



# Social procurement in the public and private sector and along the supply chain: the experience of Italian social cooperatives

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# Social cooperatives – Definition

Art.1 of the Italian law on social cooperative

- Pursuit of the general interest for the community
- Social integration of citizens
- Private entity, not for profit
- Democratic and participatory identity

## “TYPE A”

Management of social - health and educational services

## “TYPE B”

Development of activities (all sectors) in the production of goods and services for the work disadvantaged workers are employed in these activities (according to law, at least 30%)





# Social cooperatives in Italy

- **12,000 social cooperatives** and **conosrtia** were recorded in Italy
- Their staff totals over **400,000 workers** and **34,000 disadvantaged people** employed by “B type” social cooperatives
- **40,000 volunteer members**
- **7 million people** receive services

# Disadvantaged workers (art. 4)

- Physical and mental disabilities
- Ex-patients of psychiatric institutes, people undergoing psychiatric treatment
- Prisoners and people who have been given an alternative to custodial sentences
- Alcohol and drug addicted
- Minors of working age in difficult family situations
- **In practice, many 'B' co-op workers are disadvantaged in ways that are not recognised by the law as counting towards the 30% threshold.**

# Why type B social cooperatives are so important?

- They are enterprise, they find in open market their resources
- Disadvantaged people are employed and they get their salary



**They are not supported by Government grants**



**Not only training and social help**

## **Economic advantages**

Many researches demonstrated that economic advantages (tax yield from disadvantaged people employed thanks to social co-operatives), are higher than costs (state coverage, possible local support measures). The Italian State save 4,000 euro for every disadvantaged person.

## **Social advantages**

Social co-operatives provide an individual insertion project: they do not offer pure employment, they do not offer pure salary, but they give opportunity of a personal and professional growth



# Social procurement for type B cooperatives

For the supply of goods and services, public bodies may insert amongst the conditions of execution, the requirement to execute the contract while employing underprivileged persons with the adoption of specific programmes of professional integration and reintegration



In this way local administrators perform a social intervention through ordinary expenses like green areas maintenance or public buildings cleaning

Percentuale lavoratori disabili su occupati

sistema economico

cooperazione sociale B

0

5

10

15

20

25

**Work inclusion of disabled workers in social cooperatives is 25 times higher compared to that of the rest of the economic system**

# The EC Social Business Initiative

- The EC Social Business Initiative and its 11 key actions are an important recognition of the role played in the past years
- Social enterprises and cooperatives should be supported:
  - taken into account the essential role they can play as social innovation driving forces
  - because they introduce new methods of service provision and actions aiming at improving the quality of life of the persons
  - because they foster the creation of new products to respond to the new society's needs





# Facilitate the access of social enterprises to public procurement

- EU Directives 23 and 23/2014 includes significant steps forward: the attention to the award of contracts for social services and to social clauses
- Article 17 of the Directive, which adds the entitlement to participate in public calls for tender for economic operators whose main objective is workers with disabilities and disadvantages integration (30% of workers with disabilities and disadvantages)



# Private sector

- Half the income of 'B' cooperatives comes from undertaking contracts on behalf of private sector clients.
- Italian law on employment integration of disabled people allows companies to make agreements with social cooperatives to promote and facilitate the first phase of access to employment