

Country Case Studies on Inclusive Business

Policymakers have expressed interest in learning from peers that have already begun to support inclusive business. To support this request for knowledge-sharing, the G20 Global Platform on Inclusive Business developed a series of short pieces that examine the motivations, institutional coordination mechanisms, priorities and challenges that countries face as they support inclusive business.¹

Italy

Cooperatives can be involved across the spectrum of inclusive businesses, either by using an inclusive business model, operating inclusive business activities, or functioning as a social enterprise initiative. Cooperatives may also be a part of the value chain of a larger inclusive business company. Over the past seven years, cooperatives in Italy have played a key role in countering the financial crisis. From 2008-2013, cooperative enterprises have increased in number by 10%.²

Moving forward, cooperatives are expected to continue to play a role in Italy in terms of development and growth, both economic and social.

Box 1: Advice for Policymakers

When supporting inclusive business, maintain a focus on:

- Employment
- Sustainability
- Innovation

Connecting Business and Society

Italy's Ministry of Economic Development (MSE) aims to connect business and society. Its goal is to combine traditional ways of "doing business" with an emphasis on the dynamics and the nature of social and environmental issues.

MSE is responsible for the promotion of cooperatives and has developed a strategy to facilitate and maximize the contribution that cooperatives can give to the economy and to society. Specifically, MSE seeks to develop projects related to social innovation in areas such as health, agroindustry, and tourism and supports them to expand internationally. MSE also supports corporate social responsibility in business and houses the National Contact Point for the OECD Guidelines on multinational enterprises.

One of the primary challenges faced by MSE is in sensitizing the business community to issues of social inclusion and raising their awareness of business as a driver for sustainability, productivity and growth.

Box 2: Additional institutions active in inclusive business:

- *Ministry of Foreign Affairs and International Cooperation:*
Development cooperation issues
- *Ministry of Labor and Social Policy:*
Topics related to social inclusion

¹ This document has been prepared by the International Finance Corporation, a member of the World Bank Group, for the G20 Global Platform on Inclusive Business.

² National Institute of Social Security data

Developing a Framework

MSE promotes inclusion by supporting enterprises with a specific social purpose through instruments that support the creation and growth of cooperative enterprises, social enterprises, and startups with a social objective (see *Spotlight on Selected Policy Instruments*). It also encourages sustainable innovation through green technology and the development of a circular economy through business innovation and management practices.

MSE developed a framework to promote responsible business conduct that specifically targets social inclusion using a range of approaches, such as by focusing on global sustainable supply chains.³

Engaging Inclusive Businesses

To engage with inclusive businesses and cooperatives, MSE typically works through associations and occasionally engages directly with businesses on a one-on-one basis. The Alliance of Italian Cooperatives (AIC) is the national coordinator for cooperatives and is comprised of the three major associations: the General Association of Italian Cooperatives (AGCI), Confcooperative, and Legacoop. AIC has 43,000 member companies and represents more than 90% of the Italian cooperative sector.⁴ MSE collaborated extensively with the AIC, business associations, research institutes, and others in the creation of the Cooperatives' Promotion Plan.

Box 3: Spotlight on Selected Policy Instruments:

The Marcora Law (Law 49/85): Created in 1985 to support the growth of cooperatives, safeguard employment levels, and prioritize redundant workers, this law provides state backing for two funds to support cooperatives. The two financial companies C.F.I and SO.FI.COOP function as fund managers and institutional investors for Marcora. The funds make use of the right to participate in cooperative venture capital and employ instruments such as loans, mortgages, equity loans, and guarantees.

The New Marcora (2014): A measure launched to support new or existing cooperatives through additional soft loans devoted to cooperatives already benefiting from equity loans.

“July 3, 2015 Ministerial Decree on promoting the social economy: Provides support for the creation and growth of social enterprises, social cooperatives, consortia and non-profit organizations through preferential loans.”

The Startup Act (Law 221/2012): The Act addresses innovative start-ups in general. Recently, the benefits provided by the Act, such as regulatory and fiscal support, were extended to innovative start-ups with a social goal and start-ups in sectors with considerable social value, such as: social work, health care and social care, education and training, environmental protection, promotion of cultural heritage, and social tourism.

Case study available at www.g20inclusivebusiness.org

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³ On the basis of the European Union definition of Corporate Social Responsibility: the responsibility of enterprises for their impact on society

⁴ See also <http://www.alleanzacooperative.it/>