



PR2 – INTERACTIVE AND NETWORKING TOOL STATE OF THE ART & BEST PRACTICES IN ITALY



Developed By:

i-strategies



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1. Introduction

In Italy, legislation provided for five types of private organisations operating without purposes for solidarity causes:

- a. Non-governmental organisations (NGO) - L. 49/1987
- b. Voluntary organisations - L. 266/1991.
- c. Social cooperatives - L. 381/1991
- d. Ex-banking foundations - L. 461/1998.
- e. Social promotion associations - L. 383/2000

Subsequently, in order to implement Law 106/2016, Legislative Decree No. 117 of 3 July 2017 was issued. With this decree, the entire Third Sector Code is focused on the figure of third sector entities (Enti del Terzo Settore - ETS).

Law 106/2016 defines the Third Sector as the set of private entities established with civic, solidarity and socially useful purposes that, on a non-profit basis, promote and carry out activities in the general interest, through forms of voluntary and gratuitous action or mutuality or the production and exchange of goods and services, in line with the purposes set out in their statutes or deeds of incorporation.

Therefore, Third Sector Entities (ETS) are non-commercial or commercial organisations, established as associations, committees, foundations or enterprises which, pursuing civic, solidarity and socially useful purposes, are characterised by the exclusive or principal performance of one or more activities of general interest and by the absence of profit-making purposes. They are regulated by the Third Sector Code, which also defines the list of activities of general interest, the carrying out of different activities and the procedures for registration in the Single National Register of the Third Sector (RUNTS).

A Third Sector Organisation can obtain a specific qualification:

- Voluntary Organisation;
- Social Promotion Association;
- Social Enterprise;
- Philanthropic Body.

All Third Sector organisations are prohibited from distributing profits, except Social Enterprises, which have very strict constraints.

Public bodies (and the bodies controlled by them), private bodies with economic purposes (trade or professional associations), trade unions, political parties and commercial companies not recognised as Social Enterprises cannot be recognised as Third Sector entities.

Religious Bodies, on the other hand, may obtain recognition if they carry out at least one of the activities of general interest defined by law; recognition may also be limited to a part of the Body if there is a clear organisational division of functions (Italianoprofit).

According to Istat data (2022), as of 31 December 2020 there were 363,499 active non-profit institutions in Italy and, overall, they employed 870,183 people. Between 2019 and 2020, non-profit institutions grew by 0.2 per cent, less than between 2018 and 2019 (+0.9 per cent), while the increase in employment remained around 1.0 per cent in both years.

Non-profit institutions in 2018 grew the most in the South. Nevertheless, they present a rather concentrated territorial distribution: more than 50% are active in the North, 22.2% in the Centre, 18.2% and 9.4% in the South and the Islands respectively. The territorial distribution is also more concentrated as regards employees, 57.2% of whom are employed in the Northern regions compared to 20.0% employed by non-profit institutions in the South.

Among the sectors in which non-profit organisations operate (Figure 1), sport accounts for 32.9%, followed by cultural and artistic activities (15.9%), recreation and socialising (14.3%) and social assistance and civil protection (9.9%). The distribution of employees shows greater heterogeneity (Figure 2), although it is concentrated in certain sectors: social assistance and civil protection (48.4%), education and research (15.0%), health (11.9%) and economic development and social cohesion (11.4%) (Banca Etica, 2022).

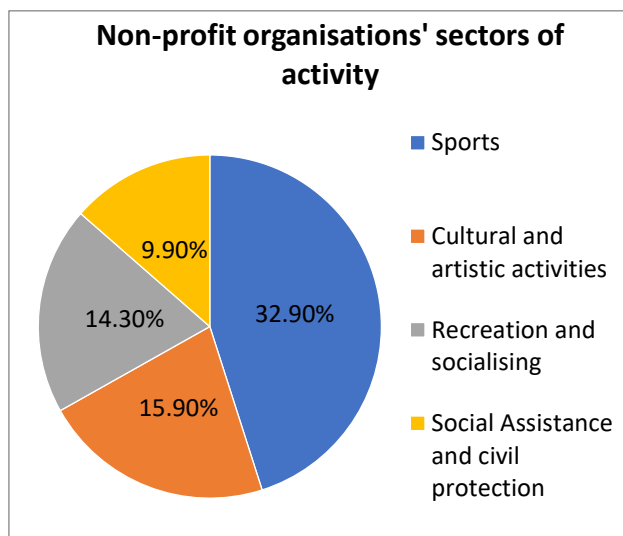


Figure 1 - Sectors of activity of non-profit organisations in Italy (2019 data)

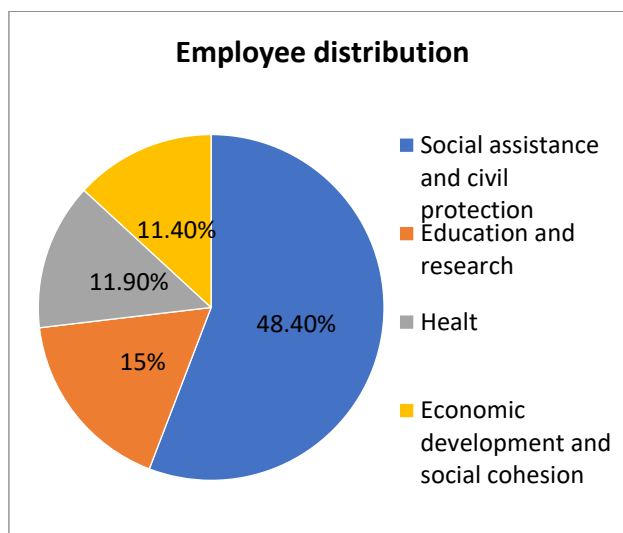


Figure 2 - Distribution of employees in the non-profit sector in Italy (2019 data)

2. Barriers and Supports for Foundations

The Covid-19 pandemic brought to light some of the problems that the third sector has to face, such as the emergence of poverty in many contexts, poor digitalisation, ambiguity towards public bodies, the structural lack of operational tools and generational turnover, and the ability to network both between organisations themselves and with other actors in the territory, especially public ones (Psaroudakis, 2021).

Moreover, in Italy, the 2017 Code of the Third Sector was followed by a number of implementing decrees, with respect to which the pandemic has slowed down and complicated the completion of the procedures required by the reform, both for RUNTS registration and for the other qualifying elements of the law. To date, therefore, the legislation is not entirely clear and this creates some uncertainty in the sector (Banca Etica, 2022).

Among the problems encountered are the decline in the active participation of citizens and especially young people. However, other sources report that youth continue to give freely of their time and skills. However, they often do so outside the traditional organised forms, on an individual basis, by founding new associations or joining organised realities that offer them space and opportunities, operating in more innovative, sometimes marginal, niches of solidarity-based activities. Indeed, the attractiveness of Third Sector entities (ETS) for young people seems to be diminishing. (Tomasin, 2022).

Considering that 10 per cent of Third Sector organisations are professionalised, in terms of skills related to management, marketing, etc., while the remaining 90 per cent are based on voluntary practices, the problem of participation and turnover is an issue to be taken into account (Ricerche: come sta il Terzo settore italiano dopo la pandemia?, 2022)

Another aspect to be considered for the coming years is the fundraising capacity. Although the data show that overall, even in times of crisis, ETSs have not encountered particular problems in raising financial resources and have proved to be more resilient than many companies, it has to be said that the pandemic has also had major impacts on the fundraising capacity of organisations: many have had to suspend fundraising campaigns with impacts on the sums they have managed to raise (Banca Etica). At the same time, for some segments, this outlook may worsen in the coming years due mainly to three interconnected phenomena: (i) the reduction of public expenditure, which constitutes a significant share of revenue for many organisations; (ii) the need to grow in size in order to become more efficient and able to respond to increasingly pressing and complex needs, especially in the wake of the COVID-19 pandemic; and (iii) investments in technology that will probably be necessary to remain competitive even in traditional labour-intensive sectors such as social services. Given these trends, access to finance is likely to become more important for Italian non-profit organisations and may require both the strengthening of existing financial mechanisms and the search for new ones (Bodini *et. al*, 2021).

Italians who made at least one donation to an association rose to 55% in 2022, up from 35% in 2021 and 21% in 2020. Italians donated more than EUR 1.1 billion more in the year of the pandemic than in 2019. The value of individual donations by Italians in 2020 is estimated at EUR 6.787 billion, 19% more than the year before (De Carli, 2023). Thus, the main source of fundraising for non-profit organisations is citizens, followed by organisations, which provide around 873 million euro - of which 200 million from foundations and 673 million from other organisations.

An interesting phenomenon to note is the strong increase in digitalisation, which influences the shape of donations. However, the lack of a managerial culture of fundraising in non-profit organisations can negatively interfere with the structural and economic development of fundraising.

In conclusion, non-profit organisations in Italy have to counter the risk of a dependency on the public sector and therefore develop skills and creativity in identifying and using different sources of funding (Manes, Salvatori, 2020). This creativity and communication skills must also be used to increasingly involve the population not only to donate, but also to actively participate. In addition, it is necessary to overcome fragmentation, especially if one wants to produce an employment impact adequate to the need that emerges from reality (Manes, Salvatori, 2020).

3. Good Practices

| GOOD PRACTICE 1 | |
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| Name of the Good Practice | Campaigns to support research, in particular cancer research |
| Name of the Provider | Fondazione Umberto Veronesi |
| Short Description (50-70 words) | The Umberto Veronesi Foundation was founded in 2003 on the initiative of Umberto Veronesi and many other internationally renowned scientists and intellectuals, including 11 Nobel Prize winners. The Foundation promotes research and scientific development, particularly in the biomedical and social fields, through support, including financial support, for innovative promotion, training and research projects; the awarding of scholarships to young researchers; and the granting of awards and prizes to deserving scholars. |
| Level (Regional, Local, National) | National |
| Tools/Resources/ Services | Website, Facebook, Instagram, LinkedIn |
| Link/ Website | https://www.fondazioneveronesi.it/ |

| GOOD PRACTICE 2 | |
|--|--|
| Name of the Good Practice | Se il 2020 fosse andato bene |
| Name of the Provider | ActionAid Italia |
| Short Description (50-70 words) | ActionAid is an independent international organisation whose mission is to put people at the centre, so that they can claim their rights, creating spaces for democratic participation in communities wherever they are, from the Italian suburbs to the smallest African villages. Selected campaign features comedians/youtubers to raise awareness of the importance of long-distance adoption. |
| Level (Regional, Local, National) | Local, national and international |
| Tools/Resources/ Services | Website, Facebook, Instagram, Youtube, LinkedIn |
| Link/ Website | https://www.actionaid.it/ |

| GOOD PRACTICE 3 | |
|--|--|
| Name of the Good Practice | A(i)u-Ti-Amo |
| Name of the Provider | Fondazione Mente |
| Short Description (50-70 words) | The foundation is the brainchild of two parents who, in their experience, have had to deal with the lacks and failures there are for children and youngsters with neuro development disorders. the aim of the foundation is to create adapted and functional spaces for the learning and enjoyment of children and young people with neuro development disorders with special attention to the autistic spectro world and to support their families. |
| Level (Regional, Local, National) | Local |
| Tools/Resources/ Services | Website, Facebook, Instagram |
| Link/ Website | https://www.fondazionemente.org/ |

| GOOD PRACTICE 4 | |
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| Name of the Good Practice | Fundraising campaigns to continue activities |
| Name of the Provider | Essere Animali |
| Short Description (50-70 words) | The aim of Being Animals is to spread a culture based on respect for the right to life, dignity and freedom of every human and non-human individual; a culture capable of finding non-conflictual forms of coexistence, not based on the exploitation of animals but on the rational use of natural resources, in the interests of present and future generations |
| Level (Regional, Local, National) | Local and National |
| Tools/Resources/ Services | Website, Facebook, Instagram, Youtube, LinkedIn |
| Link/ Website | https://www.essereanimali.org/ |

| GOOD PRACTICE 5 | |
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| Name of the Good Practice | Campaigns to support cancer research |
| Name of the Provider | Fondazione AIRC |
| Short Description (50-70 words) | The Foundation was established in 1965 and, thanks to fundraising, supports the advancement of cancer research by |

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| | promoting young talent, supporting the most innovative research projects and investing in cutting-edge technology. In addition, it disseminates through its channels and external media accurate information on the results obtained, prevention and treatment prospects. |
| Level (Regional, Local, National) | National |
| Tools/Resources/ Services | Website, Facebook, Instagram, Youtube, LinkedIn |
| Link/ Website | https://www.airc.it/ |

4. Conclusion

In conclusion, in Italy, the Third Sector plays a fundamental role in the economy and in the social and cultural impact it can create. From a legal point of view, the reform of the Third Sector has brought some improvements, but the situation is still not entirely clear and more needs to be done on this aspect.

The challenges facing the sector are many, but in particular, it will have to find new ways of communicating in order to involve people more on several levels, both as active subjects, i.e. volunteers, and as donors. In fact, the contribution of volunteers has a huge impact on the capacity of the sector and the money raised through fundraising activities is essential to drive activities forward.

In this short report we have reported some virtuous examples of ETSs that, also thanks to storytelling, manage to communicate their values and thus raise funds. A note of clarification: the cases reported are all from large organisations, therefore with many resources, both economic and human, but storytelling and fundraising are tools that even smaller ETSs with fewer resources can use.

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