

Social Innovation in Italy

Prepared by: Giorgia Perra and Giulio Ecchia, AICCON

What is the history of social innovation in your country - what has been happening in the last 10 years?

In Italy the concept of social innovation as we know today has been developed in recent years. It was in 2009/2010 when the phenomenon started to spread widely. Due to the operational gap produced by the removal of the public sphere within the welfare system, there became a greater need to seek new ways in responding to social issues. This was done through developing and building new relations among citizens and/or social economy organisations, eventually building a relationship with the public administration and for profit enterprises.

A recent project developed at the national level has been “The Italian Way to Social Innovation” (“La via italiana alla Social Innovation”). It has been promoted by the Ministry of the Innovation, University and Research “Innovation Think Tank” in 2013. The project aimed at producing a *Social Innovation Agenda*, a document based on 5 main topics (public policies, social innovation finance, social innovation measurement and impact, social innovation methods and processes, how to accelerate social innovation) moving from the contribution of 250 practitioners and researchers.

From a scientific point of view, main research topics around social innovation in economy and management fields are linked with the seeking of new form of social enterprises addressing challenges created from the changing in welfare and economic system. On the one hand, we could find *hybrid organisations* moving from the Italian social cooperatives’ experience. Another example of new form of enterprise is the one of innovative start-up with social purpose (“Start-up innovative a vocazione sociale”) as introduced by the Law n. 221/2012.

As well social innovation issue is also addressed in the reform of the Italian Third sector that is now going on. In addition to the reorganization of the legal forms framework, the reform deals with the problem of finance for social enterprise and, in a wider sense, social innovation. For example, the reform aims at opening new forms of finance – i.e. crowdfunding – to social enterprises in order to foster their action towards social innovation.

What challenges are being addressed by social innovation?

The main challenge addressed by social innovation has a cultural nature. Due to the characteristics of the previous welfare system, dealing with social innovation means to introduce a new concept of understanding and organising the society as well as a new way to be citizens and consumers. It represents a new way for the public administration to interact with citizens and for enterprises to interact with institutions and citizens. In other words, a big challenge addressed by social innovation is to build a *shared value* for the whole society.

In addition, social innovation deals with the reductionism of the concept of innovation. In fact innovation is mostly connected to technology features (e.g. ICT tools) introduced in

products or processes, while the concept of social innovation is wider and could include the technology innovation. As social innovations are new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations (Murray, Caulier-Grice, Mulgan, 2010, *The Open Book on Social Innovation*), their main promoters are citizens and Third sector organizations as spokesperson of social needs.

Who are the key actors? - What kind of businesses, what parts/levels of government, which sectors support social innovation if anything? What other organisations are involved in doing social innovation? What about citizens or local communities?

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Who is promoting social innovation?

An Italian peculiarity is the role covered by the social co-operation within the Third sector in fostering social innovation processes. Italian social co-operatives are more and more orienting their business models and activities to engage communities in a huge way and to co-produce with them in a social innovation perspective starting from the understanding of their social needs.

Citizens are promoters of social innovation as well. The example of the collaboration between the Municipality of Bologna (Emilia-Romagna region) and Bologna's active citizens is a great example of bottom-up social innovation. The relation between the abovementioned entities is called *collaborative agreement* and represents the regulated framework within their defined area of intervention of care and re-generation of urban common goods.

The public administration is involved in processes of social innovation, particularly at the local and regional levels. The added value of the public administration, or its specific role, within social innovation is to foster it taking on a role of facilitator in the governance process.

Finally, a recent study conducted in Emilia-Romagna region highlighted the role of for profit enterprises in social innovation processes as well. As observed by a report edited by Symbola Foundation (Fondazione Symbola, www.symbola.net), more and more for profit enterprises (42,2%) are investing in the establishment of relationships with other entities (e.g., non-profit organisations & community) to develop together social innovation paths. The report shows as these kind of enterprises are more competitive both in economic and in employment rate terms.

Please show a few of the key projects that illustrate social innovation in your country

SOCIAL STREET – *Community-based innovation*

Social Street is an Italian movement come from the experience of the Facebook group of the "Residents in Via Fondazza – Bologna" started in 2013. *Social Street* aims at socialize between neighbours in order to build good relationships, share needs, exchange competences, create initiatives of general interest, benefiting from everything comes out from the social interaction.

Nowadays in Italy there are more than 300 social streets. The most interesting aspect of Social Street movement is the moving form virtual to real: Facebook helps people to know each other and gives them the opportunity to organise events and transform “virtual friends” to real relationships.

<http://www.socialstreet.it/>

VIA PADOVA 36 – Social Housing

Via Padova 36 focuses on the new housing needs of the city of Milan which in the recent years had a big demographic evolution due to the increase of aging people, the migration flows and the moving of Milan citizens from the city centre to the hinterlands.

In particular, the project promoted by a network social co-operatives and foundations try to address the housing needs of young couples, families in need (almost migrants) and people looking for temporary housing solutions (students, researchers, temporary workers, relatives of in-patients). In other words, it targets everyone is not able to access to the traditional housing market.

The main purpose of the project is to offer not only housing services, but also business and social ones. Within the building settled in *Via Padova 36* (hence the name of the project) there are two shops: a second hand clothing store with social purpose promoted by the social co-operative *Vesti Solidali*, and a coffee shop following the fair trade principles. Furthermore, *Via Padova 36* is an ancient building offering spaces for cultural events open to the whole neighbourhood as meeting point, managed by a cultural foundation (*Fondazione Mantovani*, in honour of the Italian sculptor Marco Mantovani).

<http://www.viapadova36.it/>

ENERGIA SOLIDALE – Green economy & Social services

The project *Energia Solidale* is launched in 2012 in Matera by the group of social co-operatives *La Città Essenziale* operating in social and educational services since more than 20 years. The consortium implemented a *profit-non-profit* model in order to face the decrease of public spending for social services caused by the financial crisis. *Energia Solidale* is the results of a joint venture between *EnergCoop*, a co-operative operating in the renewable energy sector, and the consortium in order to combine the environmental sustainability and the social one. The social aim of the project is to donate to vulnerable people (disables, ageing people, children) 10 hours of free social assistance for each installation of renewable energy system. The hours of social services could target people indicated by the customers of renewable systems, or people in need indicated by the municipalities and their social policies offices.

<http://www.lacittaessenziale.it/>

SPRIGIONIAMO SAPORI SOCIAL CO-OPERATIVE – Work integration

Sprigioniamo sapori is a social co-operative founded in 2013 with the aim to develop good practices of work integration of prisoners, creating new possibilities and social value.

The co-operative starts from the project of social re-integration “*Rompete le righe*”, co-financed by the European Social Fund. The project “*Rompete le righe*” was developed by the Italian group of social co-operatives *Consorzio La città solidale* in Sicily, within the prisons of Ragusa, Modica and Catania. The social purpose of the project was reached through training prisoners on bakery and local cookery, giving them the opportunity of a work experience.

Nowadays *Sprigioniamo sapori* employs prisoners of the district prisons of Ragusa and Catania “Piazza Lanza” producing Italian torrone sweets and other confectionaries which are sell all over the Country.

<http://www.sprigioniamosapori.it/>

BRIGANTI DI CERRETO – *Community co-operatives*

The *community co-operatives* are co-operative firms with the aim to produce benefits to the community where they operate through the production of goods and services. The co-operative is community-based, in other words, the citizens themselves are the members of the co-operative who participate as users and/or worker-owner. *Community co-operatives* are usually founded in small villages in the countryside or in the mountains, in places “geographically emarginated”.

One example of *community co-operative* is the *Briganti di Cerreto*. The project was developed in Cerreto Alpi, a very small village of about 80 inhabitants in the mountains of Emilia Romagna, in Italy. Although on a small scale, this community has been able to reinvent itself with relatively limited resources and set up an integrated approach to economic regeneration and sustainable tourism, by pooling the creativity and resources of the whole community. With an innovative model of “*Community Tourism*” it has reversed a previous history of decline and depopulation and contributed in a small but significant way to the diversification of the tourism industry.

<http://www.ibrigantidicerreto.com/>

IMPOSSIBLE LIVING – *Digital social innovation & re-qualification of community assets*

[Im]possible living is a project that aims to give new value to the global heritage of abandoned buildings. Thorough a crowdsourcing website *[Im]possible living* builds a worldwide database of abandoned buildings, provides tools and knowledge to help the users start rescue projects; connects professionals to help on the design process and find money to make these projects become real.

The mission is to give a new life to all the abandoned buildings around the world through an innovative way: creating a global community involved in the reactivation of abandoned building, a crowdsourced process able to generate new solutions to solve the abandonment issue.

<http://www.impossibleliving.com/>

CREDIT TO CO-OPERATIVES WORKING ON CONFISCATED LANDS – *Social innovation and credit*

A peculiar Italian experience in the credit market is the financing of organisations which re-use assets, and in particular lands or buildings, confiscated to Mafia. Once the assets are definitely confiscated, the government gives them for free to co-operatives or Third sector organisations which can manage them creating opportunities of local development and social value. The efficient utilization of these assets, otherwise abandoned, generates economic growth, employment and well-being.

Among the good practices in this field there is the initiative of the Italian Credit Unions (*Credito Cooperativo*) in collaboration with the anti-mafia network association *Libera*: “*Dal bene confiscato al bene comune*” (literally “*From confiscates to community assets*”). The project aim to support the organisations managing confiscated assets for a social purpose, not only with access to credit, but also with other activities such as contributions, mentorship, etc.

Another good practice is promoted by *Banca Popolare Etica*, the first Italian ethical bank, and the association *Libera* to give microcredit loans to this type of enterprise. Nowadays there are 179 loans, 5 million euros budget.

PERMICRO - *Microfinance*

PerMicro is a company specialised in microcredit. It was born in Torino but operates in the whole of Italy. It is the first and the only Italian microcredit company that professionally manages all the different phases in a micro company project: scouting, preliminary inquiry, risk assumption, follow up. The company is sponsored by two social Foundations and belongs to the Italian and international network of microfinance organizations whose objective is to offer microcredit as a tool for local development and an opportunity for individual or familiar growth for people with temporary economic difficulties. The company finances up to 25,000 Euro for companies or families, and it is designed for people who do not have an easy access to traditional bank credits.

The loans are suitable for Italian or foreign citizens who wish to start or develop an activity, or to freelance workers or employees in response to essential financial needs.

Nowadays *PerMicro* provides more than 6,500 microcredit loans for 38 million euros.

<http://permicro.it/en/>

UBI COMMUNITY SOCIAL BONDS - *Innovation in Bank services*

Launched in April 2012, *UBI Community Social Bonds* are bonds designed to support initiatives of high social value for the community, issued by UBI Banca. They guarantee subscribers a return on their investment (comparable to that offered by ordinary investments) and they allow the bank to use part of the funds obtained to support socially worthy initiatives (more specifically the bank donates a set proportion of the funding acquired to support those initiatives, or – a solution adopted for the first time in Italy – it is used to grant loans for non-profit sector development initiatives). The *Social Bonds* involve and reward significant non-profit organisations in their local communities, that have good capabilities to mobilise stakeholders and have projects with a high social impact.

The innovative financial instrument was very positively received by customers, which bears witness to the extent to which the bank, with its values and objectives is in tune with local communities: today the UBI Banca Group has placed 46 social bonds, the large majority of which were fully subscribed well before the issue period came to an end. The total issues is so far € 558 million, while the charitable donations are €2.73 million.

Last March UBI Community Social Bonds won the 2013 edition of the Italian Banking Association prize for innovation in banking services (the “Social Bank” category). In June the President of the Italian Republic awarded Bank the prestigious 2013 National Prize for Innovation (known as the “Prize of Prizes”) in the category “Services – Innovation in Banking Services”.

<https://www.ubibanca.com/page/ubicomunita-social-bond>