The third sector and the policy process in Italy: Between mutual accommodation and new forms of partnership

Costanzo Ranci, Mauro Pellegrino and Emmanuele Pavolini

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General introduction to TSEP Working Paper series

Editor: Jeremy Kendall
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This paper is part of the TSEP Working Paper series, and is based upon work conducted by the authors within the Third Sector European Policy (TSEP) network. The primary, overarching objective of the network is to describe and analyse the trajectory of ‘horizontal’ (industry cross-cutting) European policy towards the ‘third sector’, understood as a ‘multi-level process’ (see Appendix for a Glossary of terms).

All TSEP Partners are funded by the European Commission, Key Action ‘Improving the Socio-Economic knowledge Base’, 5th Framework Programme; while a subgroup of countries (Italy, the Netherlands, Spain, Switzerland, and the UK) are also financed by national funders under the European Science Foundation’s European Collaborative Research Projects (EGRP) in the Social Science initiative. (The UK funder, for example, is the Economic & Social Research Council.) Charities Aid Foundation are also supporting the research effort in the UK, and overall. This financial support is gratefully acknowledged. More details, including research Partner identities and affiliations, can be found at: www.lse.ac.uk/collections/TSEP/

Individual members of the network share an expertise on the third sector in their countries, but come from diverse disciplinary backgrounds (including political science, sociology, and policy studies). Countries included are the Czech Republic, France, Germany, the Netherlands, Italy, Spain, Sweden, Switzerland and the UK. The sample includes:

- Major geographical regions of the EU/larger as well as smaller countries
- Different types of national constitutional structures and welfare systems
- 7 established Member States, one new Member, and Switzerland

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Executive Summary

The research presented here aims at explaining the form taken by the development of a structured horizontal third sector community during the 1990’s in Italy. A series of factors seems to explain why this took place. More recently, however, there is evidence of some weakening of this model of a ‘public-private relationship’.

Internal organisation - four coalitions

The last decade has seen the strengthening of organisational ties among non-profits creating horizontal identities and alliances, mainly as a consequence of the fall of traditional cultural and ideological barriers inside the Third Sector. We can identify a total of four ‘coalitions’ of groups within the third sector emerging from the late 1980s onwards: these brought together intellectuals, practitioners, representatives of political parties and local administrative actors to promote concepts of organised voluntary action, social enterprise, associational life and a more inclusive ‘third sector’ identity respectively. This fourth coalition was defined by a gradual coming together of elements of other groups in the late 1990s. The paper explores the relationship of these coalitions to the terminology that has been common or emerging in Italy, as well as cultural, religious and political affiliations.

External factors

The rising strength of nonprofit organisations (NPOs) in delivering services in the social welfare domain - including all the main areas of public intervention (from care for the elderly and for children to social exclusion and unemployment etc.) - gave them increased public recognition and legitimacy following the so called ‘crisis of welfare’. This happened against the backdrop of change in what had traditionally been stable constitutional parameters. This included the replacement of a proportional voting system by a majoritarian one; and the shift from a relatively centralised state to a more regionalist and federalised one. At the same time, the system experienced a broad disruption (the ‘shock’ of the political scandals that led the way to the transformation of the whole party system).

Horizontal policy activity

These changes were linked to heightened involvement of NPOs in policy-making, especially through the new horizontal structures typified by the ‘Third Sector Forum’ (henceforth ‘Forum’). This engagement has taken different forms. Important elements have been formal recognition; new models of involvement in policy design and implementation; sectoral participation in projects and discussion about financial support for organisations; and joint working on employment and social exclusion issues, etc. These activities have tended to be concentrated in the social welfare domain. A number of formal agreements were made between the government and the sector, represented by the Forum, to increase and sustain this involvement, and there were moves towards creating a new legal framework recognising the different organisational forms of the sector in Italy in 1991. Between 1996 and 2001 the government instituted several bodies responsible for collecting information about, and relating to third sector groups, in Parliament, in the Labour Department and more broadly. The efforts of its statistical agency to produce a census of the sector has been another important punctuation point, alongside the activities of academics engaged in promoting the sector, or parts of it, since the 1980s.

However, the most recent years have witnessed a decrease in the level of institutionalisation of the whole horizontal network. The main factor in explaining this shift is the change in the national government that occurred in 2001. The new centre-right government seems to use a different policy style in its dealings with the third sector, being oriented towards more selective access for NPOs to policy making - often based on ad hoc relationships between single organisations and the
state - and expressing much less interest in the strengthening of policy networks in a horizontal sense. On the other hand, the third sector is broadly dependent on the public sector for funding. Public finance represents the main source of income for the sector in the social welfare domain where activity has expanded very significantly in the last two decades.

The overall picture in Italy is therefore of a sustained and broad development of horizontal policy activity by the third sector against a background of low involvement in political life historically. This policy activity peaked at the end of the 1990s, and has been less strong since the introduction of the centre-right government. Future developments remain hard to predict.
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Foreword

While studies of the third sector as an economic and social actor, and their significance within particular fields of policy have grown significantly in recent years, their links to broader policy processes are poorly understood. This paper is part of an effort to fill that gap, and is one in a series which seeks to build our understanding of the nature of the third sector’s relationship to the European policy process.

Putting together ‘European public policy process’ and the ‘third sector’ suggests an extraordinarily wide range of potential subject matter. This paper, however, has a very particular focus. It feeds into the wider process of knowledge building by developing an analysis of the relationship defined in three ways which limit its scope, but at the same time, which is assumed will ultimately be important in helping us understand the broader European landscape.

First, its primary explanandum is the national situation, looking at the position in just one of the nine countries in the TSEP network. The sub-national and supra-national levels feature here only to the extent they allow us to understand the national position. Later papers attend specifically to other levels and their interactions per se, but it is assumed that a deeper knowledge of national policy landscapes is a prerequisite to understanding how policy evolves at other levels.

Second, it attends to the third sector using the collective noun or nouns that dominate, or are most prominent in this country’s own actually existing policy community or communities. This is important because language and terminology are themselves part of the policy process, providing symbols for mobilisation, as well as being bound up with resource allocation (see the first working paper in this series).

Third, here and throughout the TSEP network’s research endeavours, we are interested in ‘horizontal third sector-specific policy’. By this, we mean policies and practices that shape the environment of these organisations by virtue of their non-market, non-state arrangements for ownership and control, and which are not limited to their situation in a particular ‘industry’ or ‘vertical field’. (The general meaning of these and other terms used to guide our research can be found in a glossary appendix at the end of this paper.)

In approaching this particular, but important dimension of the third sector policy process, we have taken additional decisions regarding the disciplinary and topical scope of our inquiry, which are reflected directly in the structure of this paper. Being politically and culturally embedded, national third sector policies are heavily influenced by historical conditions, so we need to at least sketch this formative background. The country’s arrangements for building and consolidating its social welfare system have been central to this story. Indeed, our Working Papers show that often - but not always - it is third sector policy actors in and around the social welfare domain who occupy most of the (theoretically available) space for horizontal policy institution building. The papers also explore how three key problems, shared across Europe and linked to the social welfare domain in different ways, play into and are processed by, this component of the policy space: social exclusion, unemployment and (more broadly) governance.

Furthermore, while we have noted that language is indeed at the heart of policy development, it is also important to be aware that rhetoric in this sphere of policy is often regarded as particularly prone to emptiness (Kendall, 2003). We have therefore sought to explicate not only the character of the policy discourse, but also to assess the significance of the associated institution building efforts. Wherever possible, the papers seek to point to the relationship between agenda setting and concrete implementation, and refer to the extent of economic and political investment in the process.
Most importantly, throughout the research, we have been guided not only by a desire to explicate what is happening, but also a wish to explicitly ask and move towards answering - the why question. Each paper seeks therefore to move from a descriptive stock-take of the national policy landscape to a synthesis of the factors which seem to have been particularly important in generating this situation.

In so doing, we have been guided by insights from the more general policy analytic literature. This has been cross disciplinary exploratory research in a new field, so it has not been possible to pre-determine too specifically the range of influences. But we have been aware that some of the most apparently successful efforts at policy process theorising in recent years have sought to judiciously combine structure and agency (Parsons, 1995; Sabatier, 1999). We, therefore, have sought to consider the potential and actual role of

- relatively stable institutional factors, such as broad constitutional design, and deeply embedded aspects of welfare system architecture;
- ‘external’ shocks and changes to these systems, associated with shifts in societal values, or unanticipated social movements; and
- the role of policy entrepreneurship, in particular the ‘internal’ role of third sector specialists - inside the sector itself, the State, and as part of the broader policy community - as catalysts, individually or collectively, of policy evolution. What beliefs, values and motivations have characterised those actors who have had proximate responsibility for shaping policy, and how have they been constrained or enabled by the structures that they inhabit?

The evidence base for this paper is two-fold. First, the paper builds on the expertise of the authors in research on the third sector for their own countries, including their familiarity with the national scholarly literature. Second, primary evidence was collected. As the TSEP network started countries presented descriptions characterising the policy activities and salience of the sector in their national case. The main data points for these reports were bi-lateral meetings with policy actors - including leaders from third sector bodies, policy makers within the public sector, or academics and other experts. Potentially relevant sources were identified using country-level Partner’s familiarity with the general third sector policy community or networks in their country, and by ‘snowballing’ from actors identified in earlier meetings. Relevant events and fora were also attended and observed. Meetings were used to access documentary sources, in addition to those available publicly, and websites belonging both to third sector organisations and groupings, and to administrative units in government that had some responsibility for working with the sector, were also investigated. The balance between these different sources varied according to the specific national situation: where third sector umbrella groups or government units with a special focus on relationships with the sector were in existence, these formed the focus of research. Elsewhere, Partners were guided by the emergent and more informal activities of third sector actors, especially as they connected to key policy issues (including in relation to the shared European problems of unemployment, social inclusion and governance). Initial reports were produced in May 2003 and circulated, discussed and reviewed in an iterative process over the following two year period.

These are first and tentative efforts to move towards more systematic accounts of third sectors’ places in policy processes, but we hope they will provide a platform in the years to come.

Jeremy Kendall
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References

The Italian third sector and European policy: 
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1. Introduction

The third sector in Italy has become visible and active at many different levels (national, regional and local) and in many different fields, acting both as a service provider for the public authorities and as a political actor in terms of advocacy. Though we can trace the rise of non-profits in Italy back to the nineteenth century, or even before, the sector has recently acquired new relevance. In the 1970s voluntary action and organisations received a fresh impetus from the rise (and fall) of social movements (De Ambrìgio et al., 1991). The 1980s saw the first attempts to structure the sector, both in terms of an increasing number of organisations and their preparedness to act in Italian society. However, the 1990’s witnessed even broader and deeper structural change and the first real political recognition of the sector’s role as an actor in debates on public policy, especially in the different welfare domains (ranging from social care policies to employment and social inclusion policies) (Pavolini, 2003).

The main features of Italian third sector today can be summarised as follows (ISTAT, 2001):

- approximately 220,000 non-profit organisations (NPOs) nationally, meaning an average of one organisation to every 255 inhabitants;
- the equivalent of 530,000 full time paid positions, plus 80,000 contract workers;
- including both paid staff and volunteers we might estimate that at least 5% of the Italian population is directly involved in some sort of non-profit activity; and
- a total income of about €37.6 millions generated by the sector in 1999 with an average income of €170 thousand for each organisation.

In terms of the spread of different legal forms, non-profits in Italy mainly consist of associations (91%), with very small proportions of social co-operatives (2%) and foundations (1%). The largest number of organisations are active in the fields of culture, sport and recreation (63%), whereas one non-profit out of ten, and one out of twenty, works in social and health care respectively. However, more than 70% of total remunerated employment in the non-profit sector exists in these two vertical fields, or in training and education. So we can say with confidence that the sector’s paid staff are concentrated in the social welfare domain.

Most third sector organisations, especially in this domain, have developed (or tried to develop) a specific approach aimed at shifting from a philanthropic model of relating with potential...
beneficiaries to a philosophy of intervening to work with people at risk of social exclusion: that is, from a view based on the beneficiaries’ right to receive help to the view of a right to be included in society. This inclusive model has gone hand in hand with a desire to develop integrated policies and ways of producing services inside single organisations. For example, this has meant providing social and health care together, social care and employment interventions jointly, or offering training/education and social care together (Ranci, 1999).

The rise of the third sector in Italian society and its increasing role in the public policy arena have become the object of a vast literature, though it was very limited at the beginning of the 1990’s (for a review see Bassi and Colozzi, 2004; Ascoli and Ranci, 2003). The aim of the present study is to investigate a particular aspect of this phenomenon that has received little attention to date. Most of the studies in this field are still characterised by a focus on styles of service delivery and the impact of public-private partnerships on both actors (Pavolini, 2003; Donati, 1996). The political dimension of this partnership, particularly the relevance of the building of policy communities, has received less attention. There have been some studies analysing in general terms how the welfare mix has worked, but there has not been research trying to reconstruct how a policy network may be developing with reference to horizontal aspects as well as traditional vertical fields. The present study fills a gap in the literature, therefore, by focusing on this last aspect.

2. Twentieth Century historical development

Historically the Italian social welfare domain constitutes a good example of a ‘partnership’ between the state and the third sector, in which the former is responsible for funding but leaves actual management and provision of services to non-profit organisations (Gidron et al., 1992).

Two historical aspects distinguish the Italian ‘regime’ of partnership from those of other countries (Ascoli et al., 2002). First, traditionally there has been no uniform national policy encouraging financial support for a third sector, and no clear public policy goals associated therewith. Second, the recognition that the state has offered to non-profit organisations involved in the implementation of public policies has been pragmatic, and reflected neither principle decisions in high politics, nor an aspiration to deepen the sector’s involvement in different stages of the policy process. Essentially, the basis for proceeding has involved providing appropriate funding in exchange for the delivery of particular services. There has been no systematic desire to involve the organisations in policy and finance decisions concerning the programmes in which they have participated.
Financial relations between state and third sector

Public finance still represents the main source of income for almost all non-profits in social welfare domains: according to ISTAT (2001) it accounts for 55% of their total income. In social service fields, these percentages reach almost 75%. Until the 1990’s government contracts were awarded mostly on the basis of private negotiations without any form of competition between different potential private (non-profit) contractors and the content of contracts was decided almost exclusively through financial bargaining without any accompanying joint planning of the content and the objectives of the services funded.

The regulatory capacity of local authorities was very weak. The state's legal responsibility for directing and controlling non-profit organisations created a web of administrative procedures, which allowed strong formal regulation, but weak financial accountability and no valid practical control.

Non-profits were not only relevant in traditional fields of intervention (elderly and child care, etc.), but also in fighting and addressing new social issues or traditional social issues in new ‘social’ ways. Most of the innovative forms of intervention against social exclusion or for the integration of disadvantaged groups, developed during the last thirty years and were proposed by non-profit organisations and then later funded by local and public authorities (Pavolini, 2003).

The lack of political independence

Despite the important role played in implementing and innovating public policies and the considerable operational autonomy they have enjoyed, NPO’s have not traditionally played an active role in the formulation of welfare policies. This was essentially due to two factors: the absence of any general frame of reference or formal recognition of the sector per se, as a whole; and the lack of political independence on the part of non-profit organisations themselves.

Italian legislation lacks any overall philosophy aimed at supporting and providing guarantees for the non-profit sector. As a result, the role of non-profit organisations as either primary or supplementary providers of social services was not clearly defined in law and government programs until the end of the 1990’s.

The absence of explicit recognition of the third sector was accompanied by the very modest degree of organisation and activity amongst civic and advocacy associations. This was a consequence of the dominance of political parties and labour unions in society (Ranci, 1999).
Representation of third sector interests in social welfare policy making occurred mainly through the political brokerage of the Catholic Church, political parties and labour unions. This brokerage, offered in exchange for the hierarchical subordination of non-profit organisations to the political-institutional agents that guaranteed their representation in the political arena, long prevented non-profit organisations from playing a politically independent role.

Mutual accommodation

Although the State and the third sector have been reliant on each other in functional terms, this did not translate into any sustained or close co-operation in setting goals and planning: interdependence has gone hand-in-hand with very weak government regulation of the sector and failures to base partnership on explicit criteria of what is in the public interest. This situation has favoured the development of a ‘mixed’ regime with the two sectors involved in the supply of services without any clear lines of demarcation and yet very little co-operation (Ascoli et al., 2002).

In consequence, the relations created between the State and the third sector before the mid 1990’s could be defined as a form of ‘mutual accommodation’ (Ranci et al., 1991): to reiterate, a relationship in which there was no co-operation with regard to objectives and planning, but there was a strong functional interdependence between the two sectors so that each supported the other and tried to facilitate its work.

Developments in the 1990’s and in the present decade

The 1990’s, especially the mid to later 1990s, marked an important turning point in relationships between the State and the third sector. This was the result of the strong effort made jointly by public authorities and non-profit representative agencies at all levels (national, regional, local) to involve the third sector in welfare policies and the consequent need to set up a general regulatory framework for financial and political relations between the two sectors. For the first time in Italy, at least in the field of welfare policies, new regulation appeared that aims at governing relations between the policy actors populating the social welfare arena (Pavolini, 2000).

The causes are multiple. The main factor however can be found in ever-decreasing State funding to meet welfare demands, that appeared (and still appear) to be growing rapidly. EU influence played a role here. The cuts in spending required to observe the Maastricht agreement in 1992 led to a fall in total social spending which, while it mainly affected monetary transfers to families rather than direct services, nevertheless made public (local) authorities particularly cost conscious. Domestic policy decisions added momentum. Bans, restriction and limits on public
institutions taking on new employees, though an indirect effect of central government policies, was in fact very important as it made it impossible for local authorities to provide (directly own and control) new services themselves. Moreover, corruption scandals in the early and mid 1990’s brought a need for greater transparency in financial relations between local authorities and private suppliers. An important initial innovation consisted of granting NPOs official recognition by the state: as opposed to the old regulations, the new regulations fully recognised the ‘mixed’ nature of the welfare system and afforded NPOs equal status with State organisations.

One of the first steps in this direction was the drafting of new national legislation for the third sector. Over the course of a decade, a process of institutional regulation of the third sector was set in motion, aimed at granting NPOs the legal status required to provide services, at granting tax concessions and at identifying forms and channels of State funding with greater precision than before.

The next step was taken in the specific field of social policy, by the passing of new regional legislation and a national law on social services in 2000. The innovation of such legislation consisted above all in the shift from the traditional viewpoint in which the third sector played an exclusively supplementary providers role with respect to the state. This supplementary character of the third sector has been clearly abandoned both in the new national and regional legislation, which to a very large extent involves NPOs not only in service provision but also in planning processes and policy making.

At the same time, the legislation also attempted to demarcate the characteristics of third sector organisations operating in the welfare domain with greater precision. As has been said, Italy has so far lacked a uniform legal status by which non-profit organisations could be identified on the basis of inherent features or the activity carried out. As a consequence, new laws proceeded by identifying the various types of organisation that operate in the social field: voluntary organisations, social co-operatives, church-related institutions, private non-profit associations, self-help groups, and trade union organisations. All these types of organisation have been expressly cited and explicitly recognised as primary actors in welfare policies.

The progressive institutionalisation of the third sector has gone along with a tendency for regional and national legislation to give support to more professionalised non-profit agencies. To conclude, the new legislation seems to offer the third sector full recognition of its service delivery capacity.
3. Definitions and typologies: a contested terrain

Even though there have been an increasing number of studies and statutory documents in Italy on what we might define as ‘third sector’ activities, it is still not clear what are the exact boundaries of this phenomenon (Ranci, 1999). This situation is due to conceptual difficulties as well as formal/legal ones.

These problems are not only related to Italy: it has been hard to define conceptually the exact borders of the phenomenon across the world (Salamon & Anheier, 1997). However, certain formal/legal difficulties are more specific to Italy:

- until now Italian legislation has lacked a broad and general definition of non-profit / third sector organisation; for example there is no category in Italian law similar to the British use of ‘charities’ in relation to organisational substance;
- the Italian legislator has preferred to follow an incremental path regulating single forms of non-profits / third sector organisations in turn, rather than defining a general one.

In particular, referring to this second point, the Italian legislation on third sector organisations started with definitions of associations and foundations, with these terms introduced in the Civil Law Codex in 1942. Apart from this regulation, until the 1990’s the only other form of non-profit recognition was on an *ad hoc* base: many non-profits were defined (through presidential bills) from the Italian State as ‘enti morali’ (*moral agencies*), being considered worthy to receive public recognition and support.

Apart from this early activity, the most important and specific aspects of the legislative framework are quite recent, having been introduced at the beginning of the 1990s, although it can be said to demonstrate the same kind of approach:

- A law adopted in 1991 recognised a particular form of non-profit called ‘*organizzazione di volontariato*’ (volunteers’ organisation), characterised by being run completely or almost completely by volunteers and not by paid staff, being able to receive public grants but not contracts and having restrictions on the use of profits created;
- A second law, again in 1991, this recognised another specific form of third sector / non-profit organisation named ‘*cooperativa sociale*’ (social co-operative), characterised by restrictions on the use of profits created, a specific organisational status (the co-operative with mutuality and democratic principles), and the possibility of access to public contracts and paid human resources.
These two laws have represented and still in many ways represent the cornerstones for the debate about the definition of a third sector / non-profit organisation in Italy.

Although these two legal forms are quite specific (one refers solely to organisations made up mainly by volunteers, the other to co-operative models of managing non-profit agencies), the political agenda on third sector organisations more generally, as well as a wider debate including the development of a third sector policy community, had been incrementally built up around them during the 1990s.

There have been important consequences of this since the 1990s, many of which are still relevant today:

1. The fact that two specific forms were taken as main points of reference for the regulation, the agenda and the debate, meant and means that other ways of organising non-profit activities have received less attention from the policy process and in some ways have been less able to influence the shaping of a general third sector horizontal policy community;

2. The policy arena and the relative policy communities have been built within this sort of patchwork regulatory system with no general legal recognition for non-profits but only for specific organisational forms;

3. Even if there is not a legal relation between non-profit forms (social co-operatives, organisations of volunteers, etc.) and the vertical industries where they act, many social co-operatives and organisations of volunteers are involved in the social welfare domain (primarily social care and then health care); this means that although the policy communities developed in relation to the regulation and the activities of these particular non-profits were not meant to be ‘industry specific’ de facto they often ended up so, becoming a kind of policy arena for issues specific to welfare.

This traditional legal non-profit framework has evolved in recent years. Two laws were introduced in the year 2000:

- A law re-defining the legal form of associations naming them ‘associazioni di promozione sociale’ (social promotion associations) and recognising in them a broader space in the policy arena on non-profits;

- A law defining for the first time the aims and the functioning of the services’ system specifically in the social care field, giving a strong recognition and emphasis to the role of the ‘third sector’\(^1\) in the welfare mix.

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\(^1\) It must be noted that the relevant law refers to the ‘third sector’ without actually defining it in a precise way - and without any other former Act or Bill doing so either.
Therefore if we compare the Italian definition of the phenomena studied here with the most common terms used in the international literature, we might notice that:

- the terms most used are ‘Third Sector’ or ‘Nonprofit Sector’;
- the term ‘community sector’ is not used at all;
- the use of the definition of ‘social enterprise’ (connected to ‘social economy’) is spreading, even if it comes predominantly tied up to the dimension of economic activity of third sector organisations, but independent of their legal form. This new definition is more ‘emergent’, in the sense that it is at the centre of the debate and shows a greater dynamism at the present time. It also seems to resonate with actual priorities of the Italian government and political majority towards non-profits since 2001;
- the term ‘organisations of the civil society’ is used in the most generic sense, referring to all the forms of associative experience (from the consumers' movement to spiritual-religious aggregations, etc.);
- the definition ‘NGOs’ (non governmental organisations) is limited in Italy to the agencies that operate in the field of solidarity with developing countries and international co-operation, and is not applied to domestic actors (as in the case of Spain, for example).

As already underlined a good part of the debate has been, and remains, focussed on what are called ‘organisations of volunteers’, mainly grassroots non-profits based (solely) voluntary work.

4. Third sector specific horizontal policy architecture: key facets

There have been many problems for the development of a structured third sector horizontal community in Italy. The first - and main - factor is that attempts to develop a policy community relating to the third sector at the national level only began in the second half of the 1990s. Until that time, and in many ways still today, there was a weak set of relationships at the national level:

- until the mid 1990’s there was no statutory formal recognition including non-profits in the policy making process; and
- until 1997 there was no umbrella organisation for NPOs, encompassing different types of third sector organisations.

In the early 1990s, a model of fragmented lobbying and advocacy had prevailed. This was dominated on one side by three-four industry-specific peak associations, and on the other by legal forms - specific fora and peak associations (e.g. an association for volunteers organisations). In
their own ways, these were each trying to influence statutory policies, in what might be described as a ‘pressure pluralism’ model.

From mid 1990s, an analysis of relevant documents, the (academic) literature and interviews reveal a third sector community that is ‘increasingly highly institutionalised’. The several different types of evidence of structuration (Kendall and Pavolini, 2004) have included the emergence and growth of solid inter-associative agreements; the supply from the State of support of various kinds; and significant examples of impending legislation. The formations around these activities suggests a strong propensity ‘to build community’, and, as we note also elsewhere, this has quite often included a European dimension. This has been present in terms of exchange of information with other parts of the EU in relation to legal and constitutional forms and models. Europe has also been thematised within the community, as a range of ‘partnership’ programmes, such as EQUAL and its predecessors, have been prominent; and structural funds have also been an important source of finance in many regions.

At the same time our interviews and documentary analysis indicate that the networks beginning to consolidate in the 1990s were not evolving into durable structures, into the new millennium. As we will discuss in more detail in the sections that follow, it seems appropriate instead to refer to a new ‘submerging’ phase: that is, a return towards the segmentation of its components and a shift from a highly institutionalised situation toward a lower level of institutionalisation (and perhaps even a purely ‘latent’ community).

Therefore in defining the characteristics of the Italian third sector policy community, we need to distinguish between different temporal phases.

- **From the 1980’s - mid 1990’s**: there was a substantial absence of horizontal policy community. Apart from forms of co-ordination for the volunteers’ organisations and legislation on this type of non-profits and on social co-operatives, there were not many signs of the building of a horizontal policy community (more specification on this point will be given below).

- **From the mid 1990s to circa 2000**: developments in this phase related to the presence at the national level of a Centre-Left Government. The horizontal third sector policy community might be defined during this time as involving a combination of levels of institutionalisation; in some respects, developing quite quickly and in others more slowly.
• *From circa 2000 onwards:* this phase is characterised by the presence of a new national Centre-Right government and a policy community with decreasing levels of institutionalisation. Many of the changes evolving in the second phase seem to have been reversed.

What characteristics differentiate the second phase? Between 1996 and 2001, a number of arrangements were set in place:

• The formalisation of a permanant third sector platform not directly owned or controlled by the State through the constitution of the 'Third Sector Forum' itself.

• The formalisation of third sector specific policy-relevant processes, including:
  • the establishment of a Parliamentary Committee on the Third Sector;
  • the establishment of an Expert Committee in the National Labour Department for the development of the economic dimension of NPOs;
  • the establishment of a State ‘Agency for non lucrative organisations’;
  • the first census on non-profits carried out by the Italian Statistical Institute (the national public agency for collecting quantitative data).

• Escalation of general recognition of third sector-specific horizontal public policy actors, mainly through:
  • increased recognition given to TS representatives (namely the ‘Third Sector Forum’) by the Government through Protocols and other documents;
  • the inclusion of ten representatives of associations and organisations of volunteers in the CNEL (the Italian equivalent of the EESC at the European level);
  • activities from the National Observatory of Volunteers’ Organisations.

The counter-trends associated taking shape since 2000 are discussed at the end of the following section. However, this section begins with a more detailed examination of the characteristics of this ‘golden age’. This is of intrinsic interest, but also needs to be set out because it has left a legacy which must be taken into account in order to understand the current situation.
5. Review of recent and current (phase 3) horizontal policy agenda content, priorities and implementation

Phase of intensifying institutionalisation: A closer look at the ‘golden age’

Near the onset of this period (1997) the Third Sector Forum was established as an organisation gathering together all the most important non-profits, and their peak, associations. Amongst the latter have been the organisations best known outside Italy on the EU policy stage - including ARCI, ACLI, which are respectively the leading Italian social democratic and catholic socio-cultural peak associations - and social co-operative umbrella bodies. The Forum formally became one of most important counter-parts to the State in policies relating to the third sector and single policy domains. Government documents were increasingly defining the Forum as a ‘social partner’ of the State, in a similar sense to the EU in relation to trade unions and private business. The Forum was also formally recognised during auditing by the President of the Italian Republic: during the ceremonies related to the UN International Year of Volunteering in spring 2001, the President of the Italian Republic met the Forum as ‘representatives of the non-profit world’. When it was created in 1997 the Forum had about fifty associations as members. (Today there are some one hundred.) Inside it are different social, political and cultural third sector approaches that co-exist, with attempts to overcome the polarisation characteristic of the more general cultural and political landscape. This tension was to be associated with what its spokesman described as ‘a fatiguing but positive budget’ in terms of mediation between its different components.

Why was the Forum instigated? The following reasons are cited:

- to build a shared culture for the third sector, ‘a common grammar’ around a set of values that is delineated by its constitution (to join this network is necessary for associations to agree on forms of representation and to share common cultural and policy values);
- to ‘defend the autonomy’ of the third sector, and assert that should have its own form of representation; and
- to try to counteract a ‘propensity to fragmentation’, yet also ‘to preserve members’ own individual histories’.

If this description shows how the third sector tried to organise itself through a horizontal policy community and the role of the Italian Government role in this process, we should also take into consideration what happened inside the Italian Parliament. In the 1996/2001 legislature a Parliamentary Committee on the Third Sector was constituted inside the Committee for Social Affairs of the Parliament Chamber, called the Committee of Cognitive Investigation on the Third
Sector (see Appendix 2). The Committee operated through hearings of experts and actors and organisations of the third sector. Its purposes were not so much to make a review of studies or definitions, but rather:

- to analyse the potentials of the TS in terms of welfare reforms;
- to define the fields on which a TS presence could be qualitatively relevant;
- to appraise what legislative tools would be best fitted to accomplishing these goals; and
- accordingly to propose normative innovations.

However, these innovations have not yet been transformed into law: the intention had been to develop:

- (new) legislation for the ‘social enterprises’,
- general reform and rationalisation of the 1991 third sector legislation, ordinating separate existing laws (see section 4) (and responding to those aspects of third sector regulation still lacking (proposed in relation to ‘associations’ in 2000).

Another relevant event in the legislature between 1996 and 2001 was the creation of an ‘Experts Committee’ in the Labour Department, entrusted with the appraisal of how the TS might contribute to increasing employment, especially in Southern Italy, the Italian regional area with highest unemployment. This Committee produced a document and, more importantly, a project, under the name ‘Fertility Project’ (see Appendix 2), which had the aim of facilitating the diffusion of ‘entrepreneurial’ third sector organisations where they were not yet well established (in Southern Italy) - and to sustain them where they were already quite common (in Central - Northern Italy). The goal was to show that the third sector was able to provide new jobs and employment of ‘good quality’. The project was given initial funding of €40 million through the financial law of 1999; later more funds were supplied. As a result of this fund, 270 projects involving social co-operatives were underway at the end of the 1990’s.

Another development was the establishment of a State Agency for Non Lucrative Organisations, based in Milan. With two different bills in 2000 and 2001 the Government created this agency. The idea was to pay more attention to the ‘regulation’ of the sector and to create a structure that could become a focal point for interaction between public bodies and the third sector (see Appendix 2).

\[2\] In particular: Professor Lester M. Salamon, director of Johns Hopkins University (U.S.A.), gave a speech on growth perspectives of the non profit sector in a time of Welfare State reforms; Professor Nicolò Lipari, full professor of private law at Università La Sapienza - Rome, was asked to comment on the different juridical profiles of the third sector; Professor Amartya Sen of Harvard University, discussed with the Committee the relations between ethics and economic action in the third sector.
This period also witnessed the first census of nonprofit activities by the Italian Statistical Institute - ISTAT (the national public agency for collecting quantitative data). As reported in the introduction to this paper, in 2001 ISTAT published the results of the first Italian ‘census of non-profits’ (with data collected in 1999). Apart from the scientific importance of this development, the census embodied a strong recognition of the social, cultural and economic relevance of the third sector in Italy, as well as an occasion for renewed debate on the definition of the sector. The census also had a political impact, giving exact quantitative data on the phenomenon for the first time.

At the same time, since 1998, there have been a number of different Protocols and other kinds of public documents drawn up between the government / single departments and representatives of the third sector to build closer co-operation and greater involvement of third sector representatives in the policy making process. In the appendix we report on the most important documents signed by Government and third sector representatives (relating to the ‘Third Sector Forum’).

In a speech published in September 1999 (see www.Forumterzosettore.it), Edoardo Patriarca, former president of the Third Sector Forum, underlined that in the first year of the Agreement Protocol being implemented there had been some ‘effective joint planning’. The European dimension also appears here: the Third Sector Forum’s involvement in the EU structural funds programming for 2000-2006 was highlighted. More generally, it must be underlined that many issues reported in the Agreement Protocol were tackled in the last two and half years of the Centre-Left Government (1999-2001).

In the following two years many other third sector relevant issues received attention from the Government, including

- the new law on ‘social promotion’ associations;
- relevant law on the social care system;
- partial tax allowances for families caring for the elderly and children who acquired services on the market;
- a new regulation on contract bidding, with measures to avoid the sole use of economic criteria;
- a new bill on the juridical status of workers as members of social co-operatives; and
- the establishment of a special ‘Agency for non-profit organisations’.
Apart from the general framework agreement between the Government and the Forum, these two actors signed other important Acts. In particular, we should stress the Agreement Protocol signed in June 2000 relating to possible partnerships between these two actors in public and private education (see Appendix 2).

Two more events seem to have significance. First, the inclusion of ten ‘representatives of associations and organisations of volunteers’ in CNEL (the National Council for Economy and Labour - the Italian equivalent of the Economic and Social Committee at the EU level). The Act of 2000 in relation to ‘social promotion associations’ was important here for two reasons: it introduced a National Observatory for Associations, in the same way as the one for Volunteers’ Organisations; and it introduced the principle that five representatives of social promotion associations, along with five from volunteers’ organisations have the right to be part of CNEL. Clearly these two statements made by law strengthened the policy role of associations (and volunteers’ organisations) and put them into the arena of formal discussion on social and economic issues (see Appendix 2). Interestingly, trade unions opposed the decision to have these ten non-profit representatives inside CNEL, questioning their ‘legitimacy’. This is indeed symptomatic of a more general Italian pattern: the relationship between the third sector and trade unions has sometimes involved (mainly latent) conflicts with trade unions afraid of losing ground in terms of representation in the decisive area of social affairs.

A final development of significance had been the move towards more effective operation of the National Observatory of Volunteers’ Organisations. This body had originally been introduced in 1991, at the time of the law relating to volunteers’ organisations (cf. Section 2). The aim was to create space for discussion, developing policy proposals and public non-profit interaction in the field of organisations made up mainly or uniquely of volunteers. In the first years after the law was passed the Observatory was not fully active. However, after 1996, and thanks to a more stable and sympathetic government (the previous five years had witnessed three changes of Government) the Minister of Social Affairs invested significant energy into the Observatory, conducting regularly meetings and proposing activities.

Current phase of retrenchment

All the situations, actors, interactions and documents identified above seem to confirm the notion that a third sector community was starting to evolve towards medium or even high levels of institutionalisation (Kendall and Pavolini, 2004). As noted above, the mid 1990s now
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seems a sort of ‘golden age’ on one side for the support and development of the third sector on the part of government and, on the other, for the level of interaction among non-profits.

As noted at the end of section 4, however, during the last few years there have been some counter-trends, which have taken place under the new Centre-Right Government. This can be demonstrated by examining the recent fate of those initiatives discussed in section 5.1 to exemplify the institutionalisation trend.

First, the role of the Forum was significantly downgraded. The Forum partially lost its political cohesion due to internal differences of opinion concerning the appropriate trajectory of development; this can also be linked to external weakening, with loss in the representative strength it had gained under the previous government (see below). A key result was that, even if consensnsus and agreement had been built among the non-profit members of the Forum, some of them were coming around to the view that they could more easily obtain resources - financial and political - through direct relations with the new Government.

Second, the only third sector related issue that has strengthened its position on the agenda of the current government has been legislation in relation to social enterprise. On this particular topic there has been more interaction between the different actors.

Third, the State Agency for non lucrative organisations has not been very active to date. In December 2001 the new Government nominated the president and the ten members; it seems that some of its members, including the president have not really taken part in debates in the third sector arena since their appointment. A recent presentation of Agency activities for the period March to December 2002 shows a situation that is not particularly encouraging: in nine months the Agency produced seventeen audits and four opinions / advices, but spent almost €5 million on running expenses (www.vita.it, consulted 15/06/2003).

Fourth, the Protocols and allied documents which had come to fruition in the earlier period were neglected: the new government chose not to sign any relevant Protocol or document with the Forum, or indeed any other third sector representatives: looking also at the national level of the

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1 The national Observatory has twenty-six members: ten representing the most important national associations; ten drawn by lot from other associations; and six experts nominated by the Government.

3 The Third Sector Forum expressed its surprise at the President’s appointment, due to the fact that the person chosen, Prof. L. Ornaghi, a Full Professor in Economics and International Relations, though well known as a scholar ‘cannot be probably put together with the university scholars who spent more time in these last years studying the third sector’ (www.forumterzosettore.it). Also the Magazine ‘Vita’ reports the judgment of economists and law experts who said that the new Agency needed more members with a law background (www.vita.it).
multi-level policy cases examined in the TSEP network (see discussion of Italian material in TSEP Working papers 11 - 15), the new national government seems to have preferred essentially *ad hoc* and individualistic relationships with parts of the non-profit world instead of building or strengthening a more general horizontal policy community. Finally, other indicators of the counter-trend include the fact that the two National Observatories on Volunteers’ Organisations and Social Promotion Associations, which had gathered momentum in the earlier period, have barely been active in the last three and a half years.

*Resumée of third sector agenda and implementation issues*

In sum, the overall picture that emerges, if documentary analysis is supplemented with the perspectives held by the third sector stakeholders whom we contacted, is as follows:

- general political and social recognition, funding and infrastructure support, and the development of the third sector’s human resources came to the fore in the mid 1990s;
- the theme of public-private forms of governance was also important: the legislation discussed and passed at the end of the 1990’s focussed on general principles for third sector consultation and involvement in policy implementation;
- besides these issues, forms of legal and fiscal support for active citizenship, and voluntary work and non-profit action were also seen as relevant.

However, as well as more general downgrading stressed in section 5.2, the internal *balance* of agenda content seems to have evolved more recently. The clear shift in focus on issues associated with the change of national government in the years 2000/2001 has been as follows;

- our field work demonstrated clearly that issues such as funding/infrastructure and human resources, which were both relevant and at the centre of the rhetoric and discussion during the 1990’s, have ‘gone out of fashion’. Most emphasis is now placed on political and social recognition;
- in the current legislative context the main focus is on ways to support volunteering and ‘civic engagement’, more then on methods of promoting third sector (horizontal) participation in the arena of public policies.
6. Towards an understanding of aspects of the Italian third sector’s national situation

To interpret the forms of structuration of the third sector policy community in Italy it is necessary to differentiate, once again, among the three phases indicated in previous paragraphs. Within each period, we apply separately the analytic constructs suggested in Appendix 1, and adhere quite closely to the particular formulation of Sabatier and Jenkins-Smith suggested in their framework (Sabatier, 1999). We also draw on ‘new institutional’ insights. These stress, to use TSEP terminology, that in order to form and be recognised policy coalitions and communities first require some sort of definition of the characteristics of relevant actors. Neo-institutionalists in both political science (March and Olson, 1989) and organisational theory (Powell and Di Maggio, 1983) suggest, in other words, that coalitions need first to define who they are and what are their borders (identity) before finding ways to pursue their goals (interests). Our guiding point of departure is that the forms taken by the Italian horizontal third sector policy community have been strongly influenced by the ways actors have tried to define and shape their own identity, and, starting from that point, to build coalitions.

First phase: the rise of new forms

The 1980’s and the beginning of the 1990’s were the period when NPOs’ identities tended to become more defined and coalitions arose to promote and express these identities and their relative interests. Two coalitions appear to have been the most relevant at this time.

A coalition in relation to organised voluntary action was made up by a group of scholars, non-profit think tanks, some politicians and regional authorities:

- an important role was played by a group of scholars, especially by Professor Ardigò, Professor of Sociology and Social Policy at the Bologna University, and his colleagues; Ardigò started writing on the phenomenon of voluntary action in the 1970’s and his reputation and capacity to connect with the rising new third sector gave him the opportunity to influence the scientific, political and cultural debate on these forms of civic involvement in significant ways;
- the Ardigò group was also connected with some politicians, in particular Senator Martini, a Christian democrat from Tuscany, who had been directly engaged with new grassroots non-profits. She played a very relevant role in terms of shaping ideas and identities as well as in normative terms; she was very deeply involved in the passing of the law in 1991 recognising ‘volunteers’ organisations’;
Senator Martini, with indirect help from Professor Ardigò, created and managed the first Italian think tank for non-profit organisations made up of volunteers in the 1980s, the CNV (National Centre for Organised Volunteering). This organised many conferences and training courses, as well as publishing papers and books on what it might mean to run organisations composed of volunteers;

in 1991 another think tank was created, the FIVOL (Italian Foundation for Organised Volunteering) due to the initiative of a banking foundation (Bank of Rome) in relation with politicians, organisations and intellectuals within or close to the Christian Democrat Party; this new institution played and still plays a relevant role in terms of providing training, information (it was the first group to produce a census of volunteers’ organisations at the beginning of the 1990s) and other publications about the characteristics of this part of the third sector.

This group of actors shared a common cultural background - catholic ‘direct social involvement’ - and therefore the Catholic Church was another important player, especially through its agency for solidarity, Caritas. The last actors in this coalition were some Regional Authorities, who introduced laws on volunteers’ organisations before the national law.

At the end of 1980’s the coalition became more heterogeneous in cultural terms: if the predominant role played by catholic traditions continued, new scholars and actors also entered the scene. Among the scholars, Professor Ascoli, Professor of Social Policy and Sociology at the University of Ancona, played an important part. He was one of the first coming from a social democratic tradition to give credit and importance to organised voluntary action as a way of facing Welfare State crisis. His role was particularly relevant because he became a point of reference for a vast part of world of the volunteers’ organisations that did not share a religious background.

A second coalition took shape, in relation to social entreprises. This coalition involved certain structural elements similar to the ones existing in relation to the organised voluntary action coalition. A group of scholars, non-profit think tanks, politicians, Local and Regional Authorities as well as co-operative-based trade unions were central to the coalition. They started to coalesce during the 1980’s around the theme of social enterprise and non-profit agencies, including:

- Professor Borzaga, at the University of Trento, and later on Professor Zamagni, at the University of Bologna; Borzaga was the first Italian scholar who studied and wrote deeply about the idea of social enterprises, in the form of social co-operatives, and their importance for the Italian society;
Borzaga took also an active part in the shaping of the discourse on what a social enterprise (or social co-operative) should be during the 1980’s, joining a group also including some politicians, mainly from the Christian Democratic Party. Prominent among these was Senator G. Mattarelli, who was also the proposer of the 1991 law on social co-operatives and think tanks;

during the 1980’s and the first part of the 1990’s two think tanks were created - Federsolidarietà (in 1987), an agency set up among the many social cooperative members of the National Catholic Confederation of Cooperatives, and CGM (in 1992); both of these played an important role publishing magazines, training staff of new organisations, giving advice on the foundation and the ‘correct’ running of social co-operatives, and lobbying other institutions; they helped to build an arena for discussion;

other actors included the co-operatives’ trade unions who supported the idea of a new field of intervention in the area of health, social and educational services;

some centre-north regional governments can be also considered part of this coalition as they introduced a regulation on social co-operatives before the 1991 national law.

Even if these two coalitions share many beliefs and similar roots - bringing together the academic world, catholic institutions and organisations and Christian Democratic Party members at national level - they developed in parallel without trying to build a unique policy community. The reason seems to be that the worlds represented by the two coalitions were still ‘under (identity and organisational) construction’ and therefore they were more keen on building stronger, especially cultural, ties on the inside than making connections with other non-profit forms on the outside.

What were the stable parameters that these coalitions encountered? The cultural and institutional setting in which these coalitions acted during the 1980’s and the first part of the 1990’s was characterised by limited trust towards, and recognition by, the State and Central Government. This was typical of the Italian situation since the reunification in the twentieth century: this had created a condition for a weak State (in cultural terms more than strictly institutional ones) facing other strong actors (political parties, the Church and subnational identities) who were able to influence its functioning. In institutional terms the basic constitutional structure in Italy at the time (at least until 1993-94) was characterised by:

- a proportional voting system that generated quite strong party fragmentation;
- limited power given to Regions: at the beginning of the 1970’s more institutional power and responsibilities were given to Regions, but still in the 1980’s the transfer of responsibilities was not significant to the point of hypothesising a sort of federal system;
• **limited direct democracy procedures**: Italian constitutional rules gave little space for direct democracy procedures, in comparison with other countries.

As far as systemic shocks are concerned, the 1980’s and the beginning of the 1990’s were a time of industrial and economic transformations due to internal crisis. After the strong economic growth of the 1960s and the impact of the oil shock in the 1970s, the following decade represented a period of deep change due to strictly economic and social factors (the shift toward a post-industrial and post-fordist economy) as well as institutional ones. Stricter parameters of ‘convergence’, associated with the EU’s monetary policy, were also important in shaping an austere social policy climate at this time.

This period was also a time where there was an increasing disaffection with politics and growing interest in direct participation in social action. Voluntary action became of relevant value, and a ‘code of behaviour’ shared by a multitude of people. Involvement in the different forms of third sector at the time can be considered as a partial response to disaffection with the idea of changing society ‘from above’.

This first phase is also one that saw the most dramatic change in the republican political parties’ landscape: the first part of the 1990s was a time of total crisis for the party system that had emerged after the Second World War. The main left-wing party, the Communists, changed its name and its orientation due to international transformations (the fall of the Soviet Union). The traditional parties governing Italy (the Christian democrats, the Socialists and other smaller others) were - almost - swept away by political corruption scandals. Within a few years therefore a sort of a political earthquake destroyed the traditional setting of Italian politics, with new parties being founded and the most well-known ones being transformed or extinguished.

Thus, the first phase represented a phase of building cultural and infrastructural resources for the coalitions who were promoting a more direct role for different non-profit forms in Italian society. The two coalitions were successful in reaching some of their main objectives: building an arena for internal discussion as well as establishing a clearer ‘correct’ profile of different organisational forms (the volunteers’ organisation, the social co-operative) and promoting formal legal recognition of these non-profit types.

If the 1980’s were a time when these two third sector coalitions managed to obtain some of their goals, the political, economic and institutional crisis that hit Italy at the end of the decade and at the beginning of the 1990’s became an obstacle for further development of horizontal third sector policy communities. Within just a few years many different national government
coalitions were formed and, once the bills on social co-operatives and volunteers’ organisations were passed in 1991, the priorities of the political system clearly shifted elsewhere. In these years the coalitions and the first signs of a policy community went into a ‘dormant’ phase.

Second phase: the rise of a structured horizontal TS policy community

In the second part of the 1990s, the coalitions acting in the field of a potential third sector policy community consolidation were the same as the two present in the former phase. However, a third one joined them: we might define this last one as an associative life coalition, and account for it alongside the development of the existing groups. The structure of the original two coalitions remained broadly the same, but there were some relevant transformations. The group of scholars that played a bridging role between theoretical investigation and practical involvement in the shaping of the sector, increased not just in quantitative terms but also in qualitative ones; in the 1980’s the intellectual input came mostly from scholars with a catholic background (with the exception of Ascoli); in the 1990s, especially in the second half, their background became broader, with individuals coming from social democratic as well as catholic roots.

Until the beginning of the 1990s political parties’ involvement in the different third sector forms had taken place on a (limited) and individual basis (a few politicians were part of the coalition). Now, in the second part of the 1990s the new political parties, emerging from juridical and legitimisation crises, tried to develop their own platform on the third sector, volunteering and social economy. The motivation was to capture votes, increase public recognition, and get in touch with a vital part of society; in particular the selection and recruitment strategies adopted by political parties changed in those years and they shifted partially from selection criteria based on internal party credentials (politicians elected in the 1980s were people with a long experience of ‘serving’ the party) to criteria of expertise and engagement in the economy, the university and sometimes also in civic society, in order again to increase social and political recognition for political actors (Pavolini, 2003). This meant that many MPs in the second part of the 1990’s were coming from different third sector organisations.

Actors other than politicians were also involved: the non-profit think tanks formed in the first phase grew, becoming more effective and visible to organisations, institutions and public opinion, and increasing their ability to train, to lobby, to conduct research and to inform. There was also growing social community support and legitimacy on a cultural base. This groundswell of encouragement was also accompanied by support from public authorities, who, as we noted earlier, were increasing the range of social welfare services available.
Apart from these two coalitions, the new associative life coalition was made up of a group of actors sharing a belief in the importance of social associations (but not necessarily volunteers’ organisations or non-profit agencies) and civic society in its many forms, as a way to revitalise society and democracy through direct participation and pluralism. This coalition was essentially made up of political, scholarly and practitioner elements. Politicians involved included MP M. Lucà, who proposed the bill on ‘social promotion associations’ passed in 2000, and others shared strong backgrounds with associations. The scholars included Professor Cafaggi, a legal expert from the University of Trento. Cafaggi and others were less important in developing an identity - this was already strong among single national associations - than in contributing to developing a legal framework to include different kinds of associations. Finally, relevant was the extent to which the associational world in Italy had long been characterised by the presence of a limited number of national peak associations, built on cultural / ideological roots, and able to cover and include a good proportion of local associations; until the 1990s these associations had been mainly involved in sport, recreational and cultural activities. But now, many - who were members of ARCI and ACLI in particular - developed new types of activities in the welfare and environmental fields.

The second part of the 1990s was, then, a time when two pre-existing coalitions with TS members (organised voluntary action and social entrepreneurs), become stronger and more structured due to a path of incremental capacity building, and a third one arose from the associational world. So the rise of a structured third sector policy community was not the result of any single coalition, but emerged out of the way these coalitions interacted with each other.

The Third Sector Forum can be seen as a result of this interaction. The single groups of scholars that were present in the three coalitions, tended to form a sort of unique intellectual community in the second part of the 1990s, where, despite continued differences, they shared recognition, exchanged ideas and sometimes participated in common research projects. The same kind of interchange happened among political parties and those party members who were particularly involved in the single coalitions; the parliamentary committee on the third sector became a place were many of these individuals gathered, coming together from the three different coalitions to exchange views and promote among other committee members their interest in TS organisations. At the same time, the single main organisations (among them peak associations and co-operatives’ trade unions) who were important actors in single coalitions became aware of the possibilities they had to participate more actively in a policy community if they joined forces.

How did stable parameters shape the policy community in this phase? In comparison with the previous points, in time there were significant changes. The most relevant ones occured to the
basic constitutional structure; at the national, as well as the regional and local levels, there was a shift from a proportional voting system toward a majority voting one, with the creation of two main centre-right and centre-left political coalitions; this change had a consistent impact on party strategies as they were forced to converge to similar positions rather than prepare to build unstable and shifting coalitions, as in the past. And as a consequence of the political crisis of the early 1990s, a process of devolution of power toward the regional and local level of government gained pace with funding and responsibilities delegated in almost all policy fields.

There were also relevant system events. Italy endured the pressure of a situation of mass unemployment (10-12%) and the debate was quite focused, as in other European countries, on the tools to be used to create employment; national and EU policies were developed to help raise levels of employment. In this context, the third sector was increasingly considered a good and effective partner for the implementation of these policies as well as for those trying to tackle social exclusion, which had also increased as a consequence of unemployment.

There were changes in the governing coalition too. After decades of government by more or less the same block of parties, from the middle of the 1990s the political landscape changed completely; one of main results of these changes was the polarisation of the electoral and political system with a centre-right group of parties and a centre-left one: at that time a good part of the third sector was classifiable under cultural streams close to the centre-left coalition, consisting mainly of former communists, socialists and parts of catholic world; this coming together of catholic reformers and the left wing parties was even more important for a good part of the third sector because it seemed to erase the traditional division of the sector on ideological and religious grounds (the ‘left wing third sector’ and the ‘catholic one’); the experience of the Forum can be seen partially as the result of a more general convergence among different cultural and political traditions.

*Third phase: subsystem transformation and organising difficulties*

If all these changes help to explain how and why in the second part of the 1990’s Italy saw the emergence of a structured community network for the first time, as we have emphasised throughout, in the last few years there are signs of a retreat. How has this been linked to coalitional, parameter evolution, and events?

The coalitions of the former phases have remained and maintain in general their strategies, policy cores beliefs and composition, with two relevant exceptions. Inside the second coalition (social entrepreneurs), there is a sub group of actors that think it might be best to return to concentrating
essentially on lobbying and strengthening within vertical policy fields, or in relation purely to specific legal structures. They argue for this on two main grounds. First, in relation to social co-operatives in particular, these organisations may be seen as representing the most important part of the sector in relative economic terms. They have been the most enthusiastic for refocusing on legal structure-specific policy, prioritising specific regulation for themselves over more widely shared issues. Second, and more generally, the political system is argued to have changed in the way it views the sector, especially with the new government majority. The Centre-Right government is believed to have reverted to more traditional ways of relating to the third sector, based not on a general inclusion of the sector’s representatives (as with the Forum), but rather on ad hoc and face-to-face relationships between the government and single organisations or peak associations. Some parts of the sector seem to have reacted by seeing the Forum as far less relevant, and sought to by-pass rather than rely upon its channels.

Why, more fundamentally, has this shift occurred? There are a number of different reasons for this change, but one very relevant factor seems to be essentially cultural-ideological: a good part of the third sector world comes from left and social democratic ideological backgrounds that are quite different from those of the present government. Whereas the previous government had the option of being ‘culturally recognised’ by the majority of the third sector (not just for left-right reasons, but because of the way catholic politics played into the patterns of representation), the present one has more problems.

More generally, there is an issue of style in relation to the Berlusconi regime. In many fields of regulation the preferred approach appears more confrontational than collaborative. In industrial relations, for example, the inclusion and joint planning strategy adopted by the former Centre-Left wing government has been set apart and replaced by a sort of negotiating and auditing approach, with the main Left wing Trade Union feeling itself (or being put) in a corner. This style in relation to the social partner representing labour has echoes in relation to the third sector too.

As far as the stable parameters and external events are concerned, we have noted the ramifications of the shift in government. Beyond this, there have perhaps not been the volume of changes in comparison with the second part of the 1990s. We can, however, point to a strengthening of some earlier trends, in particular to the transfer of powers to regional and local authorities in a situation where there is increasing discussion and agreement on some sort of federalist system. In relation to changes in socio-economic conditions as potential shocks, unemployment is still a relevant issue, so in that sense we witness continuity, not change. But the debate is now less focused on jobs created in the third sector per se; the new government is more
interested in cutting taxation than promoting new public intervention - and therefore creates less financing opportunities for the third sector.

7. Conclusion

A series of factors seems to explain why, in Italy, there was some development of a structured horizontal third sector community during the 1990’s, followed in recent years by some weakening of this model. The last decade had seen the strengthening of organisational ties among non-profits creating horizontal identities and alliances, bound up with the fall of traditional cultural and ideological barriers inside the third sector itself. The rising strength of NPOs in delivering social and welfare services in all the main areas of public intervention (from care for the elderly and for children to social exclusion and unemployment etc.) gave them increased public recognition and legitimacy. This happened in a situation where some of the stable constitutional parameters were changing (from a proportional voting system to a majoritarian one, and from a relatively centralised state to a more regionalist and federalised one) and where the system experienced a broad disruption (the ‘shock’ of the political scandals that led the way to the transformation of the whole party system).

The result has been increasing involvement of the third sector in policy-making, including through its horizontal structures (mainly the Forum). This engagement took many different forms in the 1990s. Yet, recent years have witnessed a decrease in the level of institutionalisation of the whole horizontal network. A key factor in explaining this shift is the change in the national government that occurred in 2001. The new centre-right government seems to use a different policy style in its dealings with the third sector, being oriented towards more selective access for NPOs to policy making (often based on ad hoc relationships between single organisations and the State) and expressing much less interest in strengthening the horizontal policy network.
References

Appendix 1: Working Glossary
Version of 23 June 2005

Case refers to the TSEP unit of analysis in relation to public policy as a multi-level process: there are ‘closed cases’, being particular policy events/programmes chosen to capture a range of policy modes and stages in the policy process of relevance to the third sector in Europe; or ‘open cases’, which are more thematic and diffuse in character. The former include the European Statute of Association; Global grants for social capital; the Convention/Constitution; National Actions Plans for social exclusion and employment; and the United Nations Year of Volunteering; the latter include Services of General Interest; and the European Structural Funds and the third sector at the sub-national level.

Coalition refers to alliances of policy actors, who can be individuals or organisations, who come together to pursue shared values, concretely expressed in policy change or policy perpetuation goals. Understanding the functioning and roles of such coalitions in national, EU or multi-level contexts requires accounting for the nature of their values and goals; the economic, political and cultural resources they are able to mobilise, and the political opportunity structure within which they operate. In the TSEP network, research effort has been directed at describing and analysing coalitions formed and perpetuated by full or part time specialist third sector-specific policy actors.

Collective noun refers to the language used by domestic or EU level actors to group organisations sectorally at a level higher than vertical policy fields, and involving some implicit or explicit reference to ownership and control not reducible to either the market or the state. In some countries the collective noun and associated expressions involves a relatively stable or dominant language supported by formal or informal institutions and practices, while in others there is a more open field, with competing concepts and formulations, often fluidly co-existing and interacting with one another. Examples in Europe at the EU and national levels of expressions sometimes used in this way (and sometimes also used in other ways) include associations, [social] [action] NGOs, non-profit sector, nonprofits, organised civil society, popular movements, social economy, social enterprise, solidarity economy, third system, voluntary [and community] sector.

Community method has been described by the Commission as ‘a procedure leading to decisions or Act, involving balanced participation [at the EU institutional level] between Council, the European Parliament and the Commission’. It was the ‘classical’ or ‘traditional’ method of processing EU policy in the second half of the twentieth century, but in the twenty-first is increasingly supplemented or displaced by the Open Method of Co-ordination which rebalances control away from the EU institutional level, towards Member State level actors.

Cross-cutting is used as shorthand for third sector relevant cross-cutting, and refers to concepts/beliefs or policies/practices/actions which are not confined to within vertical policy fields, but which are (a) either held to be relevant or applied discretely but according to common principles within two or more vertical policy fields, especially in the social welfare domain; or (b) which are held to be relevant/applied as a matter of ‘generic’ policy. Policy development in relation to these processes typically involves specialist third sector-specific policy actors within and outside the State, forming relatively loosely coupled ‘policy networks’ and/or a more formally institutionalised and recognised ‘policy community’ nominally involving a core of shared values and beliefs expressed in political rhetoric and/or the technical codified discourse associated with specialist policy instruments. The result can be the creation and perpetuation of a policy space jointly recognised by these experts as constituting the subject matter of third sector policy (using some collective noun) which is not reducible to the policy contents of a particular vertical field.
Domain Used to specify the level of policy between vertical policy field and the macro system of policy and politics. In relation to the third sector, the domain which TSEP has demonstrated is of most (but not universal) relevance is the social welfare domain.

European problem set refers to the cluster of high salience European policy issues or problems with which the third sector has most consistently been linked by policy actors at European, national and sub-national levels. Included here are governance; social exclusion; and unemployment. Third sector organisations may be seen as ‘partners’ whose contributions can and should be mobilised as part of the process of problem management, or problem solving.

Governance has multiple and contested meanings; but at its broadest, it can be used to refer to institutionally ordered arrangements for shaping the processing of policy at the key stages of agenda setting, decision making, implementation and evaluation. It tends to be linked to steering or strategic - as opposed to tactical - processes; patterned as opposed to unstructured relationships and interactions; and to be associated with such values as accountability, transparency, and effectiveness. The ways in which the third sector is linked to governance varies significantly across contexts, but often considered in scope are issues both in relation to internal governance - the design and application of appropriate legal structures and micro-constitutional models in the light of third sector specificities such as voluntarism and non-profit-distribution; and issues in relation to external governance, including how the third sector can and should fit as an actor at each of the policy stages, wherein it is one policy actor amongst many.

Horizontal policy is synonymous with cross cutting policy. Note that there are ‘pure’ cases of horizontality, whereby policies or concepts are related to the entire third sector as defined in the relevant collective nouns. But we also include as ‘horizontal’ narrower-in-scope concepts or policies which cut across some but not all vertical fields. In particular, overarching social welfare regime policies and practices, social inclusion policies and community development policies can be considered in scope, even if not extending outside the social welfare domain, to the extent that they necessarily suggest, involve or imply, participation by the third sector and its stakeholders.¹

Industry-specific policies that are relevant to a particular vertical field only.

Mainstreaming is shorthand for public policy mainstreaming and refers to a situation in which the mainstreamed policy issue or problem (here, the third sector) is not only supported by technical institutions, but has high political and social visibility, and is seen by systemically powerful actors as of high generic public policy salience.

Multi-level process refers to how the European, national and subnational levels of public policy are inter-related. The extent to which this constitutes third sector policies is examined in the TSEP network by policy cases. Note that this is not synonymous with multi-level governance - which is typically used as a framing concept to claim that substantive power is situated at more than one level. The extent to which multi-level processes involve a reconfiguration towards multi level governance is treated as an open question for research.

Open Method of Coordination is based on mutual agreement of policy objectives by Member States; the development of common guidelines, indicators, and targets; benchmarking of performance and exchange of good practices, formulation of national action plans; and peer review and joint monitoring of implementation in an iterative multi-year cycle. It increasingly supplements and even displaces the Community Method.

¹ Note that other writers use this term differently, often including intra-vertical policy field multi-sector initiatives as horizontal, while we do not consider per se as the core subject matter of our network. However, indirectly such policies may lead indirectly to our notion of horizontality, through spillover effects or ex post political construction of policy, as noted elsewhere.
Path dependency Refers to how historical policy decisions create a ‘policy legacy’, which can have long term consequences for the possibilities of current and future policies

Policy is used in TSEP as shorthand for public policy.

Policy entrepreneurship refers to actions taken either to deliberately change, or to deliberately protect, public policies - here, third sector specific policies. Such efforts typically involve the formation of coalitions between individuals or organisations, or both and are heavily constrained by national political opportunity structures. In the TSEP network, research effort has been directed at describing and analysing the entrepreneurship of full or part time specialist third sector-specific policy actors. Most horizontal third sector policy entrepreneurship takes place at the national level or below, but there are some individuals and organisations that specialise at the EU level, and some who operate on multiple levels.

Policy field is shorthand for vertical policy field.

Policy mode is a helpful way of recognising and analysing the different types of broad policy approaches that jointly constitute the highly complex EU public policy process. Examples of distinctive modes are the community method (relevant to the third sector in the European Statute of Association case) and the open method of co-ordination (relevant to the third sector in the case of National Action Plans for social exclusion and employment).

Policy learning refers to the impetus for policy change which occurs when actors adopt strategies, or various forms of policy belief, in the light of experience; or policy changes due to new information and analysis, generated by policy entrepreneurs, perhaps operating as part of coalitions.

Public policy comprises two elements. Unless otherwise qualified, ‘policy’ refers to intended courses of action which are explicitly and proactively articulated by actors with significant levels of political authority, and reflected in patterned policy discourse, events and institutions. If past policy decisions continue to be relevant because (due to path dependency) they shape current administration practices, resource allocation and the distribution of power, but they are not actively sustained and pushed as a categorical, proactive policy, they can be described as ‘latent’, that is implicit, policy. ‘Public’ refers to institutions and events involving ‘that dimension of human activity which is regarded as requiring governmental or social regulation or intervention, or at least common action’ (Parsons, 1995).

Social exclusion has been defined by the European commission as ‘referring to the multiple and changing factors resulting in people being excluded from the normal exchanges, practices and rights of modern society. Poverty is one of the most obvious factors, but social exclusion also refers to housing, education, health and access to services’.

Social welfare domain This corresponds to the ‘welfare state regime’ policy space. It is a ‘meso level’ concept nested within, and developmentally bound up with, the prevailing generic national political and public policy system, while being broader than a single vertical field. Within it are the family of ‘human services’ or ‘social [welfare] services’ whose vertical components include ICNPO groups 4 (‘personal’ social services, or social care, and income maintenance), group 6 (development and housing, including employment & training), part of group 7 (advocacy, to the extent it is geared towards social welfare; and excluding political parties); group 3 (health) and group 2 (education and research). Many of these services are (jointly) implicated in tackling social exclusion. Note that this formulation is not limited to ‘service provision’ in the sense of ownership and management of establishments (as with provision of care homes, social housing) but inclusive also of social welfare oriented activities in addition to/separate from direct services, including social welfare oriented self-help and community based activities, advocacy
(campaigning on social policy issues, and individual clients’ rights etc), involvement in social welfare and social policy design, monitoring etc.

**Specialist third sector-specific policy actors** are the carriers of purposive *third sector specific policy* who claim to hold relevant expertise and knowledge. They may be full time specialist individuals or organisations, but such actors are often part time, fulfilling this role separately and/or in conjunction with other contributions to the policy system (particularly in the social welfare domain). They operate within and outside the State, forming relatively loosely coupled ‘policy networks’ and/or a more formally institutionalised and recognised ‘policy community’, or ‘policy communities’. At a minimum they share a language involving third sector collective nouns (otherwise they cannot be specialists); they may nominally claim to share a core of values and beliefs in relation to the third sector, expressed in political rhetoric and/or the technical codified discourse associated with the relevant specialist policy instruments. The result can be the creation and perpetuation of a policy space jointly recognised by these experts as constituting the subject matter of third sector policy (using some collective noun) which is not reducible to the policy contents of any particular vertical field.

**Spill over effects** Policy effects and actions designed to apply in one domain or field which have consequences once adopted - and thus implicitly or explicitly, shape policies in other domains or fields.

**Third sector** at the highest level of generality refers to organisations situated between the market and the state in terms of ownership and control. TSEP needed more specificity to initiate research into this construct as an object of policy: It was therefore provisionally taken to include those organisations which are self-governing and constitutionally independent of the state; do not involve the distribution of profits to shareholders; and benefit to a significant degree from voluntarism. This was an initial orienting working definition of the third sector - but in application, this has had to be sensitive to national conditions, since our unit of analysis has been the actual existing horizontal policy community or communities with its associated constructs. In other words, the specific ‘indigenous’ conceptualisation (or conceptualisations) deployed in practice was a question to be determined empirically, not *a priori* imposed. By referring to more than one collective noun, and the relative salience of each from the perspective of policy network or community members, we are also able to reflect differences within countries, where boundary disputes and the contest between competing definitions is itself part of the policy process (since notions putting the accent on ‘civil society’, ‘voluntarism’, and ‘social economy’ for example, typically co-exist).

**Third sector [specific] policy** is usually used either as shorthand for *horizontal* third sector policy; or to refer to the sum of horizontal cross cutting policies, policies which are partly horizontal and partly vertical. As used in this network, it is by definition concerned only with public policy that is horizontal to at least a certain extent. It thus can contain both ‘deliberate’ policy designed or constructed for the third sector, and policies which are more accidental, *ex post* constructed as third sector policies, and therefore seen as relevant by actors who style themselves as third sector stakeholders. Third sector specific policies are sustained by policy networks and/or policy communities, where the latter are characterised by specialisation, involving claims-making in relation to expertise. In these specialist networks and/or communities, the third sector is often - but not always - coupled to problems and issues associated with the social welfare domain,

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2 Policies may not be cross cutting *initially* if developed independently within vertical policy fields; but *become* cross cutting *if ex post* ‘joined up’ by significant policy actors coordinating across or (if powerful) able to authoritatively transcend vertical policy fields. These policies can then be viewed after, and only after, the formative, politically constructive event of ‘joining up’ by policy actors as jointly constituting a shared ‘horizontal’ policy; otherwise they are considered not to exist as ‘horizontal’, or only ‘latent’.
particularly social exclusion and unemployment. The agendas of these policy networks or communities tend to include reference to the third sector’s policy environment in terms of legal structures and wider governance arrangements; institutional processes for mediating third sector-public sector/State relations; arrangements for involvement across policy stages and policy modes; and the promotion of voluntarism, including volunteering.

**Third sector stakeholders** include actors who consciously have a significant role in third sector policy. It includes third sector organisations themselves, but also other actors including politicians, public officials, academics, the media, trade unions and (for-profit) business.

**Vertical policy field** Policies that are developed and apply essentially within a particular field or domain: here, horizontal institutions may differentiate between organisations but in the background or incidentally, rather than as the focal point of policy activity. To define ‘field’ boundaries, we follow the standard industrial classification adapted to account for the specificities of the third sector, as represented in the International Classification of Nonprofit Organisations (ICNPO). Policies which relate to a particular Group or subgroup of the ICNPO are considered ‘vertical’; while those which relate to two or more fields may be considered horizontal, either ‘narrower’ or ‘broader’ according to the range of fields in scope. Empirically in Europe, relevant policies are often (but not always) closely linked to the social welfare domain.

Further Reading


Appendix 2:
Selected arenas for, and instruments of, the third sector-specific horizontal policy community

The Third Sector Forum

Aims

- The Forum as a reformist actor;
- The promotion of the TS involved in professional and adult training;
- The promotion of policies towards the integration of immigrants and against racism and discrimination;
- The construction of policy in Europe (from the European Union) oriented to and reflecting on globalisation;
- The promotion of the importance of civic society;
- The importance of labour related problems and Southern Italy;
- The support for moves to improve TS infrastructure and the development of TS forums at the regional and local level.

History and Organisation

- 52 member organisations (mostly federations, national associations and vertical peak associations) in 1997; 77 member organisations in 2000; 104 in 2003.
- To become a member of the Forum a federation / association must be able to work in at least 6 different regions and have an associative background constituting of at least 2,000 people or 50 grassroots associations;
- The Forum has a fairly broad scope including the most relevant non-profit actors and representatives in Italy in all the main fields where the third sector acts (it is not possible to reproduce the membership list here, but they include the most well-known and visible organisations in Italy: e.g. members include the two main social co-operatives’ trade unions, the two main social promotion national peak associations, the main federal or associative structures among volunteers organisations and associations etc.);
- In this sense the Forum is quite ‘horizontal’ as it covers all the main non-profit fields, its components are mainly national or regional federations and associations, whose members have different organisational sizes, and different missions and functions (service ones, advocacy ones, etc.);
- The Forum finances itself without state funds.
In 2003-2004

- 16 regional forums and even more local forums were created;
- 15 ‘thematic groups’ and 10 ‘working groups’ on the following issues: culture, communication, environmental education, immigration, youth, European and international policies, education and training, social policies and recreational activities, sport, health care, elderly people; reform of the 1991 law on voluntary organisations; new law on social enterprise.

Main achievements

a. a more global recognition of the TS;
b. reform of the regulation on banking foundations;
c. a potential new law on social enterprise;
d. the potential new bill on tax exemption on donations;
e. the construction of alliances and ties with other members of civic society (trade unions, universities, the association of local authorities, entrepreneurs’ trade unions, etc.);
f. the presence of a Forum representative in CNEL;
g. the passing of all the recent bills on the third sector and welfare

The Forum, due to its horizontally and the richness of its membership as well as its contacts with different scholars and think tanks (see point 3), can be seen as having sufficient representative power, knowledge and expertise to correspond exactly to the model suggested in the research project (see below).
The National Observatory of Organisations of Volunteers

The Observatory is headed by the Minister for Social Affairs or her/his delegate and is composed of ten representatives of organisations or federations of organisations of volunteers, working in at least six regions, two experts nominated by the Minister and three trade unions representatives.

The Observatory can use the resources and the personnel of the Department of Social Affairs c/o the Presidency of the Ministers’ Council.

Its aims and duties are:

a) to promote a census of organisations of volunteers and knowledge about their activities;
b) to promote research and studies in Italy and in other countries;
c) to promote voluntary action and its organisation;
d) to approve experimental projects proposed by organisations of volunteers, sometimes also in collaboration in local authorities, that cope with social emergencies and / or introduce new methodologies for intervention;
e) to offer help and consulting for processes of computerisation and the creation of datasets in relation to organisations of volunteers;
f) to publish every two years a report on the phenomenon of organisations of volunteers and on the application of the legislation concerning them at the national and regional levels;
g) to sustain, also in collaboration in regions, training activities;
h) to promote every three years a National Conference on Organisations of Volunteers.
The CNEL structure

121 members:

- 12 experts chosen from among qualified experts in economic, social and juridical culture;
- 99 representatives of different production categories (44 dependent labour; 18 autonomous labour; 37 enterprises);
- 10 representatives of social promotions associations and organisations of volunteers.

Members are nominated for 5 years.

Members of associations and volunteers organisations in CNEL

- Associations
  A. BENETOLLO (ARCI) (main social democratic peak association in Italy)
  L. BOBBA (ACLI) (main catholic peak association in Italy)
  G. P. GUALACCINI (COMPAGNIA DELLE OPERE) (catholic peak association)
  B. PERLI (FITUS) (catholic federation on social tourism and recreational activities in Italy)
  N. PORRO (UISP) (main peak association for groups working on amateur sport activities in Italy)

- Voluntary organisations
  E. ALECCI (MOVI) (horizontal federation for voluntary organisations)
  L. BULLERI (ANPAS) (relevant peak association voluntary organisations in welfare)
  M. COCCHERI (CONFEDERAZIONE NAZIONALE MISERICORDIE) (relevant catholic peak association for voluntary organisations in welfare)
  M. GUIDOTTI (AUSER) (relevant peak association for voluntary organisations working in welfare with the elderly)
  E. PATRIARCA (FORUM PERMANENTE TERZO SETTORE)
Committee of Cognitive Investigation on the Third Sector

Starting date: 1 October 1997

Goals of the Committee:

a) the economic worth of the third sector and the social economy and its exact borders (a definition);
b) the social and cultural value of the third sector, especially framing its role in the debate on welfare reform;
c) new forms of inclusion and democratic participation;
d) the definition of a general law on the Third Sector.

Final document of the Committee of cognitive investigation on the third sector

Date: 14-2-2001 (approved by the Social Affairs’ Commission of the Parliament Chamber)

- One of the Actions the Committee took was participating in meeting in Brussels (1999) in relation to the project ‘DIGESTUS’ on social enterprise, promoted by the Europe Employment Foundation and European Commission; during the meetings the Committee acquired information from the EU Commission on how this body regulates and promotes the Third Sector from the European level; the Commission works mainly through the definition of policy lines for the preparation of employment national plans and also through guidelines for assigning structural funds.
- The Committee judges the non-profit dimension (the absence of a lucrative goal) as the main characteristic of the third sector; this does not mean that TS organisations cannot make profits, but it means that these profits should not be distributed among members.
- Third Sector organisations pursue also social collective interests with solidarity aims.
- It is quite important among different forms of non-profit (organisations of volunteers, etc.) to recognise the role of social enterprises (those non-profits operating and acting in the market). A social enterprise can be defined as a non-profit if the ‘altruistic destination’ of the good produced is clear.
- The juridical landscape of third sector regulation is highly fragmented and is missing a general normative framework in civil law which can connect the different non-profit forms present in Italy.
- The transformation of the Constitution during the 1996-2001 legislature has introduced the principle of Subsidiarity that means even a stronger recognition of the third sector role.
**Committee Conclusions:**

a) The need to complete the normative framework with a general law on non-profit and one on NGO’s; the general law on non-profit should be thought as a ‘light’ regulation, that does not set to many ties and restrictions on third sector organisations in order to avoid any decrease in the pluralism of non-profit forms; it should just limit itself to basic principles (non-profit rule, internal democracy, etc.).

b) There should be a revision of systems for the accountability and monitoring of third sector organisations, due to the fact that the present system is both too strict and too ineffective.

c) The possibility of a future direct or indirect recognition of the Third Sector in the Constitution, given the introduction of the Subsidiarity principle.

**The ‘Fertility Project’**

- This is a project from the Labour Ministry aimed at supporting the founding and / or the development of social co-operatives;
- The idea is to involve actors and organisations (the ‘promoters’) who already have significant experience in social enterprise, as tutors of new or small social co-operatives (the final ‘receivers’) in the promotion and start-up phases, offering services such as training, consulting and help in planning;
- The project provides up to €1 million for each new organisation starting up and up to €50,000 for the ‘promoter’;
- The final ‘receiver’ must be either a new social co-operative or an existing one with maximum €150,000 of yearly income.

**The role of the State Agency for Non-Lucrative Organisations**

Established through a Prime Ministerial Bill in September 2000 and specifically regulated through another Prime Ministerial Bill in March 2001 (n. 329).

*Members: 11, nominated by a Prime Ministerial bill; 3 of them are nominated respectively by the Finance Minister, the Labour market Minister and the Minister for Social Affairs. The members are chosen among individuals who possess ‘adequate and relevant competencies and professional experience in economic and financial disciplines or in fields related to third sector activities and organisations. They must not have direct interests or stable relations with the organisations under Agency control’ (Law of 2001).*
DUTIES AND ACTIVITIES:

• promotion, monitoring, control and inspections to ensure compliance with fiscal and civil laws on third sector organisations;
• formulation of advice, proposals, observations, notes and objections in reference to the normative requirements on third sector organisations (for Central and Local Government as well as for third sector organisations);
• promotion of studies on the third sector in Italy and abroad;
• promotion of information and sensitisation campaigns on the TS;
• activities to better qualify the training standards of TS organisations;
• collection of data, on and from, TS organisations;
• promotion of opportunities for exchange and collaboration among Italian and foreign TS organisations;
• monitoring and control of fund raising activities by TS organisations;
• opinions on the use of the organisations’ patrimony once they close.

SOLIDARITY PACT (18-04-1998)

The Italian Government and the ‘Third Sector Forum’ agree and sign the following:

• The Government recognises that the Third Sector Forum is the most significant representative of the ‘world of solidarity’;
• Both actors are willing to identify convergence and agreement on the following issues:
  - A strong push toward a new framework of social policies (mixing labour market and social care policies)
  - The relevance of the Third Sector for the whole Country in terms of resources;
  - Forms of joint planning and negotiation between Government and Third Sector
  - A timetable for future meetings and agreements
  - Commitments

• Focusing on commitments and timetables (the document is quite long). Both parts agree that:
  1) a new effective program to fight poverty and social exclusion must be introduced, with an important role played by the Third Sector in terms of delivering services and monitoring / evaluating them;
  2) forms of fiscal incentives (through tax allowances) must be introduced for those families who care for frail (elderly) people and children in order to help them and to stimulate the growth of a social care market;
3) it is necessary to define a policy to sustain and promote the growth and the qualification of the Third Sector through social and financial investments in terms of active social policies, access to training, to privileged credit, to normal financing sources and to European funds (e.g. non-profit agencies should also be able to access incentives introduced for Small and Medium Enterprises); it is also necessary to introduce tools able to tackle problems of economic capitalisation in the non-profit sector as well as tools designed to enhance and monitor the quality of services delivered by private and third sector organisations. These instruments can contribute to the creation of a broader supply of services, increased employment and more transparency in the labour market;

4) a new regulation is required for local authorities in their bidding systems related to contracting out, avoiding the use of only economic criteria in choosing providers;

5) it is important to formally recognise the specificity of employment in the third sector and also consequent ad hoc regulation, especially in terms of:
a) the juridical status of the social co-operative worker and protection for all new forms of employment contracts (different from full-time ones) that are widespread within the third sector;
b) the insertion of long-term unemployed in third sector organisations;
c) the extension of state benefits, support and intervention for young entrepreneurs to those working in non-profit agencies;
d) the inclusion of non-profits and social enterprises in the ‘territorial pacts’ between public and private actors to promote employment in the South regions of Italy;

6) the Government must sustain and support bills being discussed in Parliament concerning the social protection system, legislation recognising the third sector and NGOs; this support should help a rapid approval of the named bills;

7) a strong Governmental commitment toward the complete application of the 1991 law for organisations of volunteers is to be welcomed;

8) the Government should promote broad programmes enhancing ‘civicness’ and civic participation, with the help of the Third Sector, in order to enhance citizens’ involvement and mobilise local authorities and social organisations;
9) social issues such as home care for the elderly, the quality of life in prisons, the reintegration of former prisoners, integration of foreign immigrants, youth deviance, as well as environmental, sports and cultural goods are fields where public and third sectors can join forces and resources, experimenting and intervening in innovative ways.

Agreement Protocol between the Italian Government and The Third Sector Forum integrating the ‘Social Compact for Development and Employment’ (14-2-99)

The Agreement Protocol recalls mainly what was agreed in the Solidarity Pact signed in 1998 with all the related issues and commitments.

The important elements in this new document are:

- The Agreement between State and Third Sector is set inside a broader framework (the ‘Social Compact for Development and Employment’), that was signed by the most important public and private social and economic Italian actors (trade unions, employers’ associations, etc.); it means that the Government recognises for the first time in fifty years of the Republic a strong role (at least formally) for the third sector;
- The ‘Third Sector Forum’ receives even more formal recognition than before, being defined as the public representative of the whole third sector world;
- Other specific issues introduced, apart from the ones recalled from the 1998 Solidarity Pact, are:
  - a governmental commitment to promote a discussion about the possibility of introducing fiscal and tax allowances at the European Union level;
  - a governmental commitment to support the approval of laws on amateur sport and on social promotion associations;
  - the introduction of a Non-profit - Third Sector Authority;
  - a general law regulating ‘social enterprises’;
  - a Third Sector Forum commitment towards supporting new forms of civic involvement and models for self-regulation in the fields of voluntary activities, democratic participation in nonprofits, correctness of economic management and professional standards.
Protocol Agreement between the Government and the Third Sector Forum  
(01-06-2000)

Art. 1  
The Ministry of Education agrees to commit itself to:

- promote and bring out the value of volunteering and the culture of solidarity through its structures (including schools);
- verify the possibility of recognising as student credits activities done by students inside third sector organisations;
- identify shared projects and forms of collaboration on issues such as education toward solidarity, environmental, peacekeeping and sustainable development education;
- promote joint planning between third sector organisations and the local / regional structures of the TS Forum together with state schools to develop the programming inside the territorial educational compacts.

Art. 2  
The Third Sector Forum commits itself to:

- create and activate stages and courses for all those students and young people interested in third sector issues;
- promote teachers’ continued learning concerning topics related to solidarity, volunteering, etc.;
- promote adult learning activities for people of different ages interested in themes related to the third sector;
- promote information, materials, data exchange with schools and other education institutions to extend knowledge about volunteering, third sector activities and solidarity;
- Collaborate with the Ministry to define and test new professionals’ profiles and educational activities, as well as to enhance forms of school integration for students with physical and learning disabilities or other forms of possible social marginalisation.

Art. 3  
A specific national group is created, inside the Inspectorate for sport activities, to deal with the statewide implementation of the Agreement. The group has 6 members, 3 of which are named by the TS Forum.

Art. 4  
The Protocol Agreement has three years validity.
**Third Sector European Policy Working Paper Series**

The background and motivation for the network's research efforts is set out in the first TSEP Working Paper. After this, a first group of critically examines the third sector's policy environment at the national level; a second set explores how a small number of specially selected European policy cases are processed at both the national and EU level; in addition, the more general topics of ‘services of general interest’ and ESF sub-national policy implementation are an additional focus of ongoing research in some countries under TSEP auspices.

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Papers can be found at http://www.lse.ac.uk/collections/TSEP/.
General introduction to TSEP Working Paper series

Editor: Jeremy Kendall
Editorial Assistant: Catherine Will

This paper is part of the TSEP Working Paper series, and is based upon work conducted by the authors within the Third Sector European Policy (TSEP) network. The primary, overarching objective of the network is to describe and analyse the trajectory of ‘horizontal’ (industry cross-cutting) European policy towards the ‘third sector’, understood as a ‘multi-level process’ (see Appendix for a Glossary of terms).

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Individual members of the network share an expertise on the third sector in their countries, but come from diverse disciplinary backgrounds (including political science, sociology, and policy studies). Countries included are the Czech Republic, France, Germany, the Netherlands, Italy, Spain, Sweden, Switzerland and the UK. The sample includes:
- Major geographical regions of the EU/larger as well as smaller countries
- Different types of national constitutional structures and welfare systems
- 7 established Member States, one new Member, and Switzerland

TSEP Working Paper 4

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