

WE ARE SOCIAL COOPERATIVE WORKERS BUT WELFARE IS NO LONGER ENOUGH

by Stefano Arduini
photos Antonio Mola

The President of the largest social cooperatives' network in Italy launched the challenge: "We cannot limit our activity to the management of social services on behalf of the public." The future?

"New markets and alliances with the for-profit sector."

43,000 workers (72% with permanent contracts), 1 million people reached by the services and 1.3 billion euros of aggregate turnover in 2013. These figures summarize the situation of the Gino Mattarelli Consortium, the largest network of Italian social cooperatives with a number of members just under one thousand. A vast network which the president Stefano Granata is radically transforming: less traditional welfare and more social innovation. On 27 and 28 November the Gino Mattarelli Consortium will meet in Rome for its Twelfth Convention. On that occasion Stefano Granata will reveal his program for the coming years. A path at end of which CGM will be something very different from today's. As CGM president revealed in this interview with Vita.

What is working and

what is no longer working in CGM today?

We are a well-established entity in the management of public social services. Turnover is holding its ground. All is apparently going well. However, our solid base, is also our weakness. For we know that tomorrow things may change. This is inevitable.

To what extent is the group aware of this?

There is a sort of "patchy" awareness. Those who are merging with others and forming alliances, demonstrate that they are aware of the situation; the others, those who are not concerned with these issues and remain small, are showing little awareness. The true revolution that I'm trying to implement in CGM is to abandon the traditional welfare concept and expand our work beyond traditional boundaries.

The economic model of the social enterprise in the modern sense of the term requires an encompassing approach that covers all the areas of citizens' concern. We should aim for a new model that supports the various aspects of Italian growth. I am thinking about housing, healthcare, education, tourism. This is our challenge for the future, while at the same time going back to basics: we were not created to deliver services; social cooperation has its origins in the desire to further the wellbeing of society according to inclusive criteria that encompass the community at large.

Are you saying that in recent years you somehow locked yourselves up in your own world?

We worked a lot on inclusion, and we were successful: hundreds of people



would have been marginalized by society without our help. But today there are thousands of people with unsatisfied basic needs: either we are able to reach them, or our work will become irrelevant. Take housing: if we keep focusing on “social condominiums” that involve 10 or so households, this may be good for the hype, but not for a city that has to satisfy a demand of 10 thousand housing units. To address this issue, we need to create alliances with builders’ cooperatives. And the same goes for the energy or healthcare sector.

Old style social cooperatives and new social enterprises. What are the differences?

Social enterprises can be defined as hybrid organizations, according to the definition given by Paolo Venturi and Flaviano Zandonai. In other words, they are corporate legal forms open to other entities; organizations in which an individual citizen, a businessman or a local authority may take on a governance role or assume a business risk. These hybrid organizations are always generated by social cooperatives, which

hold a majority stake, as part of a business project with a social impact. Obviously, I am talking about our network, which today includes more than 70 of these hybrid organizations.

Have you reckoned that some may get lost along the way?

Yes, of course: we must acquire new skills, we must aggregate resources and organizations. Either the cooperatives decide to group together on the basis of managerial criteria, or they will be unable to survive in the market; I

expect some will naturally die, while others will say they prefer to remain in their niche and not play the game. But, let me stress this point: our task is not just to satisfy the demand for outsourcing services, our mission goes far beyond that.

Why would a for-profit company be interested in entering into a hybrid organization?

Our economic model is sustainable and rooted in the communities. For a company, building a local infrastructure is difficult and expensive. This is where their interest lies. Also, we have to consider the crisis: up to 5 years ago, the construction industry would never have approached us; they were used to margins of 30/40% and were not interested in a 3/4%. Today the margin is zero, and their interest in us is growing. Or, consider, for example, a foreign energy company working on biomass and interested in investing in Italy. If it were to set up a distribution network in Italy and deal with Italian red tape, it would throw in the towel immediately. On the other hand, we can offer them the necessary network, and on this basis we can develop employment and community development

projects.

Would you be favourable to investment funds buying stakes in your cooperatives?

There is much debate on this issue. My answer is that I don't know. A reasonable reply would require some experimentation. In any case, in order for investment funds to approach our cooperatives, we must provide managerial credibility; that is, we can no longer use the social cooperative parameters; if we engage with other entities, we must adapt our language, skills and direction, accordingly.

In short, you will start hiring preppies?

Sure. If we continue focusing on the same professional target, we will never be able to make certain bets. If we want to attract corporations, we must first speak their language. The concept of local area is also changing; this is another huge revolution that we have to accept!

What do you mean?

We are used to refer to the area of the Local Health Authority, or the Province territory, but we should adopt a broader concept, linked to production, to value added and to the economic and

social chain along which we are working.

A giant of the French social economy, Group Sos, has announced that it intends to land in Italy. Are you scared by such a strong competitor?

I believe that taking a protectionist stance would be a mistake. Why betray what we have been doing in these 30 years? We must be aware of the strong knowhow we have developed, and on the basis of this competitive advantage we must not be afraid to open up to other organizations from which we have something to learn.

How do you respond to those who say that social impact cannot be measured?

That they are making a mistake. If even just a little of what we have done in terms of inclusion and cohesion had been measured during these years, it would be much easier for us, today, to engage with those who do not know us.

At the end of your office, will CGM still have this name?

I can't say for sure: if one is willing to put everything at stake, then he is also willing to put his identity at stake.