



In Italy, the reform of the third sector was initiated by the government in 2016. 363 499 nonprofit entities provided 870 183 jobs in 2020.

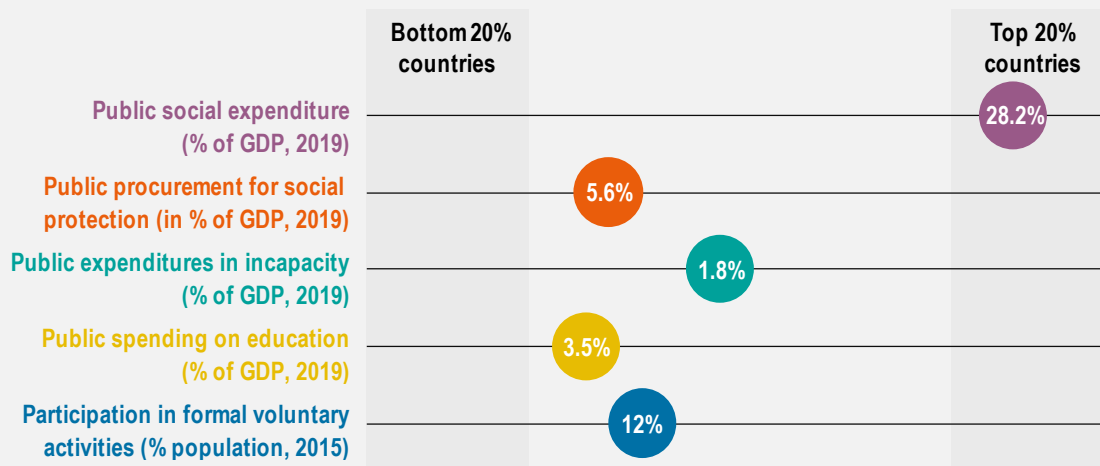
SOCIO-ECONOMIC INDICATORS

Italy is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Italy	USD 51 790	65.5%	26.0%	13.5%	0.330 / 1	10.4%	2.5 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Italy refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the third sector in Italy

The **third sector** is defined as the group of private entities established for the pursuit of **civic, solidarity and social utility purposes on a non-profit basis**, and which, in implementation of the principle of subsidiarity and in accordance with their respective articles of association or deeds of incorporation, promote and carry out **activities in the general interest by means of voluntary and non-remunerative action, by mutuality, or by the production and exchange of goods and services.**

Note: Translation into English provided by the authors. For the complete definition, please refer to the [Law 106/2016 for the reform of the third sector, the social enterprise and for the regulation of the universal civil service](#).

Institutional frameworks



Institutions

Key actors for third sector policy in Italy are the **Ministry for Labour and Social Policies**, the **National Council of the Third Sector** (chaired by the Ministry of Labour and Social Policies), as well as **local and regional authorities**. The Directorate-General for the Third Sector and Corporate Social Responsibility under the Ministry of Labour and Social Policies implements a constant interaction with regional authorities, within the framework of the Social Policies Commission of the Conference of Regions and Autonomous Provinces.



Legal instruments

In Italy, the reform of the third sector resulted in the adoption of the **Law for the reform of the third sector, the social enterprise and for the regulation of the universal civil service** in 2016 that has been since then implemented by several decrees.



Stakeholder engagement

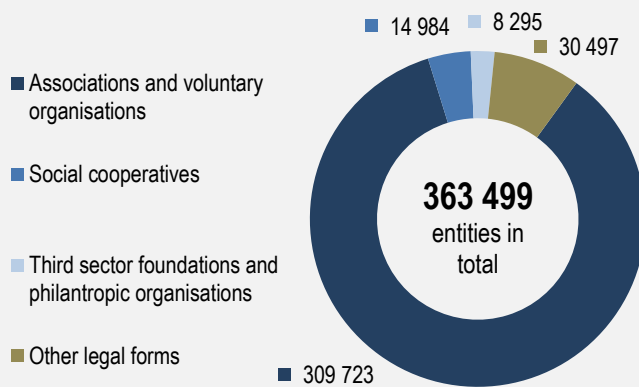
According to the **"shared administration" model**, provided by the Third Sector Code (art. 55-57) and the guidelines prepared by the Ministry for Labour and Social Policy (D.M. 72/2021), public administrations ensure the active involvement of third sector entities through co-programming and co-planning. The third sector entities' most representative associations may be involved as well as social partners through thematic meetings and contributions.

Main figures

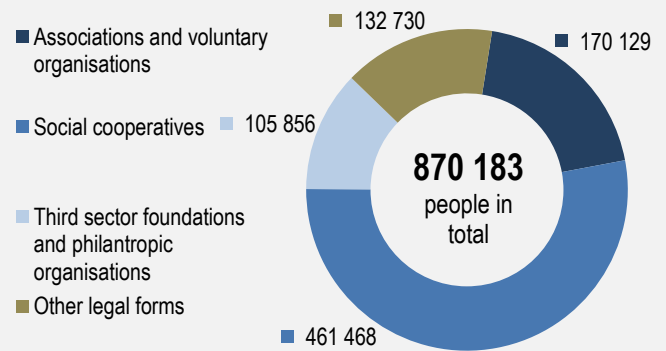
In Italy, **363 499 nonprofit entities** provided **870 183 jobs** in 2020. **Social services and education services** were the most common sectors of activity by employment.

SCOPE Data are provided based on data made available by ISTAT in the report "Structure and profiles of the non-profit sector – year 2020". The scope covers non-profit organisations, including entities that do not fall within the legal definition of third sector entities, such as trade unions and employer organisations, professional representative bodies, political organisations and some religious entities.

Number of nonprofit entities (2020)



Employment in nonprofit entities (2020, headcounts)

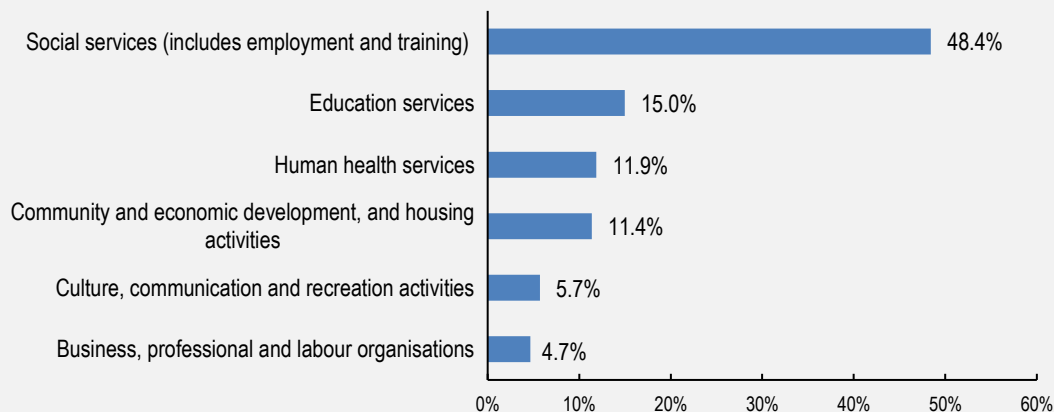


Note: Other legal forms include ecclesiastical bodies, committees, mutual aid societies, social enterprises in a legal form of company and finally amateur sports clubs. Data on mutual society are not available.

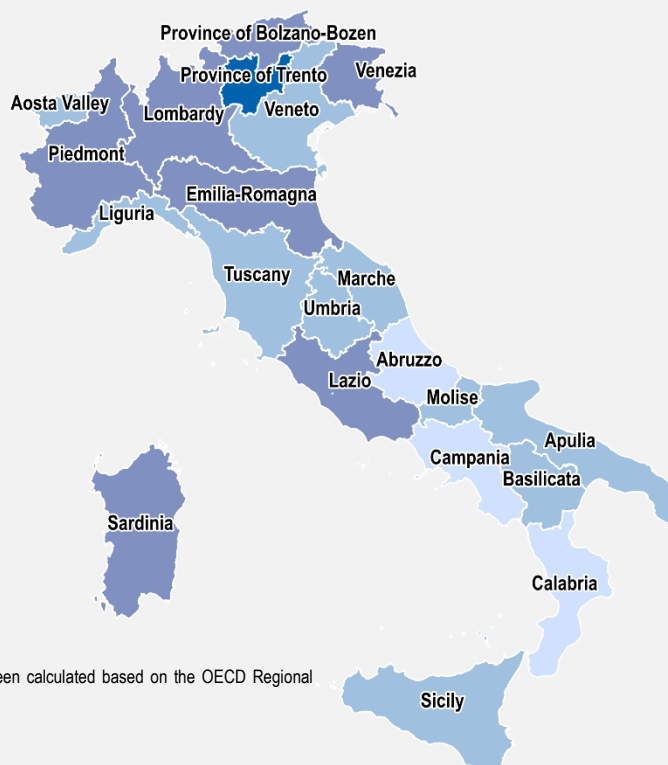
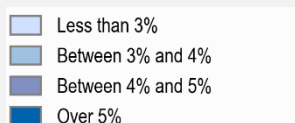
Number of social enterprises regulated through a legal status (2020): 16 092

Employment in social enterprises which are regulated through a legal status (2020): 471 199

Employment in the nonprofit sector in 6 top sectors of activity (2020)



Employment in the nonprofit sector as a share of regional employment (2020)



Note: Share of non-profit employment in regional employment has been calculated based on the OECD Regional database. See sources at the end.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE

- Law 106/2016 for the Reform of the Third sector, Social Enterprise and Universal Civil Service – [link](#)
- Legislative Decree 117/2017, Code of third sector entities – [link](#)

Subnational

- Emilia-Romagna: Regional Law on the Solidarity Economy (2023) – [link](#)
- Friuli Venezia Giulia: Regional Law on the Solidarity Economy (2017) – [link](#)
- Lazio: Regional Law on the Social and Solidarity Economy (2009) – [link](#)
- Molise: Regional Law on the Social and Solidarity Economy (2022) – [link](#)
- Toscana: Regional Law on the Social and Solidarity Economy (2020) – [link](#)
- Trento: Regional Law on the Social and Solidarity Economy (2010) – [link](#)
- Umbria: Regional Law on the Social and Solidarity Economy (2023) – [link](#)

For specific SSE entities at national level

- Law 3818/1886 - Mutual Benefit Societies – [link](#)
- Law 381/1991 - A-type social cooperatives engaged in social, health and educational services and B-type social cooperatives engaged in work integration – [link](#)
- Legislative Decree 112/2017 - Revision of the Social Enterprise Law (see above) – [link](#)

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Italy.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities

Fiscal treatment for contributors to the SSE

- | | |
|--|---|
| <ul style="list-style-type: none"> • General interest activities of a non-commercial nature, i.e. carried out free of charge or against payment of fees not exceeding actual costs, are exempted from taxation. • The Third Sector Code provides the following measures: tax scheme of solidarity bonds; provision of the non-commercial nature of activities carried out with a surplus limited to 6% of costs for no more than three tax periods; optional flat-rate scheme for the taxation of business income of non-commercial third sector entities; and | <ul style="list-style-type: none"> • Individual donors can benefit from tax incentives for cash donations made to legally recognised non-profit associations and foundations that carry out activities of cultural, artistic, social and educational interest. |
|--|---|

optional flat-rate scheme for taxing the business income of voluntary organisations and social promotion associations.

- Social enterprises may benefit from fiscal benefits, including the non-taxability of the sums earmarked in a special reserve and intended for the performance of statutory activities or increasing assets as well as the non-taxability of the sums allocated to pay the contribution due by social enterprises for inspection activities. Conversely, profits and operating surpluses used in any other form are taxable.
- Social cooperatives entities with the social enterprise status benefit from corporate tax incentives. A-Type social cooperatives benefit from a favourable (5%) value added tax (VAT) rate if they provide services such as healthcare, education and welfare support to disadvantaged people. B-Type social cooperatives are exempt from the payment of social insurance contributions for the disadvantaged workers they have integrated.
- Public benefit provisions govern non-profit companies if they have public benefit status. In this case, non-profit companies do not need to pay taxes after their public benefit activities and remain exempt from local business tax.

- Corporate donors may benefit from tax deductions for donations to public benefit organisations, including social cooperatives. Money and in-kind donations made by corporate donors to support third sector non-commercial entities may also entail tax incentives.
- Investing in social enterprises enables individuals to gain a deduction equal to 30% of the sum invested valued up to EUR 1 million and companies to gain a deduction equal to 30% of the sum invested valued up to EUR 1.8 million.

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



Policy framework

- [Decree of 23 July 2019 - Guidelines for the implementation of systems for assessing the social impact of the activities carried out by third sector entities 19A05601](#) (2019)
△ Ministry of Labour and Social Policies
- [Social Enterprises: Mandatory Annual Social Report \(2017\)](#) △ Government of Italy
- [Social Cooperatives: mandatory annual social report \(Article 1 of Legislative Decree 112/2017\) \(1991-2017\)](#) △ Government of Italy
- [Innovative Start-ups with Social Vocation: mandatory annual social impact assessment document \(2012-2015\)](#) △ Government of Italy



Capacity support initiatives

- [Torino Social Impact](#) (2017) △ City of Turin

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement. Capacity support initiatives offer dedicated funding or training from specialised intermediaries and mobilise networks of expertise and other resources.

FURTHER READING ON THE SSE IN ITALY

[ISTAT and EURICSE: L'Economia Sociale en Italia: Dimensioni, caratteristiche e settori chiave](#) | [EURICSE: Social Economy in Italy: Dimensions, Dynamics and Characteristics](#) | [ILO: Financial Mechanisms for Innovative Social and Solidarity Economy Ecosystems: The case of Italy](#) | [European Commission: Social Enterprises and Their Ecosystems Italy Country Report](#) | [EU Social Economy Gateway Italy](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module. Regional employment data are retrieved from OECD Regional database, <http://oe.cd/geostats>.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data for Italy were provided by the Directorate-General for the Third Sector and Corporate Social Responsibility under the Ministry of Labour and Social Policies, on the basis of data made available by ISTAT for the year 2020 ("[Structure and profiles of the non-profit sector – year 2020](#)").
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



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Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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