



Building solidarity and social innovation: the experience of Italian social co-operatives

Borgo S. Spirito, 78 – 00193 Roma
Tel.: +39 06 6800476 – Fax: +39 06 68134057
federsolidarieta@confcooperative.it
www.federsolidarieta.confcooperative.it
@FedSolidarieta

Preamble

In this short background document on the Italian social co-operation are explained a few characteristics of the Italian society's demographic and economic development and are highlighted both the presence of the social co-operation within Federsolidarietà – Confcooperative and its growing pervasiveness, especially to satisfy local people's needs.

Moreover, a few considerations and proposals are added in order to provide an insight into our vision of the economy and what we expect from a European welfare for the citizens, their social inclusion and social justice.

Definition of the social co-operative and its relation with the social enterprise

The experience of social solidarity co-operation came into existence in Italy in January 1963. It embodied the idea that practically solidarity could take on an entrepreneurial form, more precisely the form of a co-operative. In November 1991, social co-operatives were eventually given a legal framework with the enactment of their founding law 381/91.

This law was therefore a follow-up to isolated experiences, which were not codified in the civil law and had developed into more structured forms which had spread across Italy, and eventually were given a legal recognition and regulation.

Article 1 of the law 381/91 provides that: *"The purpose of social co-operative is the pursuit of the general community interest in promoting human concerns and in the social integration of citizens by means of: a) the management of social, health and educational services; b) the carrying-out of sundry activities - agricultural, industrial, business or services - having as their purpose the gainful employment of the disadvantaged."*

In so far as compatible with this law, the regulations regarding the sector in which social co-operatives operate shall apply to those same social co-operatives.

The name of co-operative, however it is constituted, must contain the indication that it is a "social co-operative."

Social co-operatives are therefore an instrument to serve local needs and to obtain a two-fold objective defined by the law:

- Providing social, health and educational services;
- Developing agricultural, industrial, commercial activities or services to integrate through work disadvantaged persons who must account for at least 30% of the business total headcount.

Some characteristics of the social co-operative stem from these legal provisions:

- It is a private, though non-profit entity, entrusted by the legislator with a very significant task: to pursue the general community interest, and thereby support the public organization (at its various territorial levels) in actions which had been thought as exclusive prerogatives of public entities;
- It is an entity which invests its own funds, has a status of legal private entity, has to fulfil a specific public purpose provided for in the founding law and with full respect of equality, social inclusion and solidarity principles recognized by the Italian Constitution;
- This private entity's purpose is "to pursue the general community interest in promoting human concerns and in the social integration" (article 1 of the law 381/91) through its involvement in projects and service provision. Though it is doing so within the boundaries of its subsidiarity role, it is asked to actually implement the core welfare strategies for individuals, families, the community and all public and private institutions which can thereby contribute to improving the local life quality;
- It has a democratic and participatory identity, it is multi-stakeholder and carries out a social enterprise project for and with the local stakeholders.

Federsolidarietà – Confcooperative representativeness

Federsolidarietà – Confcooperative is the main national federation of social co-operatives. It represents its own members with public institutions, supporting and assisting them in trade-union, legal, legislative, technical and economic matters. It promotes and develops co-operatives by training their leaders, disseminating good practices, investigating and experimenting innovative activities, holding conventions and seminars to analyse in greater depth the various issues emerging in welfare and labour policies.

In September 2011, 11,808 social co-operatives were recorded in Italy and their consortiums have increased by 57.7% over the past six years. It may therefore be assessed that social co-operatives active in Italy are more than 10,000¹. Their staff totals over 350,000 to whom have to be added 30,000 disadvantaged workers employed by “B type” social co-operatives.

Social cooperatives have registered “a real boom” of employees in the period between 2007-2011 (+17.3%), which has been continuing in 2012 (+4.3%).

Currently, Federsolidarietà - Confcooperative has among its membership 5,908 social co-operatives, out of which 268 are consortiums of local co-operatives. Two thirds of them are involved in social, health and educational services, and one third is active in the labour inclusion of disadvantaged persons.

Their members are 222,000 out of whom 22,500 are voluntary members, they employ nearly 220,000 workers and represent a consolidated turnover of more than 5.7 billion €.

- “A type” social co-operatives “pursue the community’s general interest through the citizens’ human promotion and social integration”, more precisely through the management of social, health and educational services. Social co-operatives were 3,672 in 2012. Their members are nowadays some 172,000 whereas their employees are 170,000, i.e.. Their consolidated turnover is 4,4 million €. As for their size, in pursuance of the EU parameters applicable to SMEs: 2% are large enterprises, 15.2% are medium-sized, 38% are small enterprises and 44.8% are micro-enterprises.
- “B type” social co-operatives of integration through work affiliated to Federsolidarietà – Confcooperative are 1,866. 55% of them were created less than 12 years ago. Their consolidated turnover amounts to some 1.3 billion €. Their members are 50,000 (out of which 3.4% are legal entities) and more than 48,000 workers are employed by these social co-operatives. About 14,600 disadvantaged employees have enjoyed this type of labour inclusion, i.e. an increase of 13.8% over the past five years. 25% of the employees meet the requirements of the European definition of « disadvantaged workers »².
- Consortiums are one of the most important forms of integration of social co-operatives. Consortiums having membership in Federsolidarietà are 268, out of which 163 have adhered since 2001. It has therefore been a very intensive process of integration into consortiums. The average number of co-operatives per consortium is currently 15. Among the consortiums affiliated to our federation, 239 are provincial, 5 are inter-provincial, 2 are regional, 8 inter-regional and 2 are described as being national consortiums (namely Consorzio CGM and Idee in Rete).

Social Innovation

32% of Italian social cooperatives are growing, a much higher rate than non-cooperative firms. This is one of the findings of a research project carried out by the European Research Institute on Cooperative and Social Enterprises (Euricse). Radical transformations occurring even in terms of innovation.

Indeed, according to the poll carried out among 400 managers of social cooperatives belonging to Confcooperative-Federsolidarietà, over 60% of social cooperatives have carried out innovative activities in

¹ Some 9,000 out of about 10,000 are represented by the three Italian Co-operative Associations. Confcooperative represents some 6,100 out of which 5,900 are affiliated to Federsolidarietà – Confcooperative.

² I.e. former long-term unemployed, being over 50, mothers of single-parent families, immigrants from non-EU countries, former detainees, etc. Finally, 55% of these co-operatives have voluntary members.

the past three years, and 80% of them have gained economic advantages from the innovative processes they adopted. Of the cooperatives that innovate:

- 38% developed new services,
- 28% identified new users,
- 60% deployed management improvement strategies,
- 59.7% of social cooperatives address new risks that are being left out of the “institutional” welfare system.

Due to the cuts to public spending, 26% of GDP is now devoted to health and social services, and cooperatives have evolved and innovated in order to address the needs of people that are not covered by the traditional welfare system and that are struggling due to the loss of their job or to family problems.

In this “total innovation” perspective (product, process, sector and end user innovations) many organizations experimented new solutions for service provision, ranging from light healthcare to family support, from urban revitalization to social tourism and economic development.

1. Some Italian features

Demographic, social and financial characteristics

Due to several factors (a greater geographic mobility, the age pyramid evolution, changes in the labour market, etc.), Italy has experimented increasingly rapid changes concerning both the lifestyles and the needs of its population.

As a result, the welfare system put in place to provide universal responses, organized according to a public approach to repair and compensate a number of shortcomings (and therefore unwilling to enhance and improve its own performance efficiency) has started to decline, showing vacuums which have been sealed off in a subsidiary manner by social co-operatives, inter alia.

In summary, among the changes which have contributed to the crisis of the welfare model, the following can be pinpointed.

Over the past 60 years, the population distribution in Italy has changed dramatically. During the first forty years between 1950 and 2000, the population has progressively left the interior of the country to settle down along the coasts. The interior has lost more than 50% of its population whereas the coastal and newly industrialized areas, i.e. the Central and Northern part of the country, have experimented an increase of the same magnitude (+50%).

Since 1990, the Italian demography has still undergone a large number of developments.

A large number of regions have lost part of their population which has migrated to other regions and over the past ten years, Italy’s configuration has gone through an even deeper transformation, and the gap between the North and the Centre or the South of the country has dramatically widened.

The younger generations have been confronted with sudden changes: Southern regions which had the highest rates of young people have recorded a 30% decrease over the past ten years whereas, unexpectedly, birth rates have been on the increase in other regions.

The prevalence of disadvantaged persons (disabled, drug addicted, foreigners, elderly or unemployed persons) within the total population has been modified over the years and their distribution has changed.

In addition to these territorial changes, other characteristics have contributed to develop the inefficiency of the public welfare services such as:

New requirements of the labour market:

- o The participation in the labour market of people who should be working is now fairly different: as compared to the first years of the Italian Republic, it becomes increasingly clear that the number

of workers³ has considerably dropped, that women's employment has been on the increase and that jobs are more concentrated in the tertiary sector.

- o Less jobs: over the past three years, more than 700,000 workers have been pushed away from the labour market and hurdles that young people have to overcome to have access to the labour market have amplified (2.2 million young workers are neither studying nor having a job).
- o There is a clear tendency to extend the retirement age: this is also a reason why elderly workers, with a lower employability, are pushed out of the labour market and kept out of labour market opportunities and access to welfare benefits, namely they are too old to work and too young to enjoy retirement benefits.
- o Women's employment has grown but very slowly: their employment rate is still under 50%, far from the Lisbon target of 70% and the European average rate.
- o Persons under the poverty line, socially excluded, are on the increase.
- o Immigration is still an expanding phenomenon (though often immigrants have very few rights, remain in the lower levels of the social pyramid and may even have an illegal and irregular access to the labour market). Immigrants represent 7% of the labour.

Why organizing welfare responses with social co-operatives?

- Italy has both a high taxation rate and public debt. As a consequence, revenues are rather used to reduce the public debt and funding the core budgets of public bodies. This is how the public allocation of services is diminishing while being inefficiently assigned at local level.
- Over the past decades, a larger number of attributions have been transferred to the Regions, more precisely competences in welfare areas, without however softening the rigidity of supply following the demographic changes.
- It is therefore unthinkable for the public system to fulfil all its functions without connecting with civil society organizations.

Social co-operatives are consequently an important welfare stakeholder which can have a determining contribution to the country's social infrastructure development. Within the broad range of civil society organizations, more precisely non-profit organizations, social co-operatives have characterized their mission with promoting new forms of direct participation of the citizens – in an entrepreneurial form – in the country's economy and development: managing services to the persons, host communities, day care centres, home care, pre-schools and other social, health, educational and support services.

Currently, social co-operatives carry out socially innovative actions to respond to the new social risks with which families and more vulnerable persons are confronted. The example of investment by social co-operatives in pre-schools unveils clearly that this is one of the areas of local development while B type co-operatives' experience has highlighted that they could give jobs to 30,000 persons. Organizational solutions have enabled such results. They could include these workers into the productive process with the support of special actions aimed at promoting the development and professionalization of disadvantaged persons who have been integrated in the labour market.

2. Subsidiarity as a driving force: some major values of social co-operatives and their representation

A few considerations:

³ Compulsory education has been extended and thereby the age of entry on the labour market.

Vision of the social economy

- Our vision of economy came into life and has been nourished by the essential value of solidarity and sharing which is for us the primary and most efficient achievement of the social economy developed through the implementation of the co-operation model and method.
- We work because individuals commit themselves together in an entrepreneurial project aimed at promoting the common good with a strong belief that there is a way to combine entrepreneurship and social solidarity.
- We believe that the co-operative method shows that a fairer treatment can generate more growth and welfare. Therefore, economic regulations promoting a greater fairness should be put in place and into practice. We deeply believe that an appropriate enhancement of the co-operative economic system and development model of social co-operatives can contribute to bring about the “economic and entrepreneurial biodiversity” longed for explicitly by the European Commission in its Communication on social business.

Common goods

We believe:

- that the production of common goods can be carried out more efficiently (and effectively) if the assignment of resources is mutualized, and thereby social co-operatives develop a real local welfare infrastructure;
- the welfare system can very rightly be inspired by the mutualistic model of social co-operation to steer a better convergence between an organized demand and innovative, flexible, efficient, effective and affordable responses for most people.

Welfare and democratic participation

The European civilization and the culture of the social market economy to guarantee a sustainable development cannot overlook the need for more social cohesion, more fragile people’s protection and the to fight against economic, cultural, relational poverty, health-care and assistance inadequacy. We believe that:

- The welfare system is an “institution of democracy” which requires everyone’s contribution to its fulfilment in addition to public, collective, mutualistic and private resources. Social cohesion, investing in relational care, family care and birth-related services, education, fight against poverty are long-term development leverages and not unproductive expenditures.
- A marked difference between the regions and the broad range of welfare systems are issues of great significance to be dealt with without further delay more specifically considering that the tax system is becoming regionalized.
- Social co-operatives are assigned the task of stimulating and promoting a collective and joint responsibility. When the community gets organized into forms of entrepreneurial and non-profit solidarity, and looks after the well-being of individuals, starting with the most fragile, providing them with assistance and job opportunities, it generates various benefits which are the result of a virtuous circle: an enhanced quality of life and well-being of the community are factors furthering competitiveness, employment and productivity.
- Social co-operatives engineer quality and affordable responses, tapping all the resources and individuals who at local level want the community dimension to become a requirement for development and growth.

Youth

- Italian social co-operatives have engineered their responses using and adapting a number of specific instruments like the so-called “Servizio Civile” (alternative service to the military service). It has been in place for several years and has become actually a moral duty.

- The welfare system network, largely promoted by social co-operatives, has been spreading at local level and can still be an opportunity, a chosen commitment and a job opportunity for the younger generations.

Working as a central pillar

- Working is crucial to training, to the individual identity and is a basic foundation of citizenship. Among the large number of actions which have been initiated, the White Paper on integration into employment is of great significance. In it are highlighted the value of a large number of projects and the capacity of local communities to get involved but likewise the danger of a too long exclusion, which may even become a lifelong exclusion, from the labour world as this is most often the case for more fragile people who have been accumulating old and new discriminations worsened by the current economic context.

Our proposals to renew the welfare system

- We believe that investing in the new generations is necessary. This investment cannot be one-off but has to be recurrent. With the cost of a fighter-bomber F-35 (Italy plans to buy 91 units until 2026), more than one hundred pre-schools could be created offering child-care services, managing and covering the cost of teachers. Direct and indirect jobs would be created, more particularly for women and, subsequently, the birth rate might even be boosted.
- It is fundamental to introduce tax alleviation mechanisms applicable to any assistance expenditure while asserting the need for maintaining an appropriate level of public spending to guarantee fair and equal opportunities.
- To figure out measures which would broaden the sharing of responsibilities, limit the cost and increment the benefits: to redirect 1% of the resources currently spent on specialty health care and hospitals to meet social and health requirements would enable to guarantee local services responding to local welfare requirements which are given very little attention for the time being. It would be a more efficient answer to the citizens' needs and would improve both health care and well-being.
- Political measures must provide for:
 - o Expanding public-private partnerships, more particularly at local level through a strong alliance between social co-operatives and local authorities;
 - o Making more efficient and effective choices through the citizens' involvement in their assessment and control;
 - o Developing systems of demand support with tax alleviation measures for individuals and families;
 - o Broadening special provisions to support the social co-operatives and third sector;
 - o Steering better through evaluation plans of the public expenditures.

European policies: our convictions for an inclusive social market economy

The EC Initiative on Social Business and its 11 key actions are an important recognition of the role played in the past years.

The EC plan to develop instruments aimed at improving the knowledge of the sector and the visibility of social entrepreneurship is particularly relevant and we share the objective of promoting initiatives that would help social enterprises to strengthen their entrepreneurial capacities, their professionalization and the networking of their skills.

- Social enterprises and co-operatives should be supported:
 - o taken into account the essential role they can play as social innovation driving forces,
 - o because they introduce new methods of service provision and actions aiming at improving the quality of life of the persons,
 - o because they foster the creation of new products to respond to the new society's needs.

- The development of new funding instruments should be based on a collection and interchange of innovative approaches in the Member States; it would be useful to promote more entrepreneurial forms such as:
 - o Credit guarantee instruments for social enterprises (mutual funds' networks or public guarantee schemes);
 - o Capitalization instruments for medium and long-term social investment (like ethical funds, funds for social innovation, investment funds in social venture capital);
 - o Regulatory or tax schemes supporting the social enterprises' capitalization, encouraging or facilitating the involvement of various concerned entities.
- Every social innovation, social entrepreneurship and social enterprise support scheme is important to boost the profit of social enterprises and co-operatives as this is now provided for in the new structural funds' programmes.
- To these various ends, it is important to make available instruments to assess and enhance the social impact and efficiency of social enterprises' activities. Social accounting practices can be crucial. For example, Federsolidarietà created an innovative instrument which is the social audit to measure the social results.

Labour inclusion social co-operatives can very rightly be promoted as a long-term instrument for active labour policies, can foster disadvantaged persons' employment, and in this critical period, they can be of crucial importance for those who are excluded from the labour market.

To support innovative processes, it is important:

- To facilitate the birth and development of networks of social enterprises through increased partnerships and consolidation of social enterprises into consortiums; the EC proposal as part of the fifth key action is particularly relevant in this respect; it is suggested in this action schemes to encourage the consolidation and the networking of social enterprises which should facilitate the exchange of good practices, scale economies and common services (training, project-engineering, administration, etc.);
- To remove some restrictions on the "de minimis" schemes for social enterprises and more specifically for those which are promoting labour inclusion even though public aid is directly assigned to enterprises and not to their employees;
- To favour the propensity to a greater subsidiarity from the public authorities, policies stimulating initiatives from associations of enterprises which have proven to be crucial for the growth of social enterprises.

We appreciate the invitation clearly expressed in the EC Communication to submit initiatives aimed at encouraging and fostering measures that would facilitate the access of social enterprises to public procurement.

- The proposed EC Directive, now submitted to the European Parliament, includes significant steps forward as, for instance, the attention paid to the award of contracts for social services and to social clauses (which are not anymore simple conditions of execution) aiming at including disabled people.
- Federsolidarietà – Confcooperative fully supports article 17 of the proposed Directive, which adds to special measures such as protected shelters and work programmes, the entitlement to participate in public calls for tender "for economic operators whose main objective is the social and professional integration of workers with disabilities and disadvantages" while imposing the threshold of 30% of workers with disabilities and disadvantages in their total headcounts. This threshold of 30% strikes the right balance between both the efficiency of the production processes and the social dimension, the mission of labour inclusion of such enterprises.

Law no. 381 of November 8th 1991
Regulations governing social cooperatives

The Chamber of Deputies and the Senate of the Republic have passed, and
THE PRESIDENT OF THE REPUBLIC
Promulgates the following law.

Art. 1.
Definition

1. Social cooperatives have as their purpose the pursuit of the general community interest in promoting human concerns and in the social integration of citizens by means of:
 - a) the management of social, health and educational services;
 - b) the carrying-out of sundry activities - agricultural, industrial, business or services - having as their purpose the gainful employment of the disadvantaged.
2. In so far as compatible with this law, the regulations regarding the sector in which social cooperatives operate shall apply to those same social cooperatives.
3. The name of cooperative, however it is constituted, must contain the indication that it is a "social cooperative".

Art. 2.
Volunteer members

1. Besides the members foreseen by the regulations in force, the statutes of social cooperatives may foresee the presence of volunteer members, who perform their activities free of charge.
2. These volunteer members must be registered in a special section of the members' register. Their number may not exceed one-half of the total number of members.
3. Collective bargaining contracts and provisions of law regarding employees or self-employed labour do not apply to the volunteer members, with the exception of the provisions regarding insurance against accidents at work and work-related illnesses. The Minister for Labour and Social Welfare shall, by decree, set the sum of the compensation to be taken as the basis for the calculation of the insurance premiums and services concerned.
4. Volunteer members may be paid only the reimbursement of their out-of-pocket expenses, documented on the basis of parameters established by the social cooperative and applying to all members.
5. In managing the services referred to in article 1, paragraph 1, letter *a)*, rendered in fulfillment of contracts signed with public administrations, services rendered by volunteer members may be utilized only as complementary services and not replacement services with regard to the employment parameters for professional workers as foreseen by provisions of existing laws. The volunteer members' services shall not be taken into account when calculating the costs of a service, with the exception of the charges connected to the application of paragraph 3 and 4.

Art. 3.
Obligations and prohibitions

1. The clauses regarding the health insurance requirements of article 26 of legislative decree no. 1577 of December 14th 1947 issued by the provisional Chief of State, ratified with modifications by law no. 302 of April 2nd 1951 and its subsequent modifications shall apply to social cooperatives.

2. Any modification of statutes aimed at eliminating a cooperative 's social-cooperative nature shall result in its removal from the "social cooperation section" foreseen by the second paragraph of article 13 of legislative decree of the provisional Chief of State no.1577 of December 14th 1947 mentioned, as modified by article 6, paragraph 1, letter c) of this law, as well as removal from the regional register mentioned in article 9, paragraph 1, of this law.

3. For social cooperatives, the ordinary inspections called for by article 2 of the afore-mentioned legislative decree no. 1577 of December 14th 1947 of the Chief of State must take place at least once per year.

Art. 4.

Disadvantaged persons

1. In cooperatives carrying on the activities of article 1, paragraph 1, letter b), those persons to be considered disadvantaged are physical, mental and sensorial invalids, ex-patients of psychiatric institutes, those undergoing psychiatric treatment, drug addicts, alcoholics, minors of working age in difficult family situations, those detained or inmate in prisons, and those convicted and sentenced for crimes who are subject to the measures alternative to detention provided for by articles 21 of law no. 354 of July 26th 1975, subsequent modifications. Also to be considered disadvantaged persons are those indicated in the decree of the Chairman of the Council of Ministers on the proposal of the Minister for Labour and Social Welfare, in agreement with the Health Minister, the Home Office Minister, and the Minister for Social Affairs, having heard the opinion of the Central Commission for Cooperatives set up under article 18 of the afore-mentioned legislative decree of the provisional chief of state no. 1577 of December 14th 1947, and its subsequent modifications.

2. The disadvantaged persons mentioned in paragraph 1 must constitute at least thirty percent of the workers in the cooperative, and, where compatible with their ability, must be members of the cooperative itself. The status of disadvantaged person must be demonstrated by documentation originating from the public administration, without prejudice to rights of confidentiality.

3. The total rates governing the contributions for compulsory social welfare insurance due from the social cooperatives arising out of the compensation paid to the disadvantaged persons of this article, with the exception of those referred to paragraph 3-bis, shall be reduced to zero.

3-bis. The total rates referred to paragraph 3 due from the social cooperatives arising out of the compensation paid to those detained or inmate in prisons, ex-patients of forensic hospital and those convicted and sentenced for crimes who are subject to the measures alternative to detention provided for by articles 21 of law no. 354 of July 26th 1975, subsequent modifications, shall be reduced to a level percentage fixed every two years by the Minister of Justice, in consultation with the Minister of Treasury, Budget and Economic Planning. The tax reliefs under this paragraph shall apply for a further period of six months following the end of the sentence.

Art. 5.

Conventions

1. Public bodies may, including economic ones, and public capital companies by exception to the rules concerning public administration contracts, may conclude agreements with cooperatives that develop the activities mentioned in article 1, point 1, letter " b " or with analogous organisations having their head office in other Member States of the European Union, in the provision of goods and services other than social, health and education and having an estimated net sum, excluding the VAT, inferior to that

established by the Community directives concerning public market tenders, as long as such agreement have as an objective the creation of work opportunities for disadvantaged persons, as stated in article 4, point 1.

2. For the conclusion of the agreements mentioned in point 1, social cooperatives must be registered in the regional register mentioned in article 9, point 1. Analogous organisations having their head office in other European Union Member States must have qualities equivalent to those required for inclusion in such a register and must be registered in the regional lists mentioned in point 3 ; they must also demonstrate possession of the qualities required with appropriate documentation.

3. The region annually inform, through publication in the Official Journal of the European Communities, which qualities and conditions are required for the conclusion of agreements according to point 1, and publish regional lists of organisations in possession of the necessary qualities and condition.

4. For the supply of goods and services other than social, health and education, having an estimated net sum, excluding the VAT, equivalent or superior to the sums established by the Community directives on public procurements, public bodies, including economic organisations, as well as public capital companies, participating in the public calls for tenders may insert (in the schedule of conditions) amongst the conditions of execution, the requirement to execute the contract while employing underprivileged persons as mentioned in article 4, point 1, with the adoption of specific programmes of professional integration and reintegration. Verification of capacities to fulfill the above-mentioned conditions, to act in accordance with the present law, may not occur during the adjudication procedures and must in all case be undertaken after the award of the contract.

Art. 6.

Modifications to the legislative decree of the provisional Chief of State no. 1577 of December 14th 1947

1. The following modifications shall be made to the afore-mentioned legislative decree of the provisional Chief of State no.1577 of December 14th 1947:

a) the following paragraph shall be added to the end of article 10:

"if the inspection concerns social cooperatives, a copy of the report must be sent, by the Ministry for Labour and Social Welfare, within forty days from the date of that same report to the region in whose territory the cooperative has its headquarters".

b) the following paragraph shall be added to the end of article 11:

"for social cooperatives the measures of the second paragraph shall be applied after hearing the opinion of the body competent to regulate cooperation of the region in whose territory the cooperative is legally headquartered".

c) at the bottom of the second paragraph of article 13 shall be added the words "social cooperation section".

d) the following paragraph shall be added at the end of article 13:

"besides (being registered) in the sections specifically foreseen for them, social cooperatives shall also be registered in the section that the activity they carry on directly appertains to,,.

Art. 7.

Tax regime

1. The provisions of article 3 of decree of the President of the Republic no. 637 of October 26th 1972 shall apply to transfers of goods by succession or donation to social cooperatives

2. Social cooperatives shall enjoy a reduction of one quarter of the cadastral and mortgage taxes due as the result of the signing of mortgage contracts on, or of contracts for the purchase or lease of buildings whose purpose is to house the exercise of the social service.

3. The following number shall be added to table A, part II of decree of the President of the Republic no. 633 of October 26th 1972 and its subsequent modifications:

„41 -bis) services of a social, health and educational nature rendered by social cooperatives,,.

Art. 8.

Consortia

1. The provisions of this law shall also apply to consortia formed as cooperative companies, having a membership base, at least seventy per cent of which is social cooperatives.

Art. 9.

Regional regulations

1. Within one year of the date this law comes into force the regions shall issue the rules for its implementation. For this purpose they shall establish a regional register of social cooperatives and shall determine the methods for establishing links with socio-health services activities, as well as with vocational training activities and with activities aimed at developing employment.

2. The regions shall adopt standard agreements to govern the relations between social cooperatives and public administrations working within the region, establishing, in particular the necessary professional qualifications and the application of current standard professional contract provisions.

3. The region shall also issue regulations aiming at the promotion, support and development of social cooperation. The costs arising out of the support measures established by the regions shall be charged against the region's ordinarily available funds.

Art. 10.

Participation in social cooperatives of persons performing assistance and consulting activities.

1. The provisions of law no. 1815 of November 23rd 1939 shall not apply to cooperatives established under to the terms of this law.

Art. 11.

Participation by corporate persons

1. Public or private legal persons, in whose statutes the financing and development of social cooperative activities are foreseen, may be admitted as members of such cooperatives.

Art. 12.

Transitory provisions

1. Social cooperatives already existing on the date this law goes into force must comply with the provisions provided for by it within two years of that date.

2. Decisions to modify deeds of incorporation so as to bring them into line with the provisions of this law may, as an exception to the provisions of articles 2365 and 2375, second paragraph, of the civil code, be adopted under the procedures of an ordinary members' meeting and by agreement of the majority of members present as laid down by the deed of incorporation.

This law, with the state seal, shall be made part of the Official Collection of Regulatory Instruments of the Republic of Italy. It is the duty of all who are subject to it to comply with it, and to ensure compliance with it, as a law of the State.

Rome, November 8th 1991