

## **The New Phase of Italian Third Sector Evolution**

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### **Abstract**

Italy has witnessed some of the most tremendous consequences of COVID-19; the society has reacted to the pandemic to survive and recover. The Italian Third Sector (TS) has been constantly on the front line of the emergency putting in place services, initiatives and projects to assist those more in need. This research began with the scope to collect information about the reactions of TS organizations during the pandemic; through interviews with managers, workers and volunteers, the data collection has grasped information about the immediate responses; nevertheless, data has generated broader considerations. Through the Grounded Theory approach, this work proposes the theorization of a new step of TS in its evolution, a further affirmation of the TS as the key player that designs and manages local processes for welfare, civic empowerment and the common good. TS is now ready to lead local processes of welfare claiming for real partnerships with public actors.

Keywords: evolution, third sector, Italy, welfare, co-planning.

### **1. Introduction**

Lockdowns have put under a serious threat global population and have generated harsh socio-economic consequences, such as the impoverishment of families, weakening of local economies and pressure on local welfare and health systems. The Third Sector (TS) has immediately reacted to provide people with assistance; in Italy, various forms of solidarity and altruism have been implemented to help people in need (Caruso et al., 2020; Cattivelli and Rusciano, 2020; Marzana, 2021). The appearance of a new threat in our societies has triggered both an increase in civic behaviour (Stanzani, 2020) and a wider consideration of the welfare systems and wealth promotion contesting the marketization and weakening that happened in the decades before the

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pandemic (Galera, 2020). During the last years, the Italian TS has increased its capacity to point to emerging social problems and find innovative solutions (Ciani et al., 2021).

Considering the fundamental role of the TS and its immediate front-line action during the lockdown, the necessity to collect data and information about these activities emerged during the last three years. The main point was to grasp information to comprehend how extraordinary conditions could have affected the functioning of organizations put under immense pressure.

This qualitative research was carried out with semi-structured interviews with 31 TS organization representatives (charities, associations, social enterprises, community co-operatives and community foundations). For each subject, I interviewed them about the first reactions to lockdowns, re-arranging of internal organization, comprehension of local communities' needs and structuration of networks to support the solidarity action.

During the examination of the findings, it appeared that TS organizations have gone through a deep rethinking of their role in society because of the tremendous experience of the pandemic. During this historical turn-point, the TS has enhanced its awareness to be a primary actor in the local welfare and that this system requires a radical change to be more efficacy. Indeed, the TS organizations do not take care only of welfare in the strict sense but they also advocate for social changes, sustainable development, civic activism and social aggregation (Biorcio and Vitale, 2016; Bianchi, 2021b). Nowadays, TS organizations ask for a new perspective, more based on real co-planning and co-design of processes to implement welfare systems.

Since the beginning, this research has not had a specific theoretical framework; hence, it has become more evident that a Grounded Theory (Glaser and Strauss, 1967) approach would be the appropriate solution to examine the findings. After an examination through coding of the collected material, the emerging theorization of a new phase of the Italian TS is tested with literature on its evolution. As Borzaga (2004) indicates, the Italian TS has gone through various phases; the following part of the analysis provides the main institutional characteristics of each of them. This literature analysis allows developing the Grounded Theory of a new phase of the Italian TS.

## **2. Evolution of the Italian Third Sector and Relationships with Public Governance**

In the next paragraph, I track the evolutionary history of the Italian TS. The literature shows how the TS has evolved through the constant search for a proper role in society. Furthermore, the institutional theory (DiMaggio and

Powell, 1983) functions as a framework to examine these dynamics and to support the theorization of a new phase of the Italian TS considering the results presented in this paper.

### ***2.1 The Informal Genesis during the 1970s and the 1980s***

As Paci (1989) explains, the Italian welfare system – from the foundation of the Italian united state in 1861 to the 1970s – is definable as “Particularistic-Clientelistic” which means the integration of private services into the public system through the provision of fund transfers. For a long period, the absence of regulation of these relationships left the governance of the services to the clientelism between public decision-makers and private entities. The centralist tendency of the Italian state did not give the possibility for developing independent and autonomous bottom-up initiatives for welfare. The central government superintended the activities of charities and assistance (Law n. 753, August 3<sup>rd</sup> 1862) in each municipality; this was a way to control the charity initiatives – provided by religious entities – and the philanthropic initiative by the bourgeois (Rocchi, 1993). In the same period, the working-class social movements began to organize their forms of solidarity and mutualism pushing for recognition of these actions of welfare (Bianchi, 2021a). At the local level, the negotiation between local authorities and a few private organizations – mostly related to the Roman Catholic Church and the political parties – left no space for other organizations.

From the mid-1970s, new dynamics began to trigger changes and generate new grassroots independent forms of organization; the increase in the number of organizations with a non-profit objective, a social mission, and the provision of solidarity activities was constant (Ranci and Ascoli, 1997). These new organizations were created by citizens willing to get independent from the traditional sphere of the Roman Catholic Church and political parties; they wanted to organize by themselves the provision of services (Barbetta and Ranci, 1997). Second, new social needs appeared in society and traditional forms of welfare were not able to give an answer to them. Third, due to the complexation of society, families were no more able to respond autonomously to these needs (Migliavacca, 2008). From an economic perspective, TS organizations appeared as the best solution because they allow the production of goods and services for the general interest out of for-profit logic (Borzaga and Defourny, 2001). TS organizations allow stakeholders to create those necessary services and goods at fair prices and conditions without the logic of profit (Battilana and Lee, 2014).

Generally, during the 1970s and 1980s, the concept of a TS that operates for the common good evolved, moving from the idea of assisting people in need to the new vision of a part of the society that autonomously organizes itself for the human realization and promotion of citizens as rights-holder (Rocchi, 1993; Ranci and Ascoli, 1997). In this phase, the TS was still sketched and approximately defined by its components.

## ***2.2 The phase of Consolidation and Legitimation (the 1990s)***

Between the 1990s and early-2000s, the Italian TS witnessed the first recognition of its role by the public actor. This trend was common in many European countries where the governments began to structure systems of “Welfare Pluralism” through a “*new orthodoxy of actors for the social policies*” (Evans, 1997, p.13). This step represents the official acknowledgement of the TS as a component of the neoliberal welfare model for the reduction of public services. The state switched the public policy from a central governance based on resource transfer to governance of collaboration with the emerging TS (Barbetta and Ranci, 1997). The general idea of the new public welfare was to shift from a ‘based universal support network’ to a residual welfare where the individuals are responsible for their wealth (D’Apice and Fadda, 2003).

A fundamental watershed is the approval of two important laws that officialised two relevant forms of TS. The first (Law n. 266 1991) for the voluntary sector recognizes the value of solidarity and altruism and provides an official form for both cultural promotion, as well as, the social assistance of those in need. The second (Law n. 381 1991) legislated the social economy sector defining those activities that social co-operatives can develop and manage, such as education, social assistance, therapy, or work integration.

The further important step was the sentence n. 326 April 7<sup>th</sup> 1988 by the Constitutional Court that declared illegitimate the obligation established by the Art. 1 Law n. 9672 July 17<sup>th</sup> 1890 (Crispi Law), which imposed to all the charities in the area of social assistance the status of public organization. This was a further watershed that affirmed the legitimacy of private non-profit actors to provide social assistance (Borzaga and Fazzi, 2000).

The necessity for a legal framework into which to identify the main characteristics and goals of the TS organizations forms was felt as a vital necessity to give these entities the right position in society (Valastro, 2012). Despite the growth of the TS in terms of organizations and people involved, it was still difficult to precisely define what it was in comparison to the public sphere (Casolino and Sgaramella, 1992). It is also important to consider that the growth of the TS corresponded with a general willingness to create initiatives

for solidarity, civic activism, or altruism de-marked from political significance. As Della Porta (2004) explains, during the 1970s many social and political movements marked their independence from the traditional political parties to present their own autonomous vision and pursued their own objectives but, in the 1990s, these social movements began to consider also a further de-politicization toward missions and objectives more transversal into the society. The legislation accelerated this process that prioritized the attention on forms of TS more focused on the provision of services rather than the advocacy of social causes (Ascoli, 2020).

The reason behind this political choice – to recognize the role of the TS within the welfare system – has multiple features. It is important to consider that in the neoliberal political vision of the social policies, the presence of TS was not contemplated. Therefore, this was an acknowledgement of an independent phenomenon generated outside this perspective (Evans, 1997). The logic attributed to the TS, within the welfare system, was the idea of service providers that operate in a consumers' democracy where those that offer better services and performances would be rewarded by the market (Montin and Elander, 1995).

At this phase, the TS was still a non-defined area not yet able to conceptualize itself and its role in society, although the legislation from the late-1980s and early-1990s helped to regulate the non-profit activities (Barbetta and Ranci, 1997). Nevertheless, the TS grew considerably and became a consistent phenomenon that scholars began to consider a structural fact within Italian society (Ascoli and Pasquinelli, 1993). The incisiveness of the TS increased with the growth of its presence in society; the TS began to address its points to the public actor such as new measures to contrast social inequalities and enhance social innovation in the provision of welfare (Ascoli, 2020).

The main features of this phase are the consideration by both, the state and the TS, of this last one as a complementary actor in the welfare system. The creation of adequate legislation for these organizations signed a fundamental step into the definition of their role. Furthermore, TS organizations began to comprehend their necessity to make their work more professional and increase the capacity to gather funds from sources alternative to the public actor. Generally, the definition of TS was still not clear, and the boundaries were not well defined but its role became more prominent.

### ***2.3 Welfare Mix***

The “Welfare mix” is the vision of a welfare system where public and private collaborate for the provision of local social services and – in general –

any initiative for the public good. The state acknowledged its difficulties in covering all social demands because of a shortage in financial, human and social resources (Borzaga and Fazzi, 2000). The hybridization of the welfare state had been a long process undergone for years in many European countries and it is based on the redefinition of the relationship between the economic growth and the society along with the social contract among the state, citizens and TS (Bertin, 2012). This can be considered the main phase of the “institutionalization” of the TS because of an increasing level of dependency on public funds within an integrated system of service provision under the control of public actors (Borzaga and Fazzi, 2011).

To conform the structure of the welfare to the new characteristics of the society, the decision-makers implement changes in the Italian legislation to support the further evolution of citizens’ will to organize autonomously the responses to their needs and aims. At the beginning of the new century, the Law n. 328 (2000) represented the main reform of the welfare system. This introduced the concept of “Horizontal Subsidiarity” between the public sector and the TS; the law fixes the main conceptual framework, each region is called to define the rules for the concrete application and, at the local level, municipalities are the main player of the co-design of the local welfare system in partnership with the local TS. This reform redefines the idea of welfare introducing the concept of a local community system entitled to programming it through needs assessment, resources evaluation, intervention and project design (Moschetti, 2016). The public actors officially call the TS to participate in the enhancement of the commonwealth and well-being.

In this new system of welfare mix programming, instead of financial transfers from the public sector to the TS, the new system favours the competition through calls for bids. As a result, the TS organizations went through a process of hybridization mixing components of public funds, solidarity support and a competitive logic to gather resources from other sources (e.g. social business). Furthermore, the welfare mix favours the “marketization” of services; therefore, individuals and families look at the market for available opportunities to satisfy their needs (Brunod et al., 2016). Into this system, the TS emerged as an independent solution for those users and clients who cannot afford to pay the entire cost of private welfare services or in cases where the costs of production exceed profits. Therefore, the TS appeared as the resolution because they cut the profit shares and allow the structuration of officially recognized organizations for these purposes (Di Maggio and Anheier, 1993; Borzaga and Defourny, 2001). The main challenge is to develop a local system of social capital that allows the TS and public actors to co-operate towards the same goals (Mangone, 2012).

In parallel to the area of the TS more devoted to social services, the other spheres also constantly grew and presented innovations. The Law n. 461 (1998) and the following legislative decree n. 153 (1999) define the role and purpose of bank foundations within the TS. In the area of funds management, the foundations for social purposes (and then for community development missions) began to achieve a defined position as a new source of funding (Barbetta, 2013). Associations and NGOs had stably overseen the area of advocacy for civil, social and political rights enhancing that public sphere of debate among the parts of the Italian society and developing new forms of bottom-up social participation less political and more connected to local issues and community development (Borzaga and Fazzi, 2000).

#### ***2.4 The post-2008 Crisis and Latest Reforms***

The post-2008 economic crisis generated harsh socio-economic conditions in Italy; Since 2008, Italian governments have gradually reduced public debt through spending reviews, and public authorities' investment in local infrastructures has steadily decreased by 4% each year from 2008 (Visco, 2018). The national budget for the welfare system suffered a drastic reduction from 2008 to 2011, to 13% less than before the economic crisis (Fazzi, 2013). Local authorities have witnessed a drastic reduction in their financial capacity to invest in local welfare. These conditions have introduced consistent stress in the TS with uncertainties typical of the “for-profit” (Busso, 2017). In this context, the governments saw in the TS a possible solution to mitigate the critical issues related to the economic downturn despite the difficulties in financing new interventions. Despite critical conditions, the TS has been able to demonstrate a capacity to grow and evolve. As Borzaga and Fazzi (2011) point out, through investments and advocacy, the TS has enhanced with elements of “evolutionary innovation” (providing new services), “incremental development” (improvements in its functioning), “expansionary innovation” (working with new clients) and “total innovation” (working with new clients with new services).

An important element of this phase has been the implementation of new official partnerships between the local authorities, the TS and citizens to allow the governance of local commons. This new administrative tool – which is the most concrete application of the “Horizontal Subsidiarity” – is the “Patto per la cura dei beni comuni” (Agreement for the collaborative governance of commons – Author’s translation). They establish official partnerships between the public and private spheres to permit citizens’ active role in the enhancement of the common good through the governance of local commons (Arena and

Iaione, 2015). The increasing numbers of local initiatives have been a consequence of the withdrawal of local authorities from their duty of governance and maintenance of these commons. This tool has demonstrated its value as an innovative juridical element to develop further the relationships between the public and TS allowing a more active role of the latest in the direct promotion of social participation and active citizenship (LabSus, 2019).

The 2016 reform (Act n. 106) introduced the new civil code for the TS; this officially recognizes the unity of the galaxy of organizations with diverse legal forms (associations, charities, foundations, social enterprises, etc...) into a unique and defined sector. All the “Enti del Terzo Settore” (Entities of Third Sector) have to pursue a social mission, be non-profit and be enrolled in the national register. The reform also officially acknowledges the co-planning and co-design of services as the main form of collaboration between the public and TS. Although this reform has made clear the identity of the TS, it has also increased the control by the public authorities over this. This reform helped to dissolve the issues related to nature of the TS and how to legally treat its organizations (Stanzani, 2017).

### **3. Methodology**

This analysis uses the Grounded Theory (Glaser and Strauss, 1967) method to examine an amount of data and information collected over the last three years; the examination has begun considering results from related investigations and then it expanded the analysis by collecting data via semi-structured interviews. As Strati (2009) points out, Grounded Theory is the development of a theory from the empirical data and not from the deduction based on previous knowledge and theories. The work of examination through the Grounded Theory begins from an intuition, an insight, or an epiphany that happens during the process of data collection; through the isolation of an image or a word that catches the researchers' mind.

I began this investigation between the spring and autumn of 2020 chatting with workers and managers of Italian TS organizations. At that time, there was not yet an intention to develop a theory on the new phase of the Italian TS. The interest was mostly addressed toward first reactions to lockdowns, adaptation to restriction and the role that the TS has had in comprehending emerging issues (food crisis, new poverty, online education for low-income families, sanitary assistance for people socially isolated). During 2021 and 2022, further data and information were collected through 31 semi-structured interviews with managers, workers and volunteers of diverse TS organizations based in diverse regions in Italy. The selection occurred through purposive sampling which



selects the participants looking at those particular characteristics that represent an interest for the examination (Bell et al., 2022); this is a type of non-probability sampling that considers aspects related to the research goals (Flick, 2009). For this investigation, the attention has been on organizations directly involved in the front-line of social assistance; moreover, regional and national representatives of certain main actors of the Italian TS have been engaged to catch a broader perspective. There was no framework of investigation, interviews aimed to collect data related to the TS reaction to lockdowns and consideration of its social role after the pandemic. The word that most caught my attention was “change”; during the interviews, many depicted the status of change that the Italian TS had been going through since the beginning of the pandemic.

This research assumes a qualitative approach; the premise is that the subjects under analysis are the creators of the organizational realities that function to respond to funders and other people’s necessities; therefore, the interviewees are “informed subjects” (Gioia et al., 2012) about the topics involved in this research. Interviews have been anonymized. Table 1 reports all the information about the typology, area of action, and region of location.

*Table 1. List of Participants.*

	<b>Legal form</b>	<b>Level of Action</b>	<b>Area of Action</b>	<b>Region</b>
1	Association	Neighbourhood <sup>1</sup>	Social aggregation	Emilia – Romagna
2	Association	Neighbourhood	Social aggregation	Lombardia
3	Association	Neighbourhood	Social aggregation	Piemonte
4	Association	National	Volunteering for public works	Lazio
5	Association	City	Volunteering for public works	Lazio
6	Association	Neighbourhood	Volunteering for public works	Toscana
7	Association	National	Management of commons	Lazio
8	Association	Neighbourhood	Management of commons	Lombardia
9	Association	Neighbourhood	After school activities	Lazio
10	Association	Village	After school and social aggregation activities	Toscana
11	Association	Town	Management of park and natural resources	Lazio
12	Association	Town	Management of park and natural resources	Lazio
13	Confederation	National	Support to the co-operative movement	Emilia-Romagna
14	Confederation	National	Support to the co-operative movement	Lazio
15	Community Co-operative	Village	Tourism and management of public assets	Liguria
16	Community Co-operative/ Social enterprise	Neighbourhood	Tourism and cultural heritage conservation	Campania
17	Community Co-operative	Village	Agriculture and territorial maintenance	Lombardia
18	Community Co-operative	Village	Tourism	Campania

*Continued*

<sup>1</sup> This scale refers to neighbourhood in urban areas, this implies a high population level and density.

19	Community Foundation	Region	Support to other foundations	Based in Lombardia but operates also in Piemonte
20	Community Foundation	Region	Support to other foundations	Based in Lombardia but operates also in Piemonte
21	Community Foundation	Province	Support to local TS	Lombardia
22	Community Foundation	City	Support to local TS	Lombardia
23	Community Foundation	South Italy	Support to other foundations	Lazio
24	Community Foundation	Neighbourhood	Support to local TS and urban regeneration	Campania
25	Community Foundation	City	Support to local TS and urban regeneration	Sicilia
26	Centre for TS service	Province	Support to local TS	Lombardia
27	Charity	City	Social support	Lombardia
28	Association	Regional	Cultural activities	Lombardia
29	Centre for TS service	Province	Support to local TS	Lombardia
30	Consortium of TS	South Italy	Local development	Campania
31	Network of TS	City	Support to people in need	Piemonte

This information can provide a solid basis upon which is plausible to generate the theorization of a new phase of the Italian TS. The goal is to propose an examination of this data through “focused coding” (Charmaz, 2014) of the main themes that emerged during the interviews. Table 2 reports the three main themes and sub-codes that the iterative analysis of the interviews has generated.

*Table 2. Codes for Analysis.*

Main codes	Sub-codes
Awareness	“Action” What the TS has done during the pandemic; “Recognition” Other subjects acknowledge what TS has done during the pandemic;
Change	“New functioning” New activities or new ways to do the previous activities; “New relationships” New connections with other subjects or new ways to relate with them;
New role	“Claims” To ask for a new part in the society; “Vision” How the TS organizations see the future after pandemic; “Goals” Which objectives they think must be at the centre of the work for common wealth.

Successively, the analysis of the Italian TS historical evolution can provide further elements to develop the theory for a new phase of it its role within Italian society. To sustain the theory of a new phase, it is fundamental to trace back, which are the previous steps in the evolution; through this exercise, it is possible to figure out those elements that can frame the new phase into the path of evolution.

## 4. Results

The next sections present findings according to the main themes of the analysis; considering the variety of organizations involved, each part presents also each sub-topic related to the different characteristics of associations, charities, social enterprises, community co-operatives and foundations.

### *4.1 Reaction to Pandemic and Lockdowns*

As all the interviewees report, the majority of activities were stopped and staff members left home. After the first days of confusion, the TS began to re-organize its functioning to support people in difficulties. Those actors more embedded in their communities' daily life (neighbourhood associations, charities, and community co-operatives) decided to act immediately to sustain the local population. TS actors, in collaboration with the public and private sectors, immediately began to organize networks for food bags distribution to people in need (Int. 5 – 16 – 24 – 26 – 27 –28– 30 – 31). Others activated supports of proximity among neighbours to help those who needed assistance with groceries, chores or just to be close to whom lived alone (1 – 2 – 10 – 15 – 18).

Community foundations used their social capital to fundraise resources for the hospitals that needed medical materials but could not accept and/or spend donations. In one case (Int. 25) a network of TS organizations, with the local university, began to produce parts for ventilators - which were difficult to source during the first lockdown – with 3D printers at the local tech hub. There is a shared agreement among the interviewees that the TS has received recognition for its commitment. People look at those TS organizations closer to them with a trustier approach and local public officials have involved them in planning emergency actions to contain public health and socio-economic issues.

Generally, TS organizations consider of having a peculiar capacity in reading the evolution of social problems in advance than public actors. Exemplarily, certain community foundations understood in advance the crucial role of re-opening the educational and social centres in time for the summer activities and guaranteeing the security of both clients and staff members (Int. 20); therefore they sustained these with adequate resources. This is due to their daily work on the front line to assist and collaborate with people. Furthermore, they could collect, move and reinvest financial resources faster than public authorities that were stoked by bureaucracy (Int. 19 – 20 – 22 – 25 – 27) or

because certain local decision-makers decided to not collaborate with TS to implement these solutions (Int. 9 – 28).

During the lockdowns, those TS organizations more structured and with more years of service collaborated with the local authorities and other TS actors to develop or implement networks. TS understood the vital necessity to fulfil its primary social mission, the common good; to achieve this coordination with local public authorities was fundamental. Indeed, certain interviewees (Int. 8 – 14 – 29 – 30) recognize how the Constitutional Court sentence n. 131 (2020) established a key watershed in the relationships between the TS and the public (this point is lately discussed).

Immediately after the first lockdown (Feb 2020 – June 2020), the TS took on the discussion about the local welfare system and how the pandemic, with its consequences, crashed it during the lockdowns. It was not the beginning of the debate but, rather, a restart with new considerations in light of the COVID-19 situation. Community-based organizations took care of the re-opening of local services in safe conditions, social enterprises re-organized their functioning to protect staff members and clients, and community foundations generated faster solutions to finance the support to the rest of the TS. Generally, TS asks for major recognition complaining about a decrease in attention after the most critical moments of an emergency.

## **4.2 Change**

Despite the difficulties, the lockdowns allowed TS organizations to examine their role and functioning.

For the bottom-level actors, their actions during the lockdown put them more in contact with their communities due to the vital necessities expressed by the local population (Int. 2 – 4 – 5 – 9 – 16 – 30 – 31). They re-organize their activities and this forced them to consider new collaborations because the lockdowns and the new socio-economic problems put to light the limits of each organization. For example, in a metropolitan area (Int. 31) the local authority contacted the TS asking local organizations to be the main hubs for food distribution and then social support; this pushed them to establish new relationships with other organizations and work closer than before. The new functioning of these organizations goes toward responding to new issues (medical crises, educational needs, new poverty crises) through a new lens to examine the reality such as the multi-dimensionality of these issues; e.g. families, with children, in economic need suffered also educational poverty and difficulties in affording COVID-19 tests. Consequently, figuring out solutions required an expansion of the vision of the problems and the involvement of

other actors. Assistance to people cannot happen through separate services – either public or private – but it is necessary to coordinate among social workers who assist the family with public benefits, teachers who deal with educational problems and TS organizations that provide support e.g. food bags or after-school activities. Another case can be the regeneration of open spaces (e.g. local park); this passes through the creation of new alliances among all sectors, considering the importance that public areas in urban settings have assumed during the lockdowns and looking at these as a hub for community development (Int. 4 – 5 – 8 – 11 – 12). TS activities manage the project coordinating people but they need financial support from local businesses and bureaucratic approval from local authorities.

TS actors needed sustain for their activities; they look at the for-profit and public sector calling for actions and collaborations to assist the population. The main outcome of these processes is new relationships and awareness regarding the necessity to design local welfare in synergy and around networks; this is not new for the Italian TS but the pandemic posed the actors in front of this reality with more pressure. Certain exemplary cases (Int. 25 – 30) demonstrate the possible connections between TS and the private one. A community foundation has launched a program to support unemployed people to acquire new working skills by collaborating with local businesses that received also support during the lockdowns. A TS consortium has networked with local textile industries to produce millions of masks and distribute them to its staff and others in need.

At the meso-level, foundations (province level), regional and national organizations have also experienced a change in the awareness and, consequently, the approach of TS work (Int. 4 – 13 – 20 – 21 – 24 – 25 – 27 – 28 – 29 – 30). The TS perceives more the relationship of “horizontal subsidiarity” with the public actors; they see how new relationships have been established but with a new awareness by the TS side. The foundations have strategically re-adapted their tools of financing to the new challenges to push more the other organizations to work in networking and co-planning for their actions for new generative processes of local welfare. Moreover, they use the institutional credibility, developed over the decades, to organize permanent round-tables with the public and private sectors to discuss solutions in terms of durable processes of community welfare. The regional and national representative organizations point out the necessity of these networks and processes but also the difficulty to keep all actors engaged in a time-consuming effort.

Regarding the new awareness of the TS, many interviewees (Int. 13 – 14 – 17 – 24 – 25 – 27 – 29 – 30 – 31) report how the lockdown experience has enhanced their beliefs about a holistic reconsideration of the economic structure of our society. The main consideration regards goals of the economic

activities that have to be more oriented to the social development of the society rather than exploitation and value extraction. Socio-economic conditions determine the wellness in local communities; therefore, TS organizations consider fundamental the engagement of for-profit actors in their processes of change of local conditions to implement welfare. They see how the for-profit side cannot just have a philanthropic part but needs to be more involved because of its crucial role in determining socio-economic conditions.

In general, the main consistent change after the lockdowns is the new awareness that TS organizations have about their role in society after the experience of a remarkable major capacity to respond to social issues under stressful conditions. Nevertheless, they have increased the relationships and acknowledged the crucial role of local networks, which have to be enhanced.

### ***4.3 New role***

Despite the diversities among the interviewees, TS representatives present claims, visions, and goals – about the future of this sector and its role in society – mostly similar and convergent.

The principal claim from the TS concerns the public authorities; they require that all the decision-making and administrative levels of the state acknowledge the role of the TS giving an effective part in the decision-making process through the co-planning and co-creation of policy, projects, and initiatives (Int. 2 – 20 – 21 – 22 – 23 – 26 – 27 – 29 – 30 – 31). Although the welfare mix is already an implemented system, the TS organizations complain about an absence of an effective and consistent role in the co-planning process. This involves – mostly at the local level – the discussion of main issues, areas of interventions, resources to invest and goals to achieve. The TS does not see itself involved in these local projects but, after the pandemic, it claims more of its acknowledgement. TS actors point out how the public authorities have had difficulties in dealing with crises and issues that the pandemic and lockdowns generated. TS organizations demand to abandon the logic of the public bit to assign the social services provision and to have a real co-planning; indeed, the Constitutional Court sentence n. 131 (2020) goes exactly in this direction.

The TS expresses a vision of how this evolution of its role must be carried out. This sector does not want to substitute the public actors but it sees itself as the most appropriate partner to develop welfare, evolve society and enhance the common good. To accomplish this, the TS wants a more equal and respected relationship with the public. They see how the right choice by the public sector is to abandon the idea of a higher position – compared to the TS – where public bids determine the relationships. Instead, the TS see itself as a

rightful partner and peer of the public. In a certain vision (Int. 7), all actors have to collaborate to implement a “Care Society”, particularly after the pandemic; this is impossible to realize without the public actors but TS pushes them to fulfil their responsibilities. The main area of action and interest for the TS is its communities, where it can foster well-being by implementing community welfare. Nevertheless, the TS actors do not renounce to point out those general issues that affect the society such as poverty, inequalities, the necessity to convert the society into a more sustainable system or citizens’ rights protection (Int. 5 – 13 – 14 – 17 – 21 – 24 – 27 – 28). TS organizations call to action also the private actors; the economic system must be reformed to be less exploitative and more direct toward human development. Local development must be sustainable, centred on local commons and people, and able to respond to people’s needs.

To realize the vision, the TS representatives state diverse goals that this sector must accomplish to determine a new position in society. TS must lead those parts of the society, more engaged in determining wealth and the common good, to this new approach. TS actors must abandon the logic of “jumping” from one project to another but, instead, they need to adopt the idea of following a process where every action, initiative or project is a step into a coherent evolution with shared aims. To achieve this, TS organizations have to enhance their social capital within the sector and among others; they need to influence other actors in taking this new vision and considering everyone as an essential part of the process for the common good with common aims. Connecting the actors also implies sharing possible assets and resources that TS operators can use to implement the welfare; this needs to pass also through the creation of space for discussing and debating the diverse perspectives involved. Consequently, this requires the design of new forms of governance with a multi-stakeholdership – TS, public and private actors – participation in decision-making processes. The main political goal is to obtain an acknowledgement from the public authorities and institutionalize the co-planning of local welfare and co-design of the services.

Achieving these goals will be long and difficult but TS representatives know that social changes take long-term processes; their vision is devoted to ensuring the right position in society, their claims to obtain the right power in decision-making processes and their goal-oriented to establish the leadership into these dynamics.

## 5. Discussion

Di Maggio and Anheier, (1993) offer an institutional explanation of the TS evolution that considers three factors (a) the “Key decisions” by TS managers, which do not consider the economic costs but the social innovation and its long-term effects. (b) The “Public policies” that determine the growth and development of the TS forms, and (c) the “Cultural climate” influences the clients’ and decision-makers choice toward the TS based on the grade of trust in them. Each national society develops its own institutional vision of the TS; therefore, the political orientation determines the regulation of this and its role. According to the authors, in the corporatist welfare state – such as the Italian one – the autonomy of the TS organization allows delegating to them important shares of the welfare. Moreover, Ahedo et al., (2021) the open dialogue and collaboration between TS and public local authorities can enhance regulations and improve the local welfare systems. As appears from the literature review, the autonomy evolution of bottom-up initiatives inspired the decision-makers, which legislate on the TS, determining its main characteristics; the further evolution of the TS has then determined the creation of a welfare mix system. This mutual relationship between practice and policy is fundamental to understand the TS (Bassi and Stanzani, 2012).

The institutional interpretation permits to figure the evolution of the role of the Italian TS and designs a framework into which is possible to examine this progression but Di Maggio and Anheier’s (1993) explanation mostly considers the areas of the TS that provide social services in behalf of the public actor, leaving others areas outside. This is the case of those that act for the advocacy of social causes and represent civil society interests; they are of particular relevance in the current panorama of the TS because, over the decades, they have mitigated the politicization of social claims and raised civic movements and initiatives for commons and community development (Della Porta, 2004).

Over the decades, the TS has grown expanding its fundamental role of “public space” into which citizens can practice civic activism and debate about the public interest. The clearest example is the social co-operatives that modify the welfare system through the hybridization of business dynamics and social missions; this is a result of the welfare system changes and civil society’s response (Thomas, 2004). During the last 20 years, the dialectic debate between the TS and the public sphere has produced a relation of “Horizontal Subsidiarity” that can allow an opener and franker dialogue about the TS role. The current “mutual accommodation” system lacks co-operation, sharing of objectives and systematic and homogeneous application all over the country (Ranci, 2015). The legal recognition by the decision-makers’ side (TS Reform



2016) has allowed structuring a more ordained sector but the purpose to implement a co-planning and co-production of local welfare still remains an unanswered request. In this sense, we can see how the latest legislative innovations (Agreement for the collaborative governance of commons and the Constitutional Court sentence n. 131 – 2020) represent an important institutionalization fact related to the role of the TS because they position the non-public actors at an equal level with the public authorities in determining the common good.

Nevertheless, after the lockdowns, TS claims a more responsible and leading role in shaping the welfare and, more in general, the common good. This presents a condition of the TS that goes in antithesis to the interpretation of a TS evolution driven by the public sector (Young, 2007). Even during the most institutionalized phase of the relationship between the state and the TS, initiatives arose because of citizens' and groups' willingness and not for a top-down approach driven by the public (Borzaga and Fazzi, 2011). The TS has perceived itself as a crucial actor in these local dynamics but it has not received the adequate recognition for which it claims major credit. Indeed, experiences from the lockdowns and previous dynamics established during the Welfare Mix phase and the post-2008 crisis have brought the TS to claim for a different system where public actors are less central. The current policy framework allows the TS to step up to the position of a partner for the public actors in administering the welfare system.

Findings show how Di Maggio and Anheier's (1993) three dimensions are intertwined generating the current situation. The TS pushes for a more integrated system made of networks among sectors and co-planning and co-design (Key Decisions); the latest reform strengthens its identity and social role (Public Policies); the lockdowns have highlighted the necessity for this change (Cultural Climate). It is clear that the TS has proper autonomy and independency, as explained by Borzaga and Fazzi (2011), but the latest facts happened through the lockdowns and the consequent considerations made by TS organizations point to a new step in the evolution path where, apart from the independent role, it appears also a growing claim for leadership with a clear vision.

## **6. Conclusions**

Italian TS looks now for the recognition of its proper role as a leader of local welfare systems; it addresses the necessity to see the creation of wealth as a process that involves actors from all sectors. Nevertheless, it perceives itself

as the principal actor, the one capable of synthesising goal-oriented activities towards the common interest.

What emerges as a new aspect is the increasing leading role that TS actors have been assuming in the latest years; this can be explained by diverse reasons. As results show, the TS has stepped up during the lockdowns, demonstrating a capacity in reading reality and providing effective solutions to mitigate problems. It has had to face the challenges autonomously because of the slowness of the public sector. Furthermore, the TS can present itself to society through a consistent identity given by the reform and claiming a more recognized role thanks to the Constitutional Court sentence. Along with this, it carries out constant work to change the mentality on local welfare, claiming to have a real co-planning and co-design asking the public sector to abandon the logic of the service market and public bits.

In conclusion, findings from this investigation point to new elements that can define a further step in the evolutionary process of the Italian TS. The constant dialectical relationship with the public actors has brought it to acquire its own status and a role that requires to be acknowledged.

The main limitations of this research are the restricted numbers of organizations involved; the future trajectories of investigation can engage broader shares of the Italian TS population and look for confirmation of this theorization.

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