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Employment, Social Dialogue
and the European Pillar of Social Rights

Country report

ITALY

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Introduction

The last 20 years has witnessed a growing interest among researchers, policy-makers and national and international institutions in social economy organisations and enterprises, which are set up and managed in a participatory way by actors whose main object is not profit but to answer the needs of a group or community.

As stated in the Euricse report Social Economy in Italy: Dimensions, Dynamics and Characteristics (Borzaga 2023), the concept of social economy has so far been little used. Research, public debate and legislation have favoured single components of it: traditional cooperatives on the one hand, and other types of organisations (social cooperatives, associations and social enterprises) on the other.

In this report we will refer to the Istat permanent census of non-profit institutions (2022), to the data of Fondosviluppo (2021) regarding traditional cooperatives and to those collected by Euricse on the Italian social economy (2021), to provide a unitary picture of the dimensions and characteristics

of the entire social economy in Italy and to explore its sectoral specialisation and its industrial relations and social dialogue.

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Industrial relations: national context

2.1 LEGAL FRAMEWORK

The Italian **legislative framework for workers' participation** is not highly developed. However, the constitution lays down in Article 46 that:

“For the purpose of raising the economic and social level of labour, and subject to the requirements of production, the republic recognises the right of the workers to participate, in ways and within limits established by law, in the management of undertakings.”

However this constitutional provision has never been brought into force from a technical point of view, in the sense that parliament has not enacted legislation referring explicitly to article 46.

The **industrial relations** system in Italy is also based on the constitution, namely article 39 on the freedom of trade union association and the right to collective bargaining. Like article 46, this provision has not been implemented by parliament. However, the universal effect of collective agreements, which are binding even

for employers and workers who are not affiliated to the bargaining agents, has partly been enforced by case law. On the basis of article 36 of the constitution (principle of fair remuneration), the courts have declared null and void those clauses in individual contracts of employment that set lower levels of pay than those laid down by the applicable collective agreement.

In 1970 the Workers' Charter of Rights (*Statuto dei lavoratori*), was recognised by law 300/1970, while the concept of fair pay is still based on the constitution (article 36). The law also foresees the obligation on the part of undertakings in receipt of state grants or awarded public works contracts to ensure that conditions applied or made to apply for workers must not be worse than those set by collective agreements for the relevant category and area.

Italy has three main trade union confederations, and a number of smaller confederations and autonomous unions (ETUI, 2016). The **three main trade union confederations** are:

- ✦ The **General Confederation of Italian Workers** (*Confederazione Generale Italiana del Lavoro*, CGIL), established in 1906. It is the oldest Italian trade union organisation, and also has the highest number of members. Historically close to the left-wing and communist party;
- ✦ The **Italian Confederation of Workers' Trade Unions** (*Confederazione Italiana Sindacati Lavoratori*, CISL) was established in 1948 as a secular and non-confessional union, and close to Catholic Christian values;
- ✦ The **Union of Italian Workers** (*Unione Italiana del Lavoro*, UIL), established in 1950, was close to the socialist and republican political positions.

Trade unions in Italy are organised on an industry basis with national branch federations (with the exception of UIL for the public sector and workers employed in non-standard jobs). Italy also has **smaller confederations** and **independent autonomous unions**, which represent mainly workers in the transport and public services sectors.

Although declining, **union density** in Italy is still one of the highest in the world: it was 41% in 1980 and it is now estimated at 33.4%. The data include retired workers (unlike other EU member states, Italian trade unions have special federations for retired members), but exclude workers affiliated to unions other than the three major ones (Fiorani and Simonazzi, 2018). Over time, there has been a huge reshuffling of membership composition, with an increasing proportion of pensioners – from 20% in 1981 to 50% in 2001 – and a decline in manufacturing in favour of the public sector and private services. However, in the latter, the rate of unionisation is still

the lowest (17%). Female and migrant participation is also low but increasing. The weakest area continues to be the under-30s, where atypical workers are more concentrated: this age group is the least unionised (15%), with a gap of 30 percentage points with respect to workers aged 45–60 (Leonardi, 2017).

During the period of the greatest historical expansion of the Italian welfare state (between the 1970s and 1980s), unions were granted the important role of institutional participation in the management of social security. The Italian legislature progressively allowed union participation in the management of the country's major institutions of public social security.

The main employers' organisations playing a significant role in the tripartite system in Italy are:

- ✦ *Confindustria*: the largest and most influential employers' organisation in Italy. It represents the interests of Italian manufacturing and service companies. Confindustria is involved in social dialogue at both the national and sectoral levels. It plays a crucial role in negotiations on labour and economic policies;
- ✦ *Confcommercio*: the Italian General Confederation of Enterprises, Professions, and Self-Employment represents businesses in the commerce, tourism, services and professional sectors. It is one of the major employers' organisations involved in social dialogue, particularly in sectors related to commerce and services;
- ✦ *Confagricoltura*: this represents the interests of Italian agricultural enterprises. It is a key organisation involved in social dialogue concerning agricultural

policies, labour issues in the agricultural sector, and related matters;

- ✦ **Coldiretti**: *Confederazione Nazionale Coltivatori Diretti* (National Confederation of Direct Cultivators). Coldiretti is a farmers' association and represents the interests of Italian farmers and agribusinesses. It is not strictly an employers' organisation, but plays a crucial role in advocating the interests of those involved in agriculture, including both employers and workers in the sector. It engages in social dialogue and negotiations on issues related to agricultural policies, rural development, and labour matters within the agricultural industry;
- ✦ **Casartigiani**: representing SMEs and artisans. It focuses on the interests of craftspeople and small businesses, contributing to social dialogue discussions on issues affecting this segment of the economy.

These organisations participate in national-level negotiations and discussions with trade unions and the government to reach agreements on labour laws, economic policies, and social issues. The Italian system of social dialogue emphasises cooperation and negotiation between employers, workers and the government to address various economic and social challenges.

Italy shares with other Mediterranean countries a model of industrial relations characterised by a traditionally **high degree of central coordination in collective bargaining**. The system of industrial relations is not regulated by law: key issues such as workers' representation, collective bargaining, minimum wages (the minimum pay laid down in sectoral agreements is commonly extended to all workers) and strikes are

regulated by tripartite and/or bilateral agreements; the only exception is the Workers' Charter of Rights (*Statuto dei lavoratori*), passed in 1970 (law 300/1970). The concept of fair pay is based on the constitution (article 36).

Although **collective bargaining**, based on **tripartite concertation**, formally has no legal effect *erga omnes*, its enforceability through the courts results in a very high collective bargaining coverage. National collective agreements (*Contratti Collettivi Nazionali di Lavoro*, CCNL) are applied to 99.4% of companies (Fondazione Di Vittorio, 2016). Collective bargaining takes place at two levels, based on **industry-wide agreements**, and on decentralised agreements negotiated at the **company** (especially with regard to large companies) and **territorial levels**. Over the years, trade unions have strengthened the role played by second-level bargaining in order to improve flexibility by adapting to the local level and to increase salaries based on productivity and profitability.

On 10 January 2014 the three main trade union confederations and the main employers' association Confindustria signed an **inter-confederation agreement on representativeness** (*Testo Unico sulla rappresentanza*)¹ which addresses four main issues: extent and recognition of representation for the purpose of national collective bargaining at sectoral level; rules of representativeness in the company; entitlement and effectiveness of collective bargaining at sectoral and company levels; and provisions in case of non-compliance.

1 Testo Unico Rappresentanza | CISL

On 14 January 2016, the three main three confederations signed the **inter-confederation agreement** “A modern system of industrial relations for an economic development based on innovation and quality of work”². This agreement aims to strengthen a new system of industrial relations consisting of collective bargaining, participation and a set of new rules on representation. The agreement is based on three main pillars: 1) the first pillar is strongly focused on the crucial role of active policies, the relevance of training and life-long learning for workers, the flexibility of employment relations, the management of company crises, contracting rules and sub-contracting, bilateralism, bargained welfare plans and wage policies; 2) the second pillar refers to employee participation covering company governance, company organisation and economic and financial participation; the third pillar refers to the norms on representation established by the “Testo Unico” signed jointly with Confindustria in 2014.

2.2 LEVELS OF ORGANISATION AND RELATED INSTITUTIONAL BODIES

The main tripartite social dialogue institution in Italy is the **National Labour and Economic Council** (CNEL) which serves as the umbrella institution of a general nature at national level. It is an institution where all the social partners are represented. The main mission of the CNEL is to promote and foster the social dialogue between the representatives of the different interests and between them and the government and parliament. Among its functions the CNEL can be consulted by the government, parliament, regions and autonomous provinces. It may also issue own-initiative

opinions; may take legislative initiatives and contribute to the drawing up of economic and social legislation; and gives its opinions (which are public documents) to the government, parliament, regions and autonomous provinces.

The president of the council is appointed for five years by the president of the Italian Republic upon the proposal of the president of the council of ministers. The duration of his or her mandate is five years and is renewable. There are **two vice-presidents, elected from within the assembly of the CNEL: one employees representative and one entrepreneurs’ representative**. The duration of their mandate is also five years.

The CNEL has 64 members (councillors) in its main decision-making body:

- ✦ 8 experts appointed by the president of the republic
- ✦ 2 experts appointed upon the proposal of the president of the council of ministers
- ✦ 6 representatives of non-profit organisations and associations of social promotion (**social economy**)
- ✦ 22 representatives of employees
- ✦ 9 representatives of self-employed workers
- ✦ 17 representatives of employers’ organisations.

2.3 REPRESENTATIVENESS REQUIREMENTS

Presidential decree 312/1995 allows all trade unions to constitute “enterprise union representation” units (*RSA – rappresentanza sindacale aziendale*) irrespective of their representativeness at the national level.

The requirements for recognition as a representative or the most representative trade union organisation vary

among the different sectors, and are defined partly by law, partly by administrative practice and partly by case law. In particular a well-established court jurisprudence³ identified the following requirements to be considered jointly for the recognition of the “most representative” status:

- the number of members, resulting from common knowledge;
- balanced presence of the organisation in the various productive sector;
- the national dimension in the case of a confederation;
- an active, systematic and continuative participation in collective bargaining and in the handling of labour disputes.

Another important source of guidance on trade union representativeness is the above-mentioned Interconfederal Agreement between the 3 trade union confederations and “*Confindustria*”.

In order to participate to enterprise-level collective bargaining, workers must elect by majority a single trade union representation (*rappresentanza sindacale unitaria RSU*).

All workers, irrespective of their affiliation to a trade union, participate to the election of the RSU. Under this point of view, the “single trade union representation” (RSU) distinguishes itself from the “enterprise trade union representation” (RSA) which is another type of representative organ elected only by workers affiliated with a given trade union. By reason of the fact that the

“enterprise trade union representation” (RSA) represents only the interests of a limited number of workers affiliated to a specific trade union, it is not allowed to participate in negotiations at the enterprise level, unless the enterprise does not have an RSU.

2.4 MAIN PRACTICES AND OUTCOMES

Legislative decree 25/2007 establishes the general framework concerning the right to information and consultation of workers in companies or production units located in Italy. This decree transposes European directive 2002/14/EC, which establishes a general framework for information and consultation of employees in the European Union: in fact, before its entry into force, legislation provided information and consultation duties only with regard to specific events such as company relocations under the ARD directive (law No 428/1990) or collective dismissals (law 223/1991). More specifically, Art. 1(2) of decree 25/2007 lays down that the modalities of information and consultation are established by collective labour agreements, which have been an important source of the development of this right to information and consultation: in fact, times and modalities for the exercise of this right are normally expressly laid down by collective bargaining. Furthermore, legislative decree 81/2008 (art. 36) establishes the obligation for employers to inform workers on particular subjects, like health and safety at work, first aid procedures, and the names of the employees in charge of ensuring protection against hazards and risks in the workplace. According to art. 35, in enterprises with more than 15 employees periodical meetings should be held between employers’ and workers’ representatives for health and safety (RLS).

³ Court of Cassation, Labour Section 10 July 1991 no. 7622 and 22 August 1991 no. 9027)

Social partners in Italy actively contribute to the policy-making process through consultations, negotiations and collaboration with the government. This mainly refers to the active participation of key stakeholders, particularly employers' organisations and trade unions, in the development, implementation and evaluation of policies. Their involvement extends beyond the organisational or company level to influence policies that affect entire sectors and the broader economy. This involvement is often seen as a collaborative approach to decision-making that takes the perspectives and interests of both employers and workers into account. This tripartite approach is a key feature of the Italian industrial relations system.

Some ways in which the social partners take part in policy-making are:

- ✦ Consultation and dialogue: governments often seek input from social partners when formulating new policies or making changes to existing ones. This involves engaging in consultations and dialogues where representatives from employers' organisations and trade unions can express their views, share insights, and provide feedback on proposed policies;
- ✦ Participation in advisory bodies: social partners may be invited to participate in advisory bodies, committees or task forces established by the government. These bodies are designed to bring together diverse stakeholders to provide expertise and recommendations on specific policy areas;
- ✦ Negotiation of collective agreements: at the sectoral or company level, social partners negotiate collective agreements that set the terms and conditions of

employment. These agreements may cover aspects such as wages, working hours and benefits. By engaging in collective bargaining, social partners influence workplace policies and contribute to the establishment of industry standards;

- ✦ Implementation monitoring: after a policy is adopted, social partners often play a role in monitoring its implementation;
- ✦ Policy advocacy: to influence policy decisions. This can include public campaigns, lobbying, and direct communication with policy-makers to promote policies that align with the interests of employers or workers;
- ✦ Design of skills and training policies: social partners often collaborate on policies related to skills development and training. They contribute to the design of educational and vocational training programmes to address the evolving needs of the labour market and enhance the skills of the workforce;
- ✦ Social dialogue in crisis management: during economic crises or other challenging situations, social partners engage in social dialogue to collectively address issues such as unemployment, economic instability and social inequalities.

The involvement of social partners in policy-making is essential for the creation of effective and sustainable policies that consider the perspectives of all stakeholders. It fosters a sense of ownership and shared responsibility, contributing to the successful implementation of policies in the economic and social spheres.

/03

Social economy

3.1 BRIEF HISTORY: KEY DATES AND EVENTS

Italy has a long tradition of **civil commitment** that over the decades has often found expression in different forms of association. They have gradually become strategic organisations, both for the welfare system and for the broader economic one. The first important experiences of volunteering, mutual societies, production and work co-operatives emerged at the beginning of the 20th century, and carried on up to the social co-operation movement in the 1970s. Above all, the Italian socio-economic context during the second half of the 20th century played a decisive role in catalysing the various experiences of associationism and cooperation, both religious ones and those with a secular imprint (the two cultural orientations that are very significant in Italy).

The second half of the 20th century was a period of significant socio-economic transformation for Italy. After World War II, Italy faced the immense task of post-war reconstruction. The country had experienced widespread destruction, and the economy was a shambles. This period saw the emergence of the Italian economic miracle, or "*Il Miracolo Economico*", characterised by rapid industrialisation and economic growth. The 1950s and 1960s witnessed a substantial shift in Italy's economic structure. The country transitioned from an agrarian economy to an

industrialised one. Key sectors such as manufacturing, automotive and textiles experienced significant growth. This period marked the rise of large industrial conglomerates. The economic transformation led to significant social changes. Italy experienced urbanisation as people moved from rural areas to cities in search of employment opportunities in the growing industrial sector. This shift had implications for traditional social structures and ways of life. The industrialisation process was accompanied by labour movements and social struggles. Workers began to demand better working conditions, higher wages, and improved labour rights. Trade unions played a crucial role in advocating workers' rights and negotiating collective agreements. The 1960s and 1970s saw the rise of social movements, student protests, and labour strikes. Workers and students advocated social justice, workers' rights, and political reforms. The social climate became more dynamic and characterised by demands for greater participation and equality.

The post-war period and subsequent decades saw the growth of the cooperative movement in Italy. Cooperatives, particularly in the agriculture and manufacturing sectors, gained prominence as a form of social and economic organisation. A new phenomenon emerged during the 1970s and 1980s: the social cooperatives. Citizens started to self-organise to give

an answer to the new social demands which the state was unable to meet; social cooperatives gained legal recognition only in 1991, almost 20 years after their first experiences. Law 381/91 provided a legal framework for social cooperatives, defining them as enterprises pursuing the general benefit of the community and promoting the integration of disadvantaged groups.

Overall, the second half of the 20th century marked a dynamic period of change for Italy, encompassing rapid industrialisation, economic growth, social movements, political developments, and the challenges associated with adapting to a globalised world.

At the beginning of the 1990s various laws on the social economy sector were adopted, which identified precise criteria for recognising the nature and typology of non-profit organisations in Italy. The most important of these are:

- ✦ **Law 49/1987**, which regulated **development cooperation**, a phenomenon which spread in Italy starting from the 1970s, with the launch of the big campaigns against hunger and social inequalities;
- ✦ **Law 266/1991, the “Framework law on volunteering”**, which recognised volunteering as an expression of participation, solidarity and pluralism and clearly regulated its boundaries and value;
- ✦ **Law 381/1991** regulated **social co-operatives** as organisations pursuing the general interest of the community, as well as human promotion and social integration through two different types of activities: on the one hand, the management of social, health and educational services (type A social cooperatives), and on the other hand, the work integration of

disadvantaged people in different sectors (type B social cooperatives);

- ✦ **Legislative decree 460/1997** introduced the status of **non-profit organisation for social utility** (Onlus), a fiscal category which could include bodies such as associations, committees, foundations, co-operatives and other private organisations, with or without legal personality, which pursue social solidarity goals.

Another milestone was the approval of **law 328/2000** which radically redesigned the relationship between public administrations and social economy organisations (SEOs) delivering social services.

From a theoretical point of view, the “culture” and awareness of the social economy sector was boosted by research on the civil economy (Zamagni, 2004), which overcome the dichotomous state-market model, included a “third sector” – the sphere of civil economy organisations – and analysed the complex links between these three poles.

Finally, looking at the present, the most important event is the approval of the **legislative decree of 3 July 2017, no. 117, known as the “Third Sector Code”**, completing the implementation of **law 106/2016 “Delegation to the government for the reform of the third sector, of social enterprise and for the regulation of universal civil service”**. The reform recognises the value and the strategic relevance of third sector organisations, and provides a common legislative framework for the sector with the aim of overcoming its fragmentation in terms of organisational types, constraints, support measures and fiscal advantages. It defines the

meaning of “non-profit and “general interest”, identifies the activities that third sector organisations can carry out, and establishes the rules that they must comply with to be recognised as third sector entities (ETS). Furthermore, the reform promotes the development of **social enterprise**, which is the exclusive object of decree 112/2017.

3.2 BRIEF MAPPING

Official definition

Italian law does not provide a definition of “social economy organisation”. Law 106 of 6 June 2016 (Third Sector Reform Law) defines the third sector and **the third sector entity** (*ente del terzo settore* - ETS), a new status obtained by non-profit organisations applying to the National Register of the Third Sector (RUNTS). According to article 4 of the Third Sector Code (legislative decree of 3 July 2017, no. 117) the following organisations can assume the status of third sector entity: volunteer organisations (*OdV*); social promotion associations (APS); philanthropic organisations; social enterprises, including social co-operatives; association networks; mutual aid societies; associations (recognised and unrecognised); foundations; and other non-profit entities carrying out general interest activities. However, not all entities within the European definition of SEO can be a third sector entity. For example, co-operatives (with the exception of social co-operatives) and banking foundations cannot assume the status of third sector entity; moreover, non-profit organisations may choose whether or not to apply to the National Register and therefore to become third sector entities, or follow the previous legislation.

Legal forms in national law

- ✦ **Co-operatives:** It is important to distinguish between social co-operatives and other types of cooperative firms:
 - **Social co-operatives** are regulated by the Italian civil code (book V, title VI) and by law 381/1991. They are a specific form of cooperative operating with the purpose of “pursuing the general interest of the community in human promotion and the social integration of citizens”. Social co-operatives are social enterprises by law and they are also third sector entities;
 - **Other types of co-operatives** can be distinguished on the basis of the nature of the activities they carry out: consumption, production and work, agriculture, housing, transport, fishing and retailing. The legal reference is the Italian civil code, book V, title VI, articles 2511-2521;
- ✦ **Social enterprises:** In Italy, social enterprise is not a legal form, but a legal category, which takes the form of voluntary “qualification” that can be attributed to different types of legal forms, including capital-based companies. The social enterprise was established by the legislative decree of 24 March 2006, no. 155, later repealed and replaced by the legislative decree of 3 July 2017, no. 112, in force since 20 July 2017 within the framework of the reform of the third sector. According to the law, the qualification of social enterprise may be acquired by “all private entities, which have a permanent and principal **activity of general interest**, following **non-profit principles** (it is allowed to make a profit, but it cannot distribute it to its members or owners; all profits have to be reinvested to further its main statutory goal or to

increase its assets), adopting methods of responsible and transparent management and promoting the wider involvement of workers, users and others interested in their activities". As already mentioned, we have to underline that all social co-operatives are social enterprises by law and that they are also third sector entities;

- ✦ **Mutual aid societies:** A particular type of third sector entity regulated by the Third Sector Code. They maintain as reference discipline law 3818 of 1886, revised in 2012 (art. 23 of decree law 179/2012) which identifies mutual interest organisations as non-profit organisations pursuing purposes of general interest through the exclusive performance in favour of members and their cohabiting family members of some strictly listed activities;
- ✦ **Foundations:** There are different types of foundations in Italy (family and business foundations, community foundations, banking foundations; lyric-symphonic foundations, etc.) with different regulatory frameworks. Articles 14 and following of the civil code (book I, title I of Legal Persons, Chapter II of Associations and Foundations) define a foundation as a private entity with a legal form. Moreover, some types of foundation, such as banking foundations and lyric-symphonic foundations, have special regulations: banking foundations are regulated by laws 218/1990 and 461/1998 and by legislative decree 153/1999; lyric-symphonic foundations are established and regulated by legislative decree 367/1996, which transformed the lyrical and concert entities (law 800/1967) into private law foundations. At the beginning of the 21st century, many public welfare charities ("IPAB") became private foundations and obtained the fiscal status of Onlus. However,

following the reform of the third sector which abrogated the Onlus category, these foundations have to choose whether to assume the status of third sector entity or not. Banking foundations are non-profit organisations, but cannot assume the status of third sector entity;

- ✦ **Associations:** An association is a collective entity formed by associated persons with common defined non-profit purposes, usually altruistic and/or ideal. The Italian legal system identifies two main categories of associations in the civil code: those recognised as legal persons and those not recognised as legal persons. Article 14 and following of the Italian civil code oblige recognised associations to join the register of legal persons, while no public form is foreseen for unrecognised associations. This type of association can choose to assume the status of third sector entity.

Statistics: main sectors where SE entities can be found and % of employment

The **Italian National Institute of Statistics** (Istat) through the **permanent census of non-profit institutions** (which includes associations, foundations, social co-operatives and other non-profit legal forms – mainly religious bodies, amateur sports societies, committees, mutual aid societies and social enterprises) provides a statistical picture of the sector in Italy, by measuring the size, organisational framework, human resources, economic and social dimensions of non-profit institutions. The data are completed with the latest data available on other cooperative enterprises (not considered third sector entities) (Fondosviluppo, 2021).

Social economy organisations in Italy have grown constantly over the last decade, although this growth has recently slowed down. There are 426,064 active organisations; overall, they employ more than 1.5 million people.

TABLE 1: SOCIAL ECONOMY ORGANISATIONS BY LEGAL FORM

Legal form	SEOs	Employees
Associations	309,723	170,129
Foundations	8,295	105,856
Cooperatives	77,549	1,123,460
Social cooperatives	14,472	461,380
Other cooperative firms	63,077	662,080
Other legal forms	30,497	132,730
TOT	77,549	1,532,175

Source: Istat, *Structure and profiles of the non-profit sector, 2022*; Fondosviluppo, 2021.

Analysing the legal form that SEOs take, it emerges that 72.7% (309,723) are associations. Co-operatives make up 18.2% of the organisations, with 3.4% being social co-operatives. However, considering the number of employees, associations employ only 11.1% of people, while co-operatives employ 73.3%. Focusing on social co-operatives, although they decreased by more than 3% between 2019 and 2020, the number of employees increased (+1%); thus, the reduction of units can be linked, for example, to mergers.

SEOs operate in all economic sectors. The latest aggregated data available for the social economy sector are from 2015 and show that SEOs have a greater concentration in the fields of artistic activities, sports and entertainment (37.0%) and other services (35.0%). The health and social assistance sector follows (11.3%), which is, however, the most important from the economic point of view: SEOs operating there generate an added value of €12.7 billion (25.9% of the total) (Euricse, Istat, 2021).

TABLE 2: SOCIAL ECONOMY ORGANISATIONS BY SECTOR

Economy	SEOs		Added value	
	Units	%	Thousand €	%
Manufacturing	4,977	1.3	3,232,971	6.6
Construction	8,796	2.3	1,084,297	2.2
Wholesale and retail trade and repair of motor vehicles	4,025	1.1	3,856,426	7.8
Transportation and storage	7,628	2.0	5,870,692	11.9
Hospitality and catering	2,866	0.8	1,006,363	2.0
Information and communication	2,630	0.7	373,092	0.8
Financial and insurance	1,079	0.3	3,691,484	7.5
Professional activities	4,731	1.2	638,607	1.3
Travel agencies and business support services	8,638	2.3	4,577,110	9.3
Education	15,612	4.1	3,530,273	7.2
Health and care	42,768	11.3	12,692,215	25.9
Cultural, sporting and entertainment	140,569	37.0	2,624,157	5.3
Other services	132,746	35.0	5,381,915	11.0
Other economic sectors	2,111	0.6	574,350	1.2
Total	379,176	100.0	49.133,952	100.0

Source: Euricse 2015, Istat, 2021

Regarding the geographical distribution of SEOs, the main concentration is in northern Italy (47%), even if there has been an important growth in the south in the last decade (31%).

Actors

In recent years the Italian third sector has assumed a more hierarchical structure by establishing meta-

organisations to represent the whole sector. At the top of the hierarchy there is the **Forum del Terzo Settore**. Other less important umbrella organisations are linked to the different sub-sectors of activities or to cultural groups. These umbrella organisations do not have the power to control their members, but attempt to coordinate them in order to exercise some policy influence (Fondazione Italia Sociale, 2022).

Legislative decree 117/2017 (Third Sector Code) introduced the **National Council for the Third Sector**, as an advisory body to the Ministry of Labour and Social Policies, which includes many third sector representatives, besides the institutions.

Regarding more strictly **social enterprises**, since their early emergence, networks have played a key role in boosting the widespread replication and growth of social enterprises. There are four main groups of umbrella organisations:

- ✦ Representative bodies: mainly they are **federations** that provide political representation, advocacy and trade union support. **They are formal social partners**, considered as employers' organisations. The federation for social cooperatives was created in the late 1980s. They played a key role in the institutionalisation and development of social cooperatives in Italy;
- ✦ National and local **consortia** of social cooperatives at the national and local level have played a key role in supporting new, developing and established social cooperatives and have sometimes directly participated in the development of new business activities. Consortia have become increasingly important as a strategy for spinning off new cooperatives;
- ✦ **Support networks** are large bodies representing non-profit organisations. One of the support network is the above-mentioned *Forum del Terzo Settore* which performs a key lobbying role in Italy. Another example is *Rete Misericordie*⁴, which is the widest network, bringing together voluntary

groups committed to providing assistance to local communities and to vulnerable people, and has a history going back eight centuries;

- ✦ **Networks running entrepreneurial activities and social enterprise incubators**: over the last few years, a few entrepreneurial networks have been established in the form of ex-lege limited liability social enterprises.

4 <https://www.misericordie.it/>

/04

Social dialogue and social economy

Since 1990, with the signature of the *"Protocollo relazioni industriali nel sistema delle imprese cooperative"*⁵ (Industrial relations protocol in the cooperative enterprise system), cooperatives, a huge part of social economy organisations in Italy, have had their own specific industrial relations and social dialogue system.

This is mainly due to two fundamental factors:

- The peculiarity of the cooperative model, where the member workers not only participate in the cooperative's share capital but also hold the association rights, representing a positive experience in terms of participation; an effective point of synthesis between work, participation and market;
- The strong and wide representativeness of federations of cooperative enterprises in Italy. Federations play a crucial role in representing the interests of their member cooperatives, advocating favourable policies, providing support, and facilitating collaboration within the cooperative sector.

⁵ https://olympus.uniurb.it/index.php?option=com_content&view=article&id=2350:protocollo-relazioni-industriali-nel-sistema-delle-imprese-cooperative-5-aprile-1990&catid=36&Itemid=139#A_Livello_interconfederale_nazionale_

Prominent federations are Confcooperative, Legacoop and AGCI, which represent cooperatives in various industries, including agriculture, services, healthcare, manufacturing, housing, distribution, social cooperatives, etc. These organisations actively participate in social dialogue on behalf of their member organisations to ensure that the unique needs and interests of social economy organisations within specific sectors are taken into account.

The protocol was relaunched in 2018 with an inter-confederal agreement on the guidelines for the reform of industrial relations between AGCI, Confcooperative, Legacoop and CIL, CISL and UIL: the *"Accordo interconfederale sulle linee guida per la riforma delle relazioni industriali"*⁶

The objective of the agreement was to relaunch and strengthen relationships between cooperatives and trade unions, and strengthen the recovery of economic growth, improving the real value of economic benefits and the quality of work. It was based on the

⁶ https://olympus.uniurb.it/index.php?option=com_content&view=article&id=19552:ai2018relincoop&catid=233&Itemid=139

common belief that the cooperative enterprise has the characteristics to ensure good and stable employment, to develop the demand for worker participation in companies and enhanced self-management, and to participate in the process of social cohesion and the promotion of inclusion policies. In summary, the protocol underlines the valorisation of the role that the cooperative movement has played over the years, especially during crises, in defence of employment, including through the promotion of worker buyouts, together with the common commitment to continue the fight against false cooperatives and contractual dumping. The agreement is divided into a series of chapters, each dedicated to a specific subject:

- ✦ **measurement of representation:** attention to its legal nature and the mutualistic connotation of the cooperative enterprise;
- ✦ **contractual structures:** the signatory organisations share the objective of combining effective solutions to contribute to the growth of productivity and wages, through general protections and labour, regulatory and remuneration arrangements. The parties reiterate the objective of supporting and expanding second-level bargaining as an area of both valorisation of work and increasing the competitiveness of companies;
- ✦ **participation** of member workers to the share capital and through participation rights. The agreement includes a commitment to activate paths and procedures for the implementation and diffusion of organisational and strategic participation, as a tool for raising the quality of work, productivity and competitiveness of cooperative enterprises. The establishment of a joint observatory is also envisaged as enhancing and promoting virtuous practices;
- ✦ **contractual welfare:** starting from the great experience in all welfare and care activities oriented towards collective well-being that the cooperative system brings, the agreement provides for the possibility of launching, including through the use of bilateral bodies in the sector, strategies and agreements with subjects specific to the cooperative world of a mutual and solidarity nature as well as with the public administration, aimed at facilitating and improving this area of activity to promote the well-being of workers, while improving productivity and working conditions;
- ✦ **health and safety in the workplace:** ten years after the approval of legislative decree 81/08 on health and safety in the workplace, the parties share the opportunity to open the analysis and proposal phase to make the regulatory framework more effective with a view to building an authentic safety culture that focuses on the person and favours the culture of prevention;
- ✦ **continuous training,** in the awareness that the competitiveness of the production system and of cooperative enterprises is increasingly based on the wealth of knowledge and skills of workers, the signatories believe it is important to strengthen the tools for the certification of acquired skills, defining an effective national certification system, even in digital form. Based on the role of promoting continuous training played by the Foncoop interprofessional fund for cooperatives, the signatories agree on a series of principles to be developed in the negotiation, starting from the definition of actions and programmes that extend the number of workers periodically involved in training and skills enhancement.

The Italian government, along with sectoral organisations and cooperatives, actively supports and promotes the development of the social economy across these various sectors, recognising its contribution to economic and social well-being in the country.

Independently from the general social dialogue of the industrial sector (i.e. agriculture, tourism, etc.) social economy organisations have their own specific social dialogue and collective bargaining process. This means for example, that the general collective bargain for the agricultural sector does not apply to cooperatives working in agriculture, because they have their own collective bargain for the agricultural cooperative sector, the *“Contratto Collettivo Nazionale di Lavoro per i lavoratori dipendenti delle cooperative e consorzi agricoli”* (National Collective Labour Bargain for employees of cooperatives and agricultural consortia).

The social dialogue for the social economy follows the same rules as all the other social dialogue procedures for all the productive sectors, with an additional focus on:

- ✦ Inlusiveness: to ensure that social dialogue within social economy organisations includes diverse voices and represents the interests of all workers;
- ✦ Promotion of cooperative principles;
- ✦ Education and training to build the capacity of their members and employees to participate effectively in social dialogue.

7 <https://www.flai.it/wp-content/uploads/2023/01/Cooperative-e-consorzi-agricoli-2022-FLAI.pdf>

The case of social cooperatives for job placement deserves particular attention. The current legislation, as anticipated, recognises two types of social cooperatives:

- ✦ social cooperatives that carry out interventions and manage services in the socio-health care, educational sector and related activities;
- ✦ social cooperatives that have the aim of recovery, professional rehabilitation and social and work integration or reintegration, through the concrete participation in work activities of disadvantaged or marginalised people, acting in any productive sector.

The *“Contratto Collettivo Nazionale di Lavoro per le lavoratrici e i lavoratori delle cooperative del settore socio-sanitario assistenziale-educativo e di inserimento lavorativo”*⁸ (National Collective Labour Agreement for workers of cooperatives in the socio-healthcare-educational and job placement sector) recognises the particularity of these social enterprises where the work activity represents a tool for social inclusion and a broader rehabilitation and training programme to develop the work skills of disadvantaged groups. It allows them – uniquely in Italian legislation – to choose whether to apply the relevant CCNL of the sector of activity carried out, or the CCNL of social cooperatives, maintaining, in any case, the advantages provided by the CCNL for social cooperatives specifically for disadvantaged workers.

8 <https://www.ccnlcooperative.it/>

An emerging tool in the context of social dialogue: bilateral pension funds in the social economy

An interesting piece of information emerged during the research: the bilateral pension funds for supplementary pension scheme of workers in the social economy as a new tool for social dialogue in social economy organisations. The Italian policy lab dedicated a specific session to this topic, and was able to discuss it with pension fund managers and with the general secretary of the association of pension funds.

Pension funds are designed to provide additional retirement benefits to workers in the social economy sector, including employees of cooperatives, mutual associations, social enterprises, and non-profit organisations. They serve as a means to address the specific needs and interests of workers in this sector and contribute to social dialogue in various ways. They are often established through negotiations between employers' and employees' representatives. These negotiations can take place within the framework of social dialogue, where both parties discuss and agree on the structure, contributions, and administration of the supplementary pension scheme. They can be customised to meet the unique needs of workers in the social economy sector. Since the social economy encompasses various organisations with diverse employment conditions, these funds can be tailored to address specific concerns related to retirement benefits. Their establishment involves the representation of employers and employees. This inclusiveness allows for a more comprehensive consideration of the interests and preferences of both sides, and their negotiation and creation requires consensus-building

between employers' and employees' representatives. This process fosters cooperation and collaboration, which are fundamental elements of effective social dialogue.

The emergence of the funds can also enhance the competitiveness of the social economy by:

- ✦ providing supplementary pension benefits: these funds can improve the attractiveness of employment in the social economy sector, increasing its ability to recruit and retain qualified employees;
- ✦ encouraging long-term planning for retirement benefits, contributing to the financial stability and sustainability of social economy organisations;
- ✦ improving the well-being of workers and the overall success of the sector;
- ✦ providing a high level of security and predictability for both employers and employees. The establishment of such funds is done in compliance with the legal framework for supplementary pensions in Italy, ensuring that they adhere to legal norms and procedures.

Many social economy organisations emphasise social responsibility in their operations. Pension funds reflect a commitment to the welfare of their employees and align with the sector's values.

The creation and functioning of bilateral pension funds for supplementary pension schemes may vary from one organisation to another within the social economy sector. The specifics can depend on the agreements reached through social dialogue, the size and resources of the organisation, and the sector's regulations. Furthermore,

the role of social partners, such as cooperatives, trade unions, and employers' associations, is instrumental in driving the development and implementation of these funds.

As an emerging tool in the context of social dialogue, bilateral pension funds for supplementary pension schemes demonstrate the adaptability and responsiveness of the social economy sector in Italy to the evolving needs of its workforce, and contribute to the sector's overall sustainability and growth.

An example of bilateral pension funds for supplementary pension schemes of workers in the social economy is "*Previdenza Cooperativa*" (Cooperative Social Security). It is the contractual pension fund for workers, members and employees of cooperative companies and of employees involved in hydraulic-forestry and hydraulic-agricultural installation work, made up of AGCI, Confcooperative, Legacoop and CGIL, CISL, UIL. It was born from the merger of the three complementary pension funds of the cooperative system (Cooperlavoro, reserved to worker members and employees of cooperatives, Previcoper for workers of companies that apply the national cooperative distribution contract and Filcoop for employees employed in hydraulic-forestry and hydraulic-agricultural arrangement works for employees of cooperatives processing agricultural products). Previdenza Cooperativa is the fifth-largest fund in Italy in terms of number of members (112,000) and the eighth in terms of assets (€1.9 billion). Its aim is to allow members to build supplementary pensions. It is non-profit and worker membership is voluntary. The amount of the final pension benefit depends on the contributions paid over the years and on the management returns.

/05

Conclusion

The Italian legislative framework for workers' participation, outlined in article 46 of the constitution, recognises the right of workers to participate in the management of undertakings. However, this provision has not been enacted into specific legislation. Similarly, article 39 on freedom of trade union association has not been implemented by parliament. Italy has three major trade union confederations – CGIL, CISL and UIL – representing diverse political and ideological backgrounds. Union density, though declining, remains relatively high at 33.4%. Employers' organisations like Confindustria play a crucial role in social dialogue, negotiating labour laws and economic policies. The tripartite system involves social partners contributing to policy-making through consultation, negotiation, and advisory roles, fostering collaborative decision-making. Social partners also engage in policy advocacy, implementation monitoring, and crisis management through social dialogue.

In the post-war period, Italy underwent significant socio-economic transformation, transitioning from an agrarian to an industrialised economy. The economic miracle of the 1950s and 1960s marked rapid industrialisation, urbanisation, and the rise of large industrial conglomerates. Social movements, labour strikes, and demands for workers' rights characterised the 1960s and 1970s. During this period, the cooperative movement, particularly social cooperatives, gained prominence. In the 1990s, laws were enacted to regulate the social

economy sector, recognising volunteering and social cooperatives, and introducing the concept of non-profit organisations for social utility (Onlus). The legislative decree of 2017, known as the Third Sector Code, provides a comprehensive legislative framework, emphasising the strategic relevance of third sector organisations and promoting social enterprise development.

Italian cooperatives (a huge part of the Italian social economy) have operated under a specific industrial relations and social dialogue system. This autonomy stems from the unique cooperative model and strong federations. The 2018 inter-confederal agreement aimed to fortify relationships with trade unions, emphasising cooperative values and cooperatives' role in employment defence.

The agreement covers various issues, including representation, contractual structures, participation, contractual welfare, health and safety, and continuous training. The government supports social economy development across sectors, recognising its impact on economic and social well-being. Social dialogue in social economy organisations follows specific rules, with a notable focus on areas such as inclusiveness, cooperative principles and education. Special attention is given to social cooperatives for job placement, with legislation acknowledging their unique role in social inclusion and offering flexibility in choosing relevant labour agreements.

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