of factors: the emergence of increasingly differentiated needs in which health is highly

interwoven with social bonds, the quality of places and lifestyles; prevention as a way to preserve people's health, but also to reduce health expenditure; the need to protect the right to health in the principle of equality.

- **Description of Recipients** : Being a Consortium of Social cooperatives, the main recipients of Consolida are its associated cooperatives working in the broad field of welfare services
- **Resources used (kind, amount...) and financial sustainability:**
  - Membership fees
  - Social Active labour policies (Provincial resources addressed to agencies and organizations working for job placement and social )
  - Provincial Strategic Fund specifically dedicated to cooperatives type B. This measure is meant to finance innovation development projects and start-up support
  - Social Housing Fund to cover projects addressed to disabled people to
  - European Social Fund
  - FON.COOP: This educational training fund provides resources for training and updating of workers in cooperative organizations. This fund collects the compulsory contribution paid by all the cooperatives to the Social Security. The consortium has activated a Group Training Account at FON.COOP to encourage the training of its members. Members of this Fund can use the resources partly to cover compulsory training and partly for the purchase of training paths through individual vouchers.
  - Law 15/1988 for training initiatives dedicated to associated cooperatives
- **Partnerships with local, national, international organizations and institutions**
  - \_ At regional level Consolida
  - is member of Federation trentina of Cooperation
  - has Agreements and with local institutions defining collaboration framework
  - has a partnership with Euricse (European Research Institute on Cooperative and Social Enterprises) on strategic topics of local development

\_ At national level Consolida is member of CGM (Gruppo Cooperativo Gino Mattarelli)

- **Replicability**

The best practices identified in each project will be extended to other subjects adhering to the discipline of the solidarity economy, in different sectors.

- **By-product effects**

The strength of Consolida is to connect different services thus creating synergies among social cooperative to address emerging social needs

- **Problems / challenges to face**

- The main challenge is to strengthen and enlarging business networks to create a solid social trust that allow them to access to credit and invest in innovation projects
- Accreditation systems that allow the provision of services become a limit because they change quite often due to political decisions
- The entrepreneurial attitude of these cooperatives is still weak and they rely too much on public funding

### **3. CONCLUSIONS: KEY SUCCESSFUL FACTORS AND LESSONS LEARNED**

Successful factors to promote the so called 'generative welfare' are:

1. Supporting welfare actions that are able to regenerate available resources, empowering people who receive help, in order to increase the impact of social policy interventions for the benefit of the whole community
2. Experimentation of this approach within cooperatives in order to create relationships based on trust both with internal and external interlocutors, activating "free" resources such as volunteer members and non-members
3. Co- planning between actors belonging to the third sector, the private sector and institutions in order to share the guidelines, adapt the devices and distribute the resources

An important lesson learned is to improve the capacity to reconnect stakeholders, to build relationships of trust and to strengthen the non-profit-making dimension. The added value that social cooperation can make to corporate welfare is the capacity we have developed to be connectors between different needs. The corporate welfare is an opportunity that companies can activate to implement integrative systems that increase the wellbeing of employees, but also the attachment to the company and the well-being of the organization.

## CASE STUDY 3. CREA IMPRESA COOP

### 1. BACKGROUND INFORMATION

- **Title (name of the project/ cooperative, territory...)** CREA IMPRESA COOP
- **Key actor(s):** Federazione Trentina della Cooperazione, Impact Hub (ccoperative), Cassa Rurale di Trento (bank) Promocoop Trentina spa (development agency for cooperation business)

Among the consortium, the Federation is in charge of scouting funding opportunities at provincial, national and European level and providing legal, fiscal and labor advice by means of a dedicated consultant as the contact person in support of the project development. Moreover in this first step, interested parties can have information on the opportunities offered by the cooperative network, i.e. by second level consortia, by cooperatives operating in similar sectors, by productive districts, by cooperative credit instruments, and by national partnerships and International.

To facilitate access to credit, at the counter of the Cassa Rurale di Trento, are available information on banking services dedicated to companies and on specific projects supporting the creation of new businesses for young people. To this end a specific tool has been activated during the start-up phase of the service to support the creation of new companies: 'Let's give us a future'. This is a fund that finances start-ups, fueled by the members and customers of the institute who give half of their interests to a specific deposit account. Applicants can benefit from a maximum loan of 50,000 euros with a duration of 5 years. The evaluation of the project by qualified subjects (Scouting) allows young entrepreneurs to be aware of the goodness or not of their proposal. Only in the first year of the start of the project are the results very significant: 140 customers of the Cassa Rurale di Trento subscribed the account, for a total ceiling of 3.3 million euro and accrued interest for 20,000 euro. This allowed to finance eight companies, after an assessment of over fifty projects.

To support highly innovative but particularly risky projects, Promocoop Trentina can intervene in the start-up phase as a financing partner with risk capital (also through the participatory fund, which provides for a mixed contribution to the 50 % public and 50% private) or reduce financing costs.

Finally, the Impact Hub Trentino cooperative offers a co-working and incubation spaces, contacts with potential investors / partners at national and European level and development

of plans acceleration for new companies where it is possible to work and activate the first links.

This service can also rely on specialized consultants of the Trentino Cooperation Federation in several specific topics: Work, Social Services , Housing

- **Starting year: 2014**
- **Geographic size of the intervention:** The service covers the provincial area with a series of branches located within the venues of the partners thus enhancing their specific competencies. The project has been designed as an integrated service aiming at establishing a first contact with the front offices of the partners where a first advice, directions and further contacts with the experts of the Trentino Cooperation Federation are provided.
- **Funding:** the project can rely on the resources of the cooperative system allocated to the parties involved.
- **Thematic focus and main sector addressed:** It is a project of the Trentino Cooperation that offers consultancy, access to credit, assistance in developing a business idea. Those who are about to start a cooperative enterprise, in fact, in the first phase needs advice, support and professional advice concerning laws, funding opportunities and procedures. At the Help Desk users can receive information on the peculiarities of cooperative enterprise, how it works, what are its particular characteristics are, but also can be supported in drafting their statute and elaborate the business plan. At the Help desk there are two internal resources of the Federation that act in the first contact points as regards support in the analysis and elaboration of the business plan. They work together with the consulting services offered by other internal Offices (legal, fiscal, labor unions, etc).
- **Recipients :** young people with a business idea aiming at running a cooperative. Since 2017, CreaImpresaCoop has enlarged its reach after the Trentino Cooperation Federation modified its social status by opening the possibility of becoming a member also to social enterprises that have no legal form of cooperative enterprises. This new opportunity follows the Third Sector Reform approved in 2017 at national level.

## 2. SERVICE DESCRIPTION

- **Overall objectives**

The Helpdesk assists the start-up in drafting the documentation required and to fulfil the

mandatory obligations for its formal constitution such as the registration in the register of cooperatives, the opening of the VAT number and the endorsement of the social and accounting books. Once operational, the cooperative can apply to join the Trentino Federation of Cooperation, which is joined by the majority of the Trentino cooperatives. The Federation, which has tasks of assistance and advice, representation, protection and supervision of the more than five hundred associated cooperatives ensures an extensive assistance to support their activities.

CreaImpresaCoop is an integrated service of the Trentino Cooperation, designed to accompany potential new entrepreneurs in realizing their cooperative initiatives.

The service is design in the following steps:

1. Informative meeting (free)
2. Preparation of the Business model CANVAS (free)
3. Confirmation 'cooperative' as the legal form for the start-up and beginning of the official path (free)
4. Drafting of the business plan (fee)
5. Consultancy for drafting the bylaws and documents to set up the cooperative (fee with future reduction of the association fee for the start-up phase of the activity)
6. Evaluation of the application to access bank financing and other applications for funding / contributions (free)
7. Credit Provision (under activated loans conditions)
8. Ex-post evaluation
9. Assistance and consultancy services after the set up of the company (service fees of the Trentino Cooperation Federation)

A set of support tools are made available by The Trentino Federation of Cooperation:

- a "Guide to Trentino Cooperation", which deepens the history, values and rules of the cooperative movement in the international context and provides an extensive bibliography. This publication can be a useful tool for knowledge and work for members, directors and employees of cooperative societies.
- A co-operative Vademecum, consisting of a series of video tutorials that deal with the following topics: "How much does the cooperative member count?", "How and why Trentino Cooperation is born", "Credit instruments", "What is inserts in the deed of incorporation ", " What a head means a vote ".
- Cooperation stories, which account for cooperative start-up experiences.

Both the Guide and the Vademecum are available also online, and it is possible to download them

from the Cooperazione Trentina website ([www.cooperazionetrentina.it](http://www.cooperazionetrentina.it)) or directly at the CreaImpresa website ([www.creaimpresacoop.it](http://www.creaimpresacoop.it)).

### 3. CONCLUSIONS: KEY SUCCESSFUL FACTORS AND LESSONS LEARNED

- **Main reason for highlighting this case**

CreaImpresaCoop service is a very topical consulting place. Its importance, as well as for the specific aspects of the consultancy guaranteed to the promoters of cooperative projects, also lies in the fact that it is itself a place of cooperative promotion. Many new companies that are born in the province of Trento, launched mostly by young people adopt traditional forms of capital enterprise. This attitude can be explained with the habit of advisory bodies (accountants in particular) to suggest other forms of enterprise. The cooperative formula, on the other hand, in particular in the simplified modality envisaged by the legislator, is particularly fit to accompany innovative start-up initiatives. It also offers the possibility for promoters to enter into a cooperative context, as is the Trentino, which places them in fact within a system of companies that are themselves potential customers and suppliers in a logic of mutual enhancement that undoubtedly represents a facilitating factor. From this point of view CreaImpresaCoop is a service able to connect new co-operators by means of the network of over 540 Trentino cooperative companies already in the definition phase of the project idea.

- **Replicability**

During the three year period of activation, CreaImpresaCoop has organized 221 meetings with potential cooperative start-ups for a total of 365 hours of consultancy. In the coming years, the Office intends to further enlarge its networking service.

- **Problems / challenges to face**

Currently, among the four organizational sectors of the Trentino Cooperation (agriculture, consumption, credit, labor-social-service-housing) the sector of work-social cooperatives-service and housing counts the highest number of new cooperatives and is definitely the most dynamic in terms of new companies created. While traditional sectors (agriculture, consumption and credit) are more interested in consolidation and merging processes between existing companies to face the recent crisis. The Project should then be able to support these traditional sectors to grow with new cooperatives and to promote this kind of business to young entrepreneurs.

## CASE STUDY 4. COSM

### 1. BACKGROUND INFORMATION

- **Title (name of the project/ cooperative, territory...)**

Consorzio Operativo Salute Mentale - COSM (Società Cooperativa Sociale)

Via Pozzuolo, 330 – 33100 Udine;

Tel.: +39 0432-233514; Fax: +39 0432-237377;

email: [info@coopcosm.it](mailto:info@coopcosm.it)

- **Key actor(s)**

The “Consorzio Operativo Salute Mentale” (Operational Health Mental Consortium) - COSM includes 17 member cooperatives and represents one of the most advanced experiences of the Friuli Venezia Giulia region in the field of social cooperation. Specifically, the members of COSM at 31/12/2016 are: 4 type A social cooperatives, 10 type B social cooperatives, 2 mixed social cooperatives and 1 Consortium.

- **Duration of the initiative (starting year)**

COSM was founded in 1993 thanks to the initiative of three social cooperatives with the aim to support the deinstitutionalization process of the Psychiatric Hospital of Udine. According to the principles of the cultural and political movement started in Trieste by Franco Basaglia, the Consortium was set up to give dignity and access to citizenship rights to people hitherto closed in psychiatric hospitals.

- **Geographic size of the intervention**

COSM includes social cooperatives that work throughout the Friuli Venezia Giulia region: most of the associated cooperatives are based in the province of Udine (8 members), there are 5 cooperatives based in Trieste, 3 in Pordenone and 1 in Gorizia. One associated cooperative is based in another region, in the province of Verona (Veneto). It should however be noted that some cooperatives work in several regions.

- **Funding**

In the financial year 2016, COSM revenues (turnover) amounted to 11,185,020 euros, with a net profit of 29,255 euros. Concerning revenues coming from works and services

(equal to € 11,022,034, 98.5% of turnover), the customers are mainly public authorities (67.9%), in particular the local Health Authorities of Friuli Venezia Giulia Region. Such revenues can be broken down by type of customer as follows: 1. Municipalities 28.6%; 2. health authorities and hospitals 25%; Cooperatives 21.4%; Other local authorities 14.3%; private companies 10.7%.

- **Thematic focus and main sector addressed**

COSM promotes job placement and employment of disadvantaged and vulnerable people, with particular attention to persons taken in charge by mental health services (public and private) in the Friuli Venezia Giulia region. COSM enhances the role of social cooperatives in labour market integration, promoting a business model that can create job opportunities and social inclusion and that considers employment a crucial element to guarantee citizenship rights. COSM is committed to contribute to overcome social marginalization and disadvantage through employment and social integration of vulnerable people in activities and services in the framework of contracts and collaborations both with public and private organisations. Furthermore, the consortium aims to support community development and wellbeing and the setting-up of social networks where social participation can be promoted. COSM main purpose is to develop a network among social cooperatives, based on the values of the cooperative movement, promoting coordination and support to associated cooperatives.

The main sectors of COSM activities are:

- hygiene and cleaning;
- environment and green urban areas;
- social assistance and rehabilitation services;
- social transport (disabled people and health care related services);
- migrations;
- community caretaker;
- cemetery services.

- **Main reason for highlighting this case**

Concerning SENTINEL's objectives, the Consortium presents three important characteristics: 1. a strong relation with regional and local community; 2. Networking capacity, in order to set up a large network to promote employment of disadvantaged people; 3. The idea to consider local communities as crucial hubs of economic and social

development, also through the promotion of social wellbeing and education activities: the consortium aims to influence local policies by supporting participatory planning both with public administrations and civil society organisations. In this regard, valuable experiences carried out by COSM are in the following fields: 1. social agriculture; 2. environmental requalification; 3. Social deviance: activities promoted in the framework of the participation in the joint board of the "3.2 Carnia" Socio-Assistance Authority on the issues of social and labor inclusion of persons detained or with alternative measures to detention. The project "A garden to break out" ("Un orto per evadere") carried out in the Tolmezzo prison, involved 15 inmates in farming horticultural products; at the end of the project 4 persons out of these 15 were hired by a cooperative associated to COSM. 4. mapping of community needs and identification of the needs of mountain areas. It is valuable to mention the "Community Cooperatives" project carried out in the mountain area of "3.2 Carnia" Social Assistance Authority: the project launched an activity to map the needs of the population, in order to promote a participatory process for the creation of a "Community Cooperative" that could respond to these needs.

## 2. SERVICE DESCRIPTION

- **Overall objectives**

The main objectives of COSM are the following:

- To improve the quality of the processes of labor and business inclusion, promoting high quality of goods and services (aimed to strengthen the capacity of enterprises to compete on the market) and social wellbeing (job and social inclusion).
- To set-up a supply chain for the whole social inclusion and care processes for vulnerable people, from social and health care services management to educational services, to training, to job placement.
- To increase the level of quality in the pathways of job placement, promoting and supporting the adoption of monitoring and evaluation tools.
- To develop networks that promote the improvement of the regional cooperative system, in particular in the area of social and labor inclusion, supporting the best experiences of social enterprise in innovative projects and services.
- To implement activities and services to support the business development of social cooperatives also through mutual help and exchange mechanisms among the associated cooperatives;

- To promote cross-sectoral and joint training initiatives among the members in order to improve skills and professional competences.
- To promote information and awareness-raising initiatives targeting public administrations, business system and civil society organisations.
- To guarantee and to support the quality of services and activities of its members through: 1. monitoring of the work and activities; 2. technical support necessary to maintain and increase the level of performance.
- To promote innovation in social and labor inclusion and, more generally, in welfare domain.
- To foster and support innovative projects and start-ups by promoting a social economy system.

- **Description of activities/services**

The main sectors of activities and services provided by the Consortium through its associated cooperatives are:

- a) hygiene and cleaning.
- b) Environment related services and public green areas maintenance.
- c) Social welfare and rehabilitation services.
- d) Transport: transport services linked to healthcare (i.e. people in dialysis treatment).
- e) Migration: reception and services for migrants and asylum seekers.
- f) Community care-taker: concierge services, switchboard and custody / surveillance.
- g) Cemetery services.

The main activities provided by the Consortium to its members are:

- a) Training
- b) Legal support
- c) Management support
- d) General contractor role

- **Description of Recipients**

The main objective of COSM is to promote inclusive processes aimed at social and labor integration of people belonging to the most disadvantaged groups in the local communities. So, recipients of COSM activities can be considered both the members of the Consortium (associated cooperatives) and the final beneficiaries of the activities. The

main beneficiaries of products and services are people at risk of social exclusion: 1. socio-economic disadvantage; 2. disability; 3. ageing related problems; 4. migrant status; 5. prison detention; 6. legal and illegal drugs dependence.

Moreover, COSM activities have positive impact on local communities.

- **Resources used (kind, amount...) and financial sustainability**

The resources of the Consortium can be divided into three types: 1. human; 2. economic-financial; 3. relational.

1. Human resources: COSM has 6-7 staff persons. The Head of the Prevention and Protection Service (RSPP) is appointed to an external expert. The staff covers the following areas: management and coordination of activities (1); management of relations with customers, with the associated cooperatives and consortium projects (1); economic and financial management (1); administrative management (1); management of the social agriculture sector (1); promotion of organizational innovation and training processes (1).
2. Economic-financial resources: 98.5% of the consortium's revenues derives from sale of products and services provision.
3. Relationship resources: although not quantifiable, these resources are extremely valuable for the COSM activities. Through the community work carried out over the years COSM has developed valuable relationships with local authorities of the regional territory and with no-profit and profit organisations.

The financial sustainability of COSM is demonstrated by the performance of some equity and economic indicators such as: a) the largely positive (215.235 €) structural margin (contribution of equity to the coverage of the company's fixed assets); b) the positive and consolidated trend of shareholders' equity, going from € 205,364 (2013) to € 256,421 (2016): this trend highlights that COSM has resources available for new investments. c) personnel costs: in 2016 it was 169,000 €, maintaining its percentage weight around 1.5% of turnover. It is important to stress that personnel costs are based exclusively on the agreed consortium share on services / supplies acquired directly from the Consortium itself and entrusted to the associated cooperatives.

- **Management and evaluation**

COSM over the years has adopted appropriate organizational and business management tools to improve the performance of its services. These tools are developed in the

governance and control bodies of the Consortium: the shareholders' meeting and the board of directors. The shareholders' meeting represents the sovereign body of the Consortium. The board of directors is elected by the shareholders' meeting. Directors can be appointed for a period no longer than three consecutive financial years. The other key management offices come from these two bodies: the General Management, the Prevention and Protection Service and the Quality Control office. The general management is divided into 4 areas: 1. projects and innovation; 2. administration; 3. commercial; 4. Job inclusion and community-based projects. The accounting control is entrusted to an Auditor appointed by the shareholders' meeting.

Concerning the evaluation, several activities are aimed to the quality and impact of products and services. Regarding quality, COSM has an ISO 9001: 2008 certified Quality Management System (QMS) and the application to the new ISO 9001: 2015 standard is ongoing.

The environmental management certification according to ISO 14001: 2015 is also expected.

In relation to social impact evaluation, in 2016 a research was carried out, coordinated by COSM with the scientific support of Euricse (European Research Institute on Cooperatives and Social Enterprises), aimed at assessing the economic and social impact of the social cooperatives of Friuli Venezia Giulia region and, in particular, of the Consortium. COSM is also implementing evaluation activities according to the recent Third Sector Reform (L.206 / 2016), which requires "explicit transparency and information obligations, also towards third parties" (Art.3). Moreover, COSM issues yearly a "social report", which can be considered a tool for assessing the impact of its activities and a fundamental instrument of knowledge sharing.

- **Main outputs/ results**

Concerning the activities carried out in 2016, the main results are:

- the increase of number of employees belonging to disadvantaged population: at 31/12/2016 this was 69.18% of the total workforce engaged in the Consortium services.
- The increase in turnover (€ 11,185,020 in 2016), which demonstrates the increased interest of the markets for social enterprise.
- The expansion of the network that can support work and social inclusion, with a higher involvement of the social services department of municipalities and the

local healthcare authorities in Friuli Venezia Giulia region.

- Strong collaboration with regional government services dedicated to job placement and work inclusion.
- Promotion of effective income support and tutoring measures for vulnerable people in job placement services.
- The development of a specific training module targeting the consortium staff and the associated cooperatives. The main topics addressed are: legal procedures in tenders and public procurement, staff management, technical project design (focusing on procurement contents), fundraising, ICT solutions applied to internal processes.
- The improvement of skills related to the design, management and participation in procurement procedures also through stronger commercial networks.
- The promotion of innovative processes, both from social and technology perspective. In particular, these processes concern the organizational dimension, by improving the match of the needs of the associated cooperatives and the competences offered by COSM.

- **Partnerships with local, national, international organizations and institutions**

At local level, the main partnerships of COSM are with: the Health / Hospital Authorities, municipal social services department, regional authority department for job placement, counseling, work inclusion and training. Good collaboration has been established with profit companies, which often are recipient organisations in the processes of job placement (quadruple helix approach). At national level, the main collaborations are with SEs umbrella organisations (Legacoop, General Association of Italian Cooperatives and Federsolidarietà - Confcooperative) and with Euricse (European Research Institute on Cooperatives and Social Enterprises). Concerning economic, financial and insurance sectors, COSM established partnerships with Banca Etica, Finreco, Cooperative Credit Bank and Banca Prossima (Intesa San Paolo Group). Moreover, it's worthwhile to mention the collaboration with the Ministry of Justice for the social agriculture project developed in Tolmezzo prison.

At international level, the Consortium's most significant partnerships are established both within international and European cooperation activities. The main partners are: Caritas Serbia and the municipality of Šabac (development of a social enterprise laboratory in Serbia for the work inclusion and social reintegration of people with mental health related

problems); different institutions of cities of Salta and Buenos Aires in Argentina (INTEGRAR project, for the social cohesion and participation of local communities in the processes of social reform through the promotion of training, assistance and creation of social enterprises).

- **Replicability**

The replicability of the COSM experience is based on the participatory methods used for the development of its activities. The adoption of these methods would allow shaping interventions according to the needs of local contexts. The Consortium works mainly by activating and strengthening local networks, ensuring constant communication flows between the local context and the social cooperatives associated. In this way, the local specific needs and features would not represent an obstacle to the replicability of this experience but they could be the main elements to plan activities and interventions.

- **By-product effects**

The primary effects of the COSM activities concern the employment of disadvantaged people. No less important, however, are some secondary effects, which directly affect the well-being of local communities, strengthening their social fabric. Specifically, these effects are:

- contribution to local authorities in the provision of social welfare benefits (in the case of job placement of disadvantaged individuals successfully completed);
- the setting-up of solidarity networks that allow greater efficiency in detecting needs and situations at risk;
- dissemination of principles and values of social enterprise to market-oriented organizations (i.e. corporate social responsibility in profit companies).

- **Problems/challenges to face**

The great challenge for COSM, as well as for the social co-operatives in general, is to re-establish contact with the everyday life of the communities in which they operate, especially in order to identify emerging needs: the main problems come both from the multiplication of forms of disadvantage and social exclusion (ageing of the population, migratory flows, etc.) and from the increase in events (unemployment, family loss, reduction of autonomy, etc.) that can lead quickly the person in a condition of vulnerability. These are critical issues that increasingly lack a prompt response from social welfare services.

In such a scenario, the specific problems that the Consortium is facing are:

- change of the profile of relation with public partners: the construction of co-planning and co-production paths overcoming the relation framework of contracts (procurer-client), in which the economic aspects are preponderant; this would lead to a shared knowledge of the needs of the community and the consequent elaboration of effective responses;
- Awareness raising on the importance of training for the social enterprises; very often they are focused only in the daily life work and they aren't receptive to the training offered to them.
- High dependency on public funding: currently 67.9% of the COSM turnover comes from public clients.
- The promotion of corporate social responsibility in profit companies: in the development of responsible work placement processes, the involvement of profit companies is crucial. In this sense, sensitizing companies to implement procedures for the certification of corporate social responsibility could be an important added value.

### **3. CONCLUSIONS: KEY SUCCESSFUL FACTORS AND LESSONS LEARNED (3-4 pages)**

- **Main reason for highlighting this case**

The successful factors of COSM can be described with three concepts: 1. networking; 2. innovation; 3. quality.

#### *1. Networking*

The Consortium is characterized by a strong link to the territory of the Friuli Venezia Giulia region. This link has been developed through the setting up of strong network of collaborations, both with public and private organisations, which allow the achievement of COSM objectives. Furthermore, the consortium and its members work to influence local policies, promoting participatory planning with different local stakeholders. Therefore, in order to enhance a joint system at regional level, COSM has chosen to join the major umbrella associations: the Legacoop social (Legacoop), the General Association of Italian Cooperatives and Federsolidarietà (Confcooperative). The Consortium, moreover, has consolidated relationships with financial and development bodies such as “Banca Etica” and “Banca di Credito Cooperativo of Friuli Centrale”.

## *2. Innovation*

COSM is committed to promote innovation, especially at the organizational level, constantly looking for the best matching of the needs of the members and the skills / abilities expressed by the Consortium staff. In particular, COSM pursues three levels of innovation:

- process: to strengthen the integration of the services provided by the consortium members in order to be increasingly more effective in its activities;
- service: encouraging the introduction of innovative processes and technologies to improve the performance in terms of time and cost while ensuring a better social and environmental impact;
- product: with the aim to innovate the production and to support the communication of the double value, economic and social, of the products, also through the use of new information technologies.

## *3. Quality*

Quality is a crucial element for the consortium and for the business development of its members. Particular attention is paid to:

- the operational quality (flows between consortium and consortium members) with smooth information and communications flows between members, with clear organization of activities operations and transparent obligations and responsibilities.
- The quality of the services provided, that help to strengthen recognition and visibility in the market.
- The quality of internal policies: to share principles and values aimed at creating the best conditions for selecting managers, within the framework of the cooperative mission.

The importance given to quality is demonstrated by two activities: quality certifications and social impact assessment. Starting from 2015, with the participation in the project "Evaluating the social and economic impact of social cooperatives in Friuli-Venezia Giulia", promoted by Euricse (European Research Institute on Cooperatives and Social Enterprises), COSM is developing metrics for measuring the social impact of its activities. The goal is to improve its services through the knowledge of the quantitative and qualitative effects of the work carried out in the communities.

- **Lessons learned**

Taking into consideration COSM experience and activities described above, some lessons learned can be highlighted regarding the development and support of social enterprise. The main issue is the

development of local networks: the planning and the development of any kind of activities should go through the setting up of strong local networks. The aim of these network should be to support member organizations in: participation in tenders and public tenders, identification of needs, implementation of participatory methodologies , quality control, development of marketing strategies.

These networks should also guarantee:

- the function of "general contractor" for the participation of their members in procurements; this could be an added value that permits to embers to be more competitive on tenders, providing adequate knowledge and support in business relations (for example, for signing the contract, identifying the responsible representative, supervising the activity carried out and resolving any disputes or disservices).
- Supervision and coordination activities for specific sectors of intervention, especially in highly complex contracts / services which require high and uniform standards of service provision.
- The coordination of cross-sectoral training courses, starting from participatory assessment of training needs of the members of the network. A shared planning of courses could be relevant especially for the training aimed at providing medium-high skills, that permit to improve effectiveness and efficiency of management in the social enterprise.