

# Sustainable Economies Due diLigence: good EXamples and the role of social dialogue.

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Pina Sodano, Italy



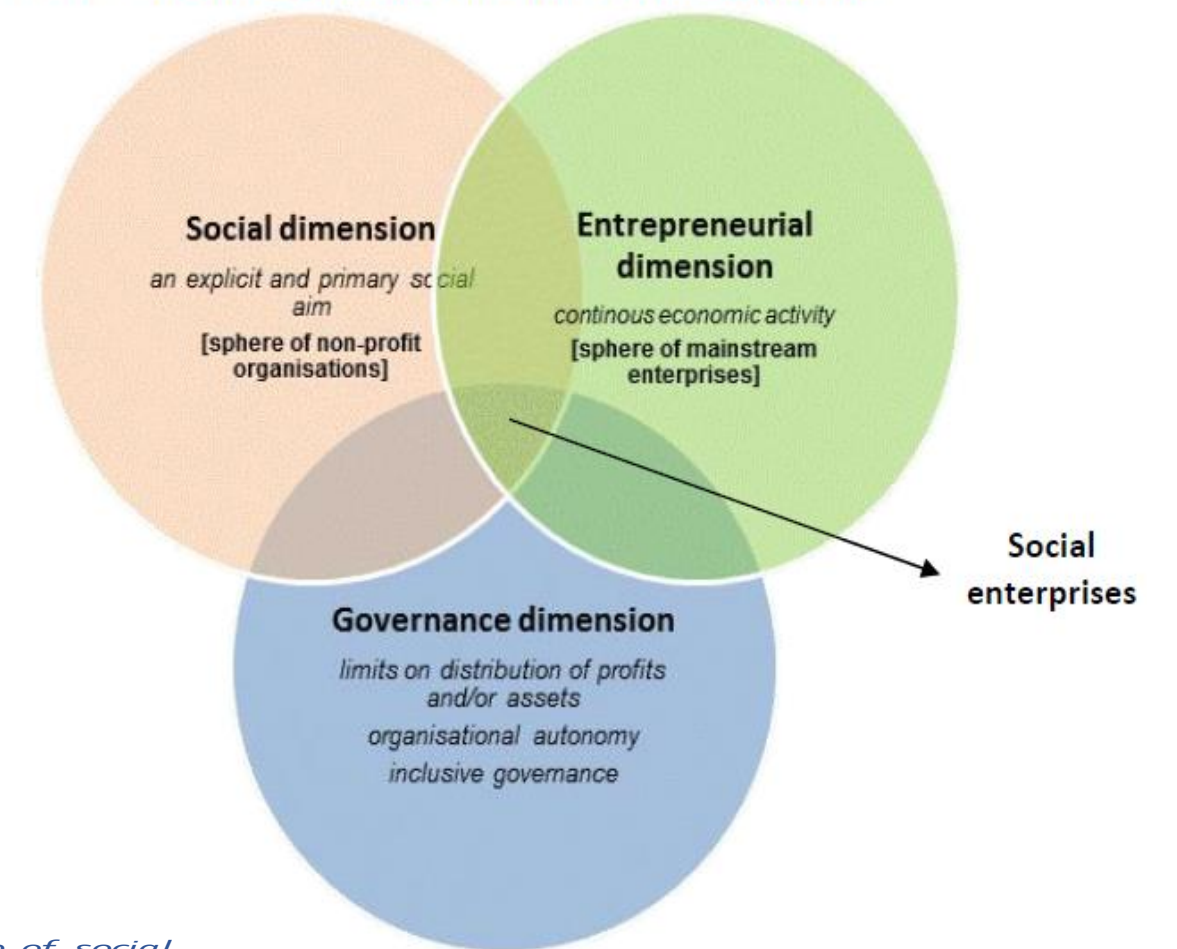
# Social Economy in Europe

- To have a unique definition of social enterprise is almost impossible. In fact, many definitions exist since several organisational forms are used in Europe and around the World. In Europe, social enterprises were born from the tradition of the social economy, which is characterised by principles and values listed above: solidarity, social cohesion, and the primacy of the individual over capital, social responsibility, democratic management, not-for-profit driven and reinvestment of the profit in the enterprise itself.

# Social Economy in Europe

- Nowadays, social enterprises are present in almost every sector of the economy, serving the needs and interests of their communities and society. Indeed, social enterprises are versatile organisations, which address areas of unmet social need and create new social opportunities where other actors have failed to act.
- Having in mind the impact they have on the environment and society as part of their long-term vision and strategy, they contribute to smart and sustainable growth.

Figure ES1.1 The three dimensions of a social enterprise



Source: European Commission (Directorate-General for Employment, Social Affairs and Inclusion Directorate C Unit C2), A map of social enterprises and their eco-systems in Europe, 2016. P.VI



# Social Economy in Europe

- In the 2022, the International Cooperative Alliance (ICA) conducted a survey on the Cooperative Identity, respondents emphasized the importance of focusing on their members and promoting economic equity, equality and justice (ICA, 2023).
- A cooperative is an organization based on membership, jointly owned and democratically controlled by its members. Democracy has been a fundamental element of cooperative businesses since their inception.



# Social Economy in Italy

## Italian Legal frameworks:

- The history of modern social enterprise began in Italy in the second half of the seventies, when the national welfare system began to go into crisis due to various economic and socio-cultural crises. Towards the end of the 1970s, in fact, the pace of economic growth began to slow down and led to an unexpected increase in unemployment and heavy inflation, leading to the emergence of "new poverty". In order to respond to the needs that these crises created or revealed, and given the inability of the national welfare system to remedy them, organizations were formed in the 1980s that had as their purpose this "social response", promoted by private citizens (Bernardoni and Picciotti 2014). The initial idea was that of voluntary work to be carried out temporarily, until the public system recovered, but it soon became clear that the situation would not evolve in this direction. It was therefore necessary to find a form in which one could operate on a permanent basis without breaking the law, so the form of the cooperative was chosen, which could carry out commercial activity while preserving the social function (the democratic structure of the cooperative and the limitations in the redistribution of profits safeguarded the ideal part).

# Social Economy in Italy

## Italian Legal frameworks:

Types of organizations	Legislation	The Third Sector reform (2017)
Volunteering (mainly social volunteering)	Law 266/1991	Partial repeal
Associationism (APS – Associations of social promotion)	Law 383/2000; Civil Code, Book I, Chapter II, Title II (also for Foundations)	Partial repeal of Law 383/2000
Social Enterprise	Legislative Decree 155/2006	Repealed and replaced by Legislative Decree 112/2017
Social Cooperative	Law 381/1991	Amended by Legislative Decree 112/2017 but still in force
Foundations	Civil Code, Book I, Chapter II, Title II (also for Associations)	
Bank Foundations	Legislative Decree 153/1999 (for bank foundations under the Law 218/1991)	The reform doesn't concern this category
Non-governmental Organizations, ONG	Law 125/2014 (replaced the Law 49/1987)	Amended, but still in force
ONLUS, non-profit organizations of social value	Legislative Decree 460/1997	Partial repeal

Source: Le Social Enterprise in Italia: modelli a confronto - Risultati dal progetto di ricerca internazionale ICSEM (pag. 43)

# Social Economy in Italy



Elaboration of the table in "Le Social Enterprise in Italia: modelli a confronto - Risultati dal progetto di ricerca internazionale ICSEM" pag. 105



# Social Economy– hrdd– due diligence

- From corporate social responsibility to the responsibility of companies to respect human rights.
- The new directive will protect workers, consumers and more generally communities against the negative impacts that can result from corporate misconduct that violates human rights and the environment along the entire global value chain: from production to the marketing of the final product.
- The many Italian enterprises that work in compliance with national and European standards and often have to compete with delocalised production in countries with a less stringent set of rules will also find a useful tool.





# HREDD in ITALY

- **Civil society mobilisation.** From 2017 to 2020, a number of associations and NGOs, in collaboration with university professors and researchers, have carried out multiple awareness-raising campaigns on the topic of 'business & human rights' and have coordinated their interlocutions with Italian institutions on the following topics: Non-financial reporting, National Plan of Action on UN Guiding Principles on Business and Human Rights, UN Intergovernmental Working Group for the development of a binding treaty on business and human rights.
- **Anticipating mandatory regulation,** some coops have provisionally established their own HREDD policy, e.g. ALCE NERO (AGRIFOOD sector)

# ALCE NERO support their members cooperatives sustainabilities

- ❑ Sharing knowledge on HREDD with stakeholders & trading partners
- ❑ Aim for a sound & safe work environment, diversity, gender equality and inclusiveness
- ❑ Support farmers in the Emilia Romagna Region for the production of Tomatoes
- ❑ They are implementend: recyclable packaging & traceable resources.





# Thank you

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