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# Overcoming institutional barriers for social entrepreneurship

*National Report*

## Italy



SERCo

### Project information

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## Executive Summary

This national report combines key information on different types of social enterprise with guidelines on how to establish them in the Italian national context. Forming part of the SERCo project's broader aim to promote social economy as an effective instrument for integrating Roma into the labour market, this set of guidelines for Roma social entrepreneurship represents one of the project's core deliverables.

This document begins with an overview of the SERCo project itself, detailing its core objectives, deliverables, and consortium members. Part 1 of the report provides a general definition of social enterprises together with a brief description of their main features and fields of activity. Part 2 offers more detail on different types of social enterprise operating in Italy and provides in-depth guidelines on how to establish them. Part 3 explains in greater detail the relevance of social enterprises to integrating Roma more effectively into the labour market and provides recommendations to Roma communities and institutional players.



## Project Description

**The project promotes social economy as an effective instrument for integrated development of the Roma communities by:**

- 1) analyzing the potential of applying social economy practices within Roma communities, from a social, economic and institutional point of view;
- 2) engaging policy-makers and civil servants and training Roma mediators for developing social enterprises; and
- 3) assisting Roma social business initiatives and promoting social economy within Roma communities and to the general public.

The SERCo partners recognize that social entrepreneurship can be a solution to the issues of Roma people, since it:

- helps resolving some of the existing needs of the community;
- facilitates the qualification on the job;
- uses local resources and allows the development of more entrepreneurs;
- supports traditional crafts;
- increases the qualification and education level;
- stimulates solidarity and lead to the improvement of the relationships between the members of the community;
- represents a self-help method;
- allows hiring people in vulnerable situations.

**The project's core deliverables are:**

- guidelines for Roma social entrepreneurship
- Mediators' training programme
- One-to-one mentoring for social enterprise development
- SERCO VLE for mutual learning
- Public roundtables & info days
- Network for Roma Social Economy

**SERCO Consortium:**

- University of Piraeus Research Center, / [www.kep.unipi.gr](http://www.kep.unipi.gr) , Greece – SERCo Coordinator
- IDEA ROM ONLUS, [www.idearom.it](http://www.idearom.it) , Italy



- CESIE, [www.cesie.org](http://www.cesie.org), Italy
- The European Roma Information Office-ERIO, [www.erionet.eu](http://www.erionet.eu), Belgium
- Center for Interethnic Dialogue and Tolerance “AMALIPE”, [www.amalipe.com](http://www.amalipe.com), Bulgaria
- Fundacio Privada Pere Closa, [www.fundaciopereclosa.org](http://www.fundaciopereclosa.org), Spain
- Tolerance and Mutual Aid Foundation (TMAF), Bulgaria
- Four Elements, [www.4-elements.org](http://www.4-elements.org), Greece
- Association Promoting Social Inclusion PAKIV (ACPSI PAKIV), [www.pakiv.ro](http://www.pakiv.ro), Romania



## 1. Introduction

### What we understand for social enterprises?

The term Social Enterprise has been used for the first time in Italy in the 1980s and it was referring to the innovative private initiatives established by volunteers with the aim of delivering social services.

These initiatives obtained their legal identity with the **Act on Social Cooperatives** in 1991 with the Law no. 381/1991.

The Act on Social Cooperatives has created a new form of cooperatives distinguishing between social cooperatives providing social, health and educational services (defined by law as type A social cooperatives) and social cooperatives integrating disadvantaged persons into jobs (type B social cooperatives).

In 2005 with the Law 118/2005 and then in 2006 the Social Enterprises obtained the legal category of “social enterprise” with the adoption of the **Law on Social Enterprises**, Law no. 155/2006 that at the Art. 1, para. 1, states: *«All private organisations, also including those of the Fifth Book of the Civil Code, which carry out a stable and main economic and organised activity with the aim of production or exchange of goods and services of social utility for the common interest, and which meet the requirements of articles 2, 3 and 4, can be considered as social enterprises».*

It does not create a new legal form, but a legal status or ‘label’ which all eligible organisations can obtain regardless of their ownership or organisational structure. Eligible organisations could in theory be traditional cooperatives, social cooperatives, investor-owned firms (i.e. share companies) or traditional non-profit firms (i.e. associations and foundations).

In conclusion, we can affirm that Social Enterprise is like a legal “brand” that all eligible organisations can obtain just respecting few requirements:

- a) being a private organisation;
- b) performing an entrepreneurial activity of production of social utility goods and services;
- c) acting for the common interest and not for profit.

Additionally, an operational definition of social enterprise has been developed by the **Iris Network**, the national network of research institutes on social enterprises. This operational definition covers two broad categories of undertakings (Venturi and Zandonai, 2012a):

- 🚩 Officially recognised social enterprises: this group of undertakings includes two sub-categories:

- I. Social cooperatives; and
- II. Social enterprises ex lege.

- 🚩 Social enterprise potential, i.e. organisations demonstrating the defining characteristics of a social enterprise, but falling outside the legal frameworks for social enterprises or social cooperatives. When referring to this broader group of organisations, the Iris Network also adopts the term “social entrepreneurship”.

This group includes the following sub-categories:



- A. Non-profit organisations pursuing social aims and oriented towards productive activities;
- B. Mainstream enterprises which declared to perform activities of production and exchange of goods and services of “social utility” while pursuing objectives of “general interest” and also comply with a non-profit distribution constraint.

Finally, it is worth to say that the structure of a Social Enterprise is subject of good governance principles such as:

- a) Transparency (Law 155/2006 art. 5, 7 para. 1, and art. 9)
- b) Openness (Law 155/2006 art. 9)
- c) Participatory decision-making (Law 155/2006 art 8 para. 1)

Despite their diversity, Social Enterprises mainly operate in **four fields**:

- I. **Work integration** - training and integration of people with disabilities and unemployed people.
- II. **Personal social services** - health, well-being and medical care, professional training, education, health services, childcare services, services for elderly people, or aid for disadvantaged people.
- III. **Local development of disadvantaged areas** - social enterprises in remote rural areas, neighbourhood development/rehabilitation schemes in urban areas, development aid and development cooperation with third countries.
- IV. **Other** - including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports.

**Field of activities (source of data: Istat, *Censimento Industria Servizi 2014*)**

Sector	Number of organisations		Employees		Volunteers
	Total	%	Total	%	Total
Social care and civil protection	4,452	40%	170,617	53%	17,959
Economic development and social cohesion (Includes Type B) <sup>12</sup>	3,654	32%	68,855	21%	13,472



Sector	Number of organisations		Employees		Volunteers
	Total	%	Total	%	Total
Health	1.192	11%	54,327	17%	4,867
Education and research	899	8%	15,950	5%	3,117
Culture, sport and recreational activities	747	7%	6,518	2%	2,111
Environment	128	1%	1,881	1%	166
Cooperation and international solidarity	24	<1%	70	<1%	388
Protection of rights and political activity	19	<1%	102	<1%	37
Trade union and representation of interests	14	<1%	248	<1%	23
Philanthropy and promotion of volunteering	9	<1%	81	<1%	72
Other	126	1%	1,864	1%	156
<b>Total</b>	<b>11,264</b>		<b>320,513</b>		<b>42,368</b>



## 2. Types of Social Enterprises (Associations, foundations, NGO's, cooperatives, mutual aid associations)

Considering the data presented above, the following types of entities can be considered as Social Enterprises in Italy:

Legally recognized Social Enterprises		De-facto Social Enterprises	
Social Cooperatives	Social Enterprises ex lege	Non-profits	Other organisations
<ul style="list-style-type: none"> <li>Type A (delivering social, health and educational services)</li> <li>Type B (work integration)</li> </ul>		pursuing social aims and oriented towards productive activities	engaged in the production or exchange of goods and services of “social utility” while pursuing objectives of “general interest”

The table below show the map of the legally recognized Social Enterprises in Italy against the EU definition:

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Dimension	Criterion	Social Enterprise ex lege	Social Cooperatives
Economic	Engagement in economic activity	Identical condition: Social Enterprises perform an entrepreneurial activity (Article 1 of Legislative Decree no. 155/2006)	Identical condition: cooperatives are enterprises engaged in economic activities (Articles 2511 and 2082 of the Italian Civil Code)
Social	Explicit and primary social aim	Similar definition: the pursuit of a social aim is defined by law operationalization of social aims by listing sectors of activities or employment integration (Article 2 of Legislative Decree	Narrower definition of social aims: stronger focus on fulfilling social integration objectives

		no. 155/2006)	
Governance	Asset lock	Identical condition: no distribution of assets or parts of assets to owners / shareholders, employees or members	Similar condition: any surplus assets minus the possibly accrued dividends for the members must be allocated to mutual funds for the promotion and cooperation development. Members can receive only what it is owed to them in connection with dividend payments
	Limits on profit distribution	Narrower condition: no distribution among owners / shareholders, employees or members (Article 3 of Legislative Decree no. 155/2006). Income must be reinvested in the core business or in increasing the assets of the organisation.	Similar condition: social cooperatives are allowed limited profit distribution. This condition is operationalised by defining limits on profit distribution (Art. 2545-quarter of the Civil Code)
	Organisational autonomy from the State and for-profits	Narrower condition: social enterprises cannot be owned or controlled by for-profit organisations or by public administrations (Article 4 of Legislative Decree no. 155/2006). A social enterprise needs to be	Potentially wider condition: public or private legal entities with the statutory objective of financing and supporting social cooperatives may become members of social cooperatives (Article 11 of Law no.

		a collective initiative of a private nature.	381/1991).
	Inclusive governance – democratic decision making and /or Participatory governance	<p>Social enterprises do not need to be governed by democratic principles; their governance will ultimately depend on the choice of institutional form (an association, a foundation, a social cooperative, or a company). Regardless of the institutional form, however, social enterprises must involve workers and users of social goods and services in the governance of the organisation (Article 12 of Legislative Decree n° 155/2006). This obligation is broadly construed so as to include any information sharing, consultation or participation process through which the workers and customers can at least have a say on issues relating to the working conditions and quality of goods and services which a social enterprise provides. A social enterprise is obliged to detail the consultation</p>	<p>A social cooperative must have the general meeting, a board of directors and the supervisory body, or an external auditor. Every member has one vote in the general assembly, regardless of his contribution to the fixed capital, in conformity with the principle of democratic governance, however there are some exceptions. Although the law does not oblige social cooperatives to be multi-stakeholder organisations, 70% of them involve diverse classes of stakeholders in their membership and one-third of them include workers, volunteers and other classes of stakeholders in the board of directors. Social cooperatives also tend to be involved in networks and collaborations with local institutions and the community (Borzaga, 2012)</p>



		processes in its "social balance sheet".	
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**Here below the definition of the main Social Enterprises:**

**NGO →**

A non-governmental organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Their relationship with offices and agencies of the United Nations system differs depending on their goals, their venue and the mandate of a particular institution.

**Association →**

An organization of people with a common purpose and having a formal structure. It is a private entity, formally organized, having decision-making autonomy and freedom of association, producing services which are not subject to taxation for their beneficiaries and whose surplus, if any, may not be appropriated by those who create, control or finance them.

**Foundations →**

It is an organization that is created and supported with money that people give in order to do something that helps society

**Cooperative →**

It is an autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled business. Cooperatives include non-profit community organizations and businesses that are owned and managed by the people who use their services (a consumer cooperative); by the people who work there (a worker cooperative); by the people who live there (a housing cooperative); hybrids such as worker cooperatives that are also consumer cooperatives or credit unions; multi-stakeholder cooperatives such as those that bring together civil society and local actors to deliver community needs; and second and third tier cooperatives whose members are other cooperatives.

**Mutual aid association →**

It is an organization whose purpose is not primarily to distribute earnings to its members but to assist, benefit, or protect them in some common matters or objectives. Its main purpose is to satisfy their common needs in the sector of (life and non-life) insurance, providence, health and finance and banking, carrying out activities in a competitive environment.

## 2.1 Advantages of social enterprises compared to other types of enterprises and why they could be more suitable for Roma communities

The data collected by the Iris Network are showing the increased number of Social Enterprises in Italy for number of services offered. Especially in the north of Italy where there are more Type A social enterprises than Type B related to the health sector.

By providing essential services to vulnerable people, social enterprises, and especially cooperatives, play a key role in the Italian social welfare context for two main reasons:

- Public administrations externalise the provision of services such as social care and work integration to cope with the increasing demand for these activities. This outsourcing process has its roots in the 1990s, when the introduction of Law 381/1991 on social cooperatives facilitated the possibility for public administration to stipulate contracts for the provision of social services with social cooperatives (Borzaga and Galera, 2012).
- Social cooperatives have demonstrated to be better able than for-profit enterprises to address the evolution of demand for social services, particularly when this demand comes from less wealthy users or more vulnerable people such as the disabled, immigrants and homeless people (Borzaga and Galera, 2012). The reasons for this relate to the specific characteristics of social cooperatives, including the ability to provide services at costs that are accessible to the less wealthy users. This is possible thanks to factors such as the provision of volunteer work and the fiscal advantages granted to social cooperatives.

In terms of employment, in 2013 social cooperatives and officially recognised social enterprises presented the following key characteristics underlining their role in supporting social inclusion (Centro StudiUnioncamere and Si.Camera, 2014):

- A larger proportion of part-time personnel, particularly with regards to female employees: in 2013 about 61 per cent of social enterprises' non-seasonal female employees were part time, as compared to 47 per cent in other enterprises.
- A greater orientation in hiring immigrant workers: in 2013 up to 20 per cent of social enterprises' non-seasonal employees were immigrants, as compared to 15 per cent in other enterprises.
- Lower proportion of under-30 new hires: 17 per cent versus 30 per cent.
- Increasing need to employ staff with planning, managing and commercial skills: between 2010 and 2013, the percentage of graduates hired by social enterprises increased from 21 to 25 per cent of all new hires. Additionally, 34 per cent of new hires in social enterprises were high-skill employees (management, scientific skills and other technical skills requiring a high level of specialisation) as compared to the 17 per cent in all enterprises.

Before continuing with advantages of Social Enterprises we should also underline some of the main barriers:

- One major problem for the Social Enterprises is the delay in payments for the services delivered to public administrations; this problem affects significantly their sustainability.



Significant delays have increased social enterprises' debts towards banks for advancing the payment of due invoices and affected the ability to remunerate employees with the needed regularity.

- Another barrier to the development of Social Enterprises is the confusion caused by the complexity and fragmentation of the legislative framework, both civil and fiscal, which governs the operations of non-profit organisations (excluding social cooperatives, which benefit from a well-established legal framework), companies and social enterprises ex lege. This can impose complex and restrictive bureaucratic and administrative duties, which complicate the enterprise's management.
- Salaries are lower than in other “markets” and social enterprises can have difficulty attracting effective managers to develop and further their business. Restrictions on profit distribution make it difficult for them to attract investments from private investors and there is a lack of fiscal incentives in favour of private citizens who donate to social enterprises. For-profit organisations are excluded from controlling a social enterprise ex lege, which prevents the creation of strong relationships between social enterprises ex lege and for-profit organisations. Further, the law forbids the latter from controlling for-profit institutions, unless they also have the status of social enterprise ex lege.
- For-profit companies and public sector organisations are entering the markets traditionally covered by social cooperatives, including the sectors of social care and healthcare services provided to disadvantaged people. As a consequence, for profit companies are increasingly competing with social cooperatives and other non-profit organisations in order to secure contracts from public administrations.

So, the barriers identified are the poor visibility and recognition of the sector, the constraints of current legal and regulatory frameworks, limited financial resources, difficult access to markets, and the lack of business support and development structures, training, and workforce development.

In Italy, the Law on Social Enterprises of 2006 is currently the subject of debate. The debate has raised from the very low impact that the law has had on the development of Social Enterprise (as pointed out earlier, a very low number of organisations have actually registered as social enterprises ex lege). The key issues are:

- The strength of social cooperatives;
- The law does not attract non-profit organisations (particularly, associations) because of the additional costs and responsibilities that it implies without offering any benefits;
- The entrepreneurs who work in traditional enterprises are not attracted either because they see too many limitations and would like more freedom, especially regarding the division of company profits;
- Investors are discouraged by strict legal requirements and rules to set up the activity and scarce incentives; fiscal advantages are not seen as attractive enough.
- The difficulties in attracting risk capital because of the total profit distribution constraint preventing ex lege social enterprises from distributing any profits (as opposed to the partial distribution of profits allowed for social coops);





- The impossibility for conventional entrepreneurs to participate in the governance of social enterprises

As a general shared remark, Italian stakeholders see an emerging common need for expanding tools and possibilities of action for these entities. The opportunities granted by the law to the social enterprises ex lege in the sector of environment, health and culture are seen as too limited. Suggestions were to:

- Promote priority in access to funding;
- Allow more managerial powers for public services/goods;
- Strengthen the link between the activity of the social enterprises and the policies of local administrations (with regards to specific sectors as, e.g., water and culture).

### 3. Procedure to be followed for its legal incorporation and its start-up procedure

In order to receive the status of Social Enterprise, it is necessary that its constitution occurs via a notarial deed or authenticated private and then that these documents are prepared in accordance with the **Law on Social Enterprises**.

It is also important to not forget the business purpose, in this case the non for profit purpose as well as the status of Social Enterprise.

Another important document is the Statute where all the norms will be listed with the specifics of the enterprise structure.

So that, in order to start up a Social Enterprise we should be sure to have ready:

- Deed of incorporation, that certifies the creation of the Social Enterprise
- Statute, that regulates the structure and rules of the Social Enterprise
- Registration to Business register
- Registration to the Income Revenue Authority
- Fiscal code
- Tax stamp

Anyway, here below we will clarify the procedure and steps needed in order to start up a Social Enterprise. We would need to proceed by different phases that could be identified as 4:

- A. Definition of the business idea** → the Social Enterprise has also to deal with the market and so with the competitors that's why the business idea has to be a good one
- B. Preparation of the Business Plan** → it is usually structured in 8 sections:





- 1. PROJECT COMPANY**
  - 1.1. Geographical context
  - 1.2. Identification of the main purchasers/users
  - 1.3. Analysis of competitors
- 2. PRODUCTS, SERVICES**
  - 2.1. Products /services description
  - 2.2. Products life circle
  - 2.3. Possible intermediaries
- 3. MARKET**
  - 3.1. Market view
  - 3.2. Marketing and sales plan
- 4. MOTIVATIONS**
  - 4.1. Main motivations in the startup company
  - 4.2. Potential difficulties
  - 4.3. Start-up activity strategies
- 5. LOCATION / LOGISTICS**
  - 5.1. Domicile
  - 5.2. Logistics / administration
- 6. SWOT ANALYSIS OF PROJECT COMPANY**
  - 6.1. Project company strong points
  - 6.2. Project company weak points
  - 6.3. Project company opportunitites
  - 6.4. Project company risks
- 7. 4P MIX ANALYSIS: PRODUCT, PRICE, LOCATION, PROMOTION**
  - 7.1. 4P analysis regarding available resources
  - 7.2. 4P analysis regarding the needs to respond to
- 8. FINANCES**
  - 8.1. Retrospective and starting framework
  - 8.2. Future perspectives (incomes and expenditures)
  - 8.3. Financial plan for 2 years (no VAT and with break-even analysis)

**C. Bureaucratic fulfilment** → In Italy the administrative procedures to start up a business are most of the time complex and too long. The complexity is due to the fact that very often there are Regional or Local change within the law and procedures.

The first thing to do is to verify if the Social Entrepreneur has all the criteria to open the Social Enterprise. Then he/she has to be sure about all the steps needed to its start. For example, if the Social Enterprise is an association, the procedure is different from the constitution of a society.

Finally, the entrepreneur has to check where to find the right information for his/her start up about:

- Authorizations, license or permits;



- Documents and modules needed;
- Where present the request to start the business (Chamber of Commerce, Municipality, Province, Region, Ministry etc..).

**D. Registration to the Business register & start up** → As stated above, being a Social Enterprise is a legal status that could be given to Associations, foundations, NGOs and Cooperatives.

So that all the Enterprises that wants to have this **legal status** has to have in order to be identified as Social Enterprise.

Then, the Entrepreneur needs to choose the **business sector** or **service provided** related to his/her Social Enterprise: Work integration, Personal social services, Local development of disadvantaged areas or other services including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports.

Once the Entrepreneur has all the documents necessary to open the business, he/she has to do the official request to the Income Revenue Authority filling in the related Module and paying the necessary tax.

On the other hand, the Income Revenue Authority will check if the Social Enterprise comply with all the criteria and documents and then it will give the notification of the constitution of the Social Enterprise.



#### 4. Recommendations

Several studies conducted during the past years have identified a series of widely spread problems within most compact Roma communities:

- unemployment and lack of employment opportunities;
- low human capital level, measured from the perspective of the level of education and qualifications;
- health problems and limited access to health services;
- overcrowded houses and residential areas;
- lack of ownership title over the house and land;
- passivity and lack of involvement in solving their own problems, within the context of insufficient social capital.

There is also the issue of prejudice about the Roma and discrimination by the non-Roma.

The Roma live under the combined constraint of two vicious circles, potentiating each other: on the one hand, the circle of poverty and low education, on the other hand, that of social distance and segregation. In other words, most of the Roma population is subject to two exclusion processes: on the one hand, economic exclusion, respectively lack of access to the formal labour market and, implicitly, of regular income and, on the other hand, social exclusion, which refers to the social distance between the Roma and the non-Roma, leading to segregation and marginalization.

As far as occupancy is concerned, the Roma constitute one of the most vulnerable group: the percentage of individuals working in the formal sector (employed under an employment contract) is very low, corroborated with a very high percentage of individuals working in the informal economy or subsistence agriculture (day work and/or without an employment contract and social insurances), within the context of a very low education level, lack of professional qualification, or existence of non-formal qualifications based on experience and tradition.

Under these circumstances, social aid based on the guaranteed minimum income are the main income source for a significant part of the Roma population.

In this framework, Social Entrepreneurship could be a possible solution for Roma communities.

At European level, Social Enterprises, despite their diversity and the fact that they operate in many forms of legal organization (cooperatives, associations and foundations, or private companies) cover primarily three domains of activity:

1. professional training and labour integration of the persons excluded from the labour market,
2. social services and
3. local development of disadvantaged (rural or urban) areas.

They play an important part as providers of goods and services on those markets which are insufficiently served by the public sector or private companies for profit, and also have a role in the accomplishment of certain social aims, potentially being useful instruments in combating social exclusion and encouraging local development.



One of the key conditions to develop a social enterprise is to ensure the access of its products to the market. Community poverty characterizing most of the Roma communities is determined by their members' access to the markets, limiting the opportunities for the development of certain income generating activities, be they profit businesses or social enterprises. Like any other business, a social enterprise operates in a market, i.e. it satisfies the demand for certain products or services. In the absence of a demand, of access to the market, the social enterprises created through community support and development programmes will only survive as long as the programmes or projects are in progress.

In the case of Roma communities practicing crafts or other traditional activities (e.g. waste collection), there is low interest in formalizing the economic activity, either under the form of a social enterprise, or of a profit company. Obviously, the formalization of any business means a significant increase in costs, primarily due to the taxes required to be paid, costs which most of the population could not pay. At the same time, for the poor Roma people, these informal activities ensure their daily living. For most of them, these are subsistence, not accumulation strategies, therefore any interruption of these activities for the purpose of involving them in qualification courses, for example, or in the activities of a business start-up group, actually means that they are no longer able to ensure the necessary living for a period of time.

Moreover, because of the prejudice and discrimination against the Roma population, the potential products or services supplied by the social enterprises from Roma communities will face serious obstacles as regards their distribution outside the community. In this sense, the need for a substantial marketing effort must be taken into consideration, as well as raising awareness among large retailers or distributors, in order to include the Roma communities in their social responsibility programmes.

Social economy, with all its components and values, may create the prerequisites for a positive impact upon the social and economic development of Roma communities. Together with other social inclusion policies specific to education, health, employment, social economy offers viable alternatives for the social inclusion of the Roma communities, taking into account their cultural, economic and social diversity. That is why social economy may only develop from an integrated perspective, with the active participation of national and local authorities, civil society, financial institutions and the private sector.

What stated above and all the aspects analysed within the Social Entrepreneurship have revealed the following recommendations concerning the development of social enterprises within these communities:

- To increase the development infrastructure, education and social services in order to have a stronger community impact. In other words, there is a need for integrated, multi-sector projects, grounded on local and/or micro-regional development plans.
- To (re)define the roles of the institutions, and to better integrate them into local development plans/strategies. Also, public policies should recognize to a higher extent the possible role of social economy entities as instruments for social inclusion and poverty reduction and, implicitly, they should create a system for the promotion and support of this sector. In the case of the Roma, they need financial incentives to legally register their economic activities and facilitated access to various support services during the transition from the informal to the formal sector.



- To create tax facilities both for the social enterprises, in order to ease the burden of taxes, duties and contributions payable to the State budget, and for their customers, in order to stimulate them to buy products and services from such enterprises.
- To promote new mechanisms for financing social economy, designed according to certain functional models from other countries – the establishment of social investment funds, the creation of a stock exchange for social (and environmental) shares and the stimulation of micro-credits.
- To facilitate initiatives of business support and consultancy, not only throughout the development of business plan and the establishment of social enterprises, but also after the enterprises begin to operate. In this respect, support networks should be created, offering information, support and consultancy services and, at the same time, being capable of transforming the experience into know-how for the development of new activities.
- To facilitate the access to distribution channels and, in this sense, the involvement of the private business environment is crucial. Distribution companies and large retailers need to be stimulated so as to facilitate the access to markets for such social enterprises. Also because, due to prejudice and discrimination, the products and services of such enterprises are difficult to sell to non-Roma customers.

#### 4. Conclusions

Nowadays, it would be preferable to have a new policy agenda aiming at increasing and improving the law around the Social Enterprise definition and constitution so that the third sector could achieve to pass the monopoly created by the market, thus creating new patterns of consumption and social protection.

At this stage, the European policy is again guiding this new age of policy making; indeed the *Social Business Initiative*, promoted by the European Commission, concerns the mobilisation of resources both public and private to invest into growth of an ecosystem of social enterprises that are able to place themselves in the economic scenario due to the social impact of their activities and, more specifically, as a privileged "vehicle" of social innovation.

In this framework, the Italian legislation has been able to manage just a little part of the social entrepreneurship scenario especially considering not only the limits of the related Italian law but also the lack of administrative support services by the Government and the social parties.

It is not easy modify the Italian law, but it could be enough to do few adjustments in terms of:

- Declaring the Social Enterprise all that non-profit entities giving them the statute of also Onlus;
- Liberalizing the business sectors, introducing a specific authority like the Chamber of Commerce in charge of testing the social mission of the enterprise;
- Guaranteeing, in case of sale or closure, the possibility to move the assets to other social aims linked to the Social Enterprise mission and vision.



On the other hand, having an adequate legislation could be an opportunity to address the main social enterprise challenge that is to "climb" the entrepreneurial sector moving from the periphery to the center of the Italian economic and social system.



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