

SIMPACT EVIDENCE

Social Innovation **Business Case Study**

WP 3 – COLLECTING EVIDENCE

Task 3.3 Social Innovation Business Case Studies

Lead: POLIMI – Politecnico di Milano

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SIMPACT

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Libera Terra

Creating social and economic value by re-using
confiscated assets

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1 | OVERVIEW

City, Country	Italy
Addressed theme(s)	Employment , social cohesion
Target Group	Disadvantaged
Development Stage	Scaled
Established in	2001
Type of Organisation	Consortium of social cooperatives
Size of Organisation	Large enterprise (>250 employees)

Libera Terra is a network of nine Type B social cooperatives, the only profit-making social cooperatives allowed by the law 381/91, working on confiscated lands primarily in the agro-food industry. Its social cooperatives currently manage 1,400 hectares of confiscated lands and give work to about 140 people. They produce ethical, organic products and sell them under the brand Libera Terra.

It is the entrepreneurial branch of the anti-mafia association Libera. Libera Terra's mission is to create social and economic value for the community by re-using the confiscated assets re-allocated to them under the law 109/96. Their cooperatives are located in Sicily, Campania, Calabria, and Apulia. Type B social cooperatives (l. 381/91) are the only profit-making organizational form allowed by the law 109/96.

2 | PROBLEM TO BE ADDRESSED AND IDEA

Organized crime organizations, the mafias¹, in Italy, have created a wide range of economic, social and cultural problems for the country. While most think of violence as the biggest consequence of the mafias, the principle consequences are economic and cultural: The infiltration of the mafias into the legal economy, the economic drain of illicit wealth production, and the spread of a “mafioso” mindset.

According to a report done by SOS Impresa, in 2010, the mafias produced a turnover of €130 billion, making up a net profit of over €70 billion. The commercial branch alone equalled about 6% of the national GDP (SOS Impresa, 2010). The mafias conduct business both in the legal and illegal economies via illicit drug trade, extortion, usury, racket, and money laundering activities, infiltrating all sectors of the economy, including: Sport, tourism, fashion, agriculture, construction, and catering.

The anti-mafia movement, which started at the very rise of the mafias, has been working hard to fight against their power. While the mafias are thought to be present only in the underdeveloped, southern part of Italy, it is actually present throughout all of Italy and is particularly powerful where it has had historical relevance or has the most power, e.g. in the country’s economic capitals and leading agricultural areas. It’s interesting to note that the 4th region with the most confiscated assets from the mafias is Lombardia.

The anti-mafia movement was born initially out of a strong push for normative change. In September 1982, the law Rognoni-La Torre (n. 646/1982) was passed. The law deemed “an organization as mafia-related if it used intimidation, subjection and silence (omertà) to commit crimes, directly or indirectly, to acquire the management or the control of businesses, concessions, authorizations, public contracts and public services to obtain either unjust profits or advantages for themselves or others. It also extended to actions that might hinder the right to vote or to procure votes for oneself or others in electoral campaigns” (Legge Rognoni-La

¹ By the term mafias, we refer to all mafia organizations in Italy: Cosa Nostra, Camorra, ‘Ndrangheta, and Sacra Corona Unita.

Torre, 1982). The law also introduced for the first time the confiscation of any asset deriving from illicit origin, thus extending to assets held by others, e.g. family members, juridical bodies, associations, etc. The true innovation here stood in the shift of attention from the violence or danger of the individual onto the economic power of the indicted.

Following a little more than a decade of tumultuous events, the anti-mafia movement gained enough momentum for a cultural and social rebellion in concert with the magistrates and the police. The next normative innovation, came in 1996, when Don Luigi Ciotti, a priest from Turin, collected over a million signatures to pass the law 109/96 written by Ex-Magistrate, Giuseppe Di Lello, of the Anti-Mafia Pool. The law called for the social re-use of all assets confiscated from the mafias and the designation of these assets to those subjects—associations, cooperatives, municipalities, provinces, and regions—who were able to give them back to the citizens through services, activities of social promotion, and work.



Figure 2-1. Libera's logo

Libera: Associazioni, Nomi e Numeri contro le mafie was established on March 25, 1995, by founder and President Don Ciotti, with the intent to solicit civil society in the fight against the mafias. Its mission was and is to create a network of horizontal collaboration composed of a plurality of actors who work cooperatively in the fight against the mafias and the subsequent fight toward an alternative socio-economic

reality. Libera is an association of associations whose primary activities are concerned with the promotion of a cultural shift toward legality, civic virtue and the concept of co-responsibility, i.e. that the fight against the mafias is the personal responsibility of everyone. Libera also works in advocacy pushing for normative innovation to help support a stronger legal framework to support positive, socio-economic growth free from the mafias.



Figure 2-2. Libera Terra's logo

Libera Terra was founded as Libera's entrepreneurial branch. Its mission is to create social and economic value for the community by re-using the confiscated assets. It currently has nine, Type B social cooperatives located in Sicily, Campania, Calabria, and Apulia. Type B social cooperatives (l. 381/91) are the only profit-making organizational form allowed by the law 109/96. They can be defined as entrepreneurial organizations that work under a limited distribution constraint whose primary objective is the maximization of social impact through the creation of employment for the disadvantaged (at least 30% of the workforce) and who are bound to a governance structure that is democratic (one member, one vote).



Figure 2-3. Confiscated land given in use to Libera Terra

The primary unmet, social need in Italy's south is that of social security: The right to a just and equal social order combined with the right to self-realization. *“As acutely observed... today, the most devastating form of humiliation and hence of social exclusion is to be economically irrelevant... [which induces] grave resignation and alienation”* (Bruni and Zamagni, 2004). Libera Terra responds to this need by creating legal and ethical employment in territories destroyed by the mafias.

3 | CORE SOLUTION AND MOTIVATIONS

Libera Terra is a network of social cooperatives, working on confiscated lands primarily in the agro-food industry, but not only. Libera Terra's social cooperatives currently manage 1,400 hectares of confiscated lands and give work to about 140 people. They produce ethical, organic products on the lands and sell them under the brand, Libera Terra (Libera, 2013).

The group also manages other structures, including: The Cantina Centopassi (wine), the agricultural resort Portella della Ginestra and Terre di Corleone, and the cheese factory run by Le Terre di Don Pepe Diana.

In collaboration with the Consortium Libera Terra Mediterraneo (LTM), the cooperatives produce 60 different products, including pasta, legumes, salsas, honey, cookies, coffee, sweets, juice, olive oil, and wine.



Figure 3-1. Some of the products of the Libera Terra social cooperatives

The Consortium LTM coordinates the cultivation amongst the various cooperatives, rationing and monitoring the production seeking to both match market demands and ensure production quality. The breakfast line was introduced in 2013, in order

to use the products coming from newly cultivated, sequestered lands who have to wait three years until they can be classified as organic.

As mentioned before, the primary focus of the cooperatives is to provide employment. A primary activity of the cooperatives hence goes to training and development, but also to market entry and stability. This is done in collaboration with the Agency Cooperare con Libera Terra, an association of 74 cooperatives, created by Legacoop² to help support those cooperatives who manage confiscated assets by transferring know-how, skills, and best practices.

Another service that is offered by the cooperatives, thanks to the project, Libera il g(i)usto di viaggiare, is responsible tourism, offering two products: School trips or private trips. Both types aim to show tourists a different side of the territories that are engaged in creating change.

Beyond the core activities done by the social cooperatives, they are also dedicated to promoting a culture of legality and positive socio-economic growth. They hence are very active in their communities, forming partnerships with local entities and working in tandem with various activities. Some projects they've done include a project called, "Coltivare Valori", which aimed at contributing to the social growth of the Sicilian territory through awareness campaigns that sought to bring accountability to the youth and the territories involved. Some activities done in this project include: educational visits in schools, training workshops (for over 1,000 participants), research tables, and the restoration of the Centro Ippico Giuseppe di Matteo, an open, educational space for those visiting the confiscated assets. Another project done, called "Impresa Etica", sought to instil a business culture in 18 legal migrants through work training and experience, providing 600 hours of training and 1,824 hours of work experience.

All of Libera Terra's activities work to create new methods of provision that in turn create new, ethical markets. For example, by requiring only organic production, the local farmers who wish to make contracts with Libera Terra must certify both that their production is organically made and that they are free from the mafia (both professionally and personally). It hence created a market for fair, organic products

² Legacoop is a macro-association of cooperatives with over 15,000 members (cooperatives). It is one of the four main macro-associations of cooperatives along with: Confcooperativa, Associazione Generale Cooperative Italiane (AGCI) and Unione Nazionale Cooperative Italiane (UNCI).

by creating a demand that previously didn't exist. The same logic applies to the tourism branch by making contracts and partnerships only with ethical entities.



Figure 3-2. Disadvantaged people at work in the Placido Rizzotto social cooperative

Another example of this is Libera's close involvement with Addiopizzo, a movement and voluntary association aimed at promoting critical consumption through supporting businesses who refuse to pay the "pizzo", a special insurance tax enforced by the mafias.

While Libera and Libera Terra are the leaders in confiscated asset management and anti-mafia advocacy, there are other examples of Third Sector Organizations who manage these assets in different territories, even in the North. In fact, according to a recent survey done by Libera in 2014, there are about 400 best practices of social re-use of confiscated assets by actors outside of Libera's network.

Geographic Area	Total	Associations	Cooperatives	Foundations	Community Orgs	Others
North	100	46	31	7	4	12
Center	35	14	11	5	2	3
South - Islands	260	171	62	6	6	15
Total	395	231	104	18	12	30

Table 3-1. Number of projects done on confiscated assets by Third Sector Organizations (Libera, 2014).

4 | DEVELOPMENT PROCESS AND VALUE CHAIN

Libera Terra is the result of a multitude of actors and can be classified as an innovation that has come out of a movement.

On May 30, 2000, the Consortium Sviluppo e Legalità was established as a result of an initiative carried out by the Prefecture of Palermo under Renato Profili. The Consortium enabled eight municipalities of the Province of Palermo—Altofonte, Camporeale, Corleone, Monreale, Piana degli Albanesi, Roccamena, San Cipirello, and San Giuseppe Jato—to co-administrate and put to social use their collected assets confiscated from the mafia (Frigerio and Pati, 2007). The Consortium was a pilot project of the Minister of the Interior's Department of Public Security, who managed the communal funds for the National Operational Program "Security for the Development of Italy's Mezzogiorno" (NOP Security) from 2000 to 2006 (Frigerio and Pati, 2007). In 2001, Libera Terra, a project of the Association Libera, making use of the law 109/96, and in collaboration with the Prefecture of Palermo, established the Social Cooperative Placido Rizzotto on the lands of the Consortium Sviluppo e Legalità (Frigerio and Pati, 2007).

In 2000, the NOP Security measure decided to make the Consortium Sviluppo e Legalità a pilot project on a national scale and a growth model for the other areas in the Mezzogiorno likewise affected by organized crime, providing the necessary funding for the project.

The Consortium managed all of the assets, which at the time amounted to about 200 hectares of land with an approximated value of €3,600,000 (Ristretti, 2005). In order to guarantee the success of the project, a Bill of Actions was signed by Sviluppo Italia Spa, Italia Lavoro Spa, Consortium Suggest, and Libera, who were to provide the technical assistance to the project. Italia Lavoro Spa selected and trained the young people who would run the social cooperatives on the land while Suggest and Libera created a project called "Development and Legality" focused on the economic use of confiscated assets. Sviluppo Italia, on the other hand, assisted the cooperatives in making business plans to verify their financial feasibility provided the growth funds at hand (Ristretti, 2005).

The Consortium Sviluppo e Legalità had three objectives: To retrieve the estates confiscated from Cosa Nostra, create employment opportunities through the utilization of these assets, and promote activities that would instill a culture of legality in a territory heavily touched by the mafia (Ristretti, 2005). In support of these objectives, the Consortium in collaboration with Libera and the Prefecture of Palermo, started up the social cooperative Placido Rizzotto-Libera Terra in July 2001 at San Giuseppe Jato. The co-op adhered to Libera and CONAPI, the National Consortium of Beekeepers and Organic Farming.

The co-op, in line with Libera's value placement on the historic memory of those who fought against the mafias, was named after Placido Rizzotto, who after years of hard work fighting against *Cosa Nostra* in his hometown of Corleone as a trade unionist, was assassinated on March 10, 1948, by Luciano Liggio (Consorzio Sviluppo e Legalità, 2002). In July, Libera-Terra opened a public call for 15, unemployed, young people who had graduated in Business Economics for the administrative roles and in Agriculture for the operational roles of the co-op (agricultural technicians were also considered); there was a total of 181 applicants. The selected 15 candidates were then sent to Emilia Romagna for three months of job training coordinated by Italia Lavoro. On November 21, 2001, the social cooperative Placido Rizzotto-Libera Terra was officially founded and received from the Consortium Sviluppo e Legalità 155.54.30 (today totalling at 180) hectares of confiscated land (Frigerio and Pati, 2007).

In the first few months, the co-op made many important steps, including: Establishing their headquarters, refurbishing the confiscated tractors thanks to a €50,000 contribution by CoopFond³, and sowed their first seeds on the territory (Barbieri, 2005). The lands were cultivated organically on a five-year rotation system—grain, legumes, grain, melons or tomatoes, and grain; the territory is also rich and fertile allowing for dry cultivation without water irrigation systems (Consorzio Sviluppo e Legalità, 2002).

Following the first year of development and the establishment of the first Libera Terra cooperative, 8 more followed. In May 2006, the Agency Cooperare con Libera

³ CoopFond is the mutualistic fund of Legacoop. By law, all social cooperatives must deposit 3% of their profit each year in the mutual fund of their choice, managed by the macro-associations of cooperatives. The scope of these funds is to support the growth and development of new cooperatives.

Terra was created and in October 2008, the Consortium LTM. The founding members of LTM included three LT social cooperatives (Placido Rizzotto, Pio La Torre, Terre di Puglia), Alce Nero Mielizia, CoopFond, Banca Etica and Firma TO-Egocentro. Now almost all of LT's cooperatives have adhered (Lavoro e non solo, Libera Mente, Beppe Montana, Le Terre di Don Peppe Diana) (Fiore, 2014).

The creation of the Consortium LTM was a smart move, consolidating the business strategy and agricultural planning of all the social cooperatives centrally as well as the marketing and brand management. (The brand however remains the property of the association Libera.) The success of LTM can be seen in a 30% increase in total turnover in 2010 compared with the previous year. In fact, the total turnover in agricultural goods alone rose 34% (Fiore, 2014).

From 2009 to 2010, the total turnover increased by 30% and the net profit increased by 121% (see table below); results which testify the need for centralized coordination (Fiore, 2014).

	2009	2010	Variation (%)
Gross Profit	3,241,241	4,240,197	30,80%
Total Operating Expenses	3,196,981	4,152,272	29,90%
Operating Profit	44,260	87,925	98,60%
Net Profit	21,300	47,124	121,20%

Table 4-1. LTM Balance Sheet Comparison between fiscal years 2009 and 2010 (Legacoop, 2011).

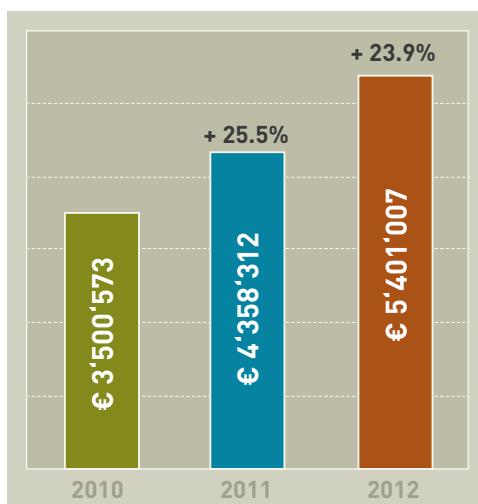


Figure 4-1. LT Food & Wine Turnover (Fiore, 2014)

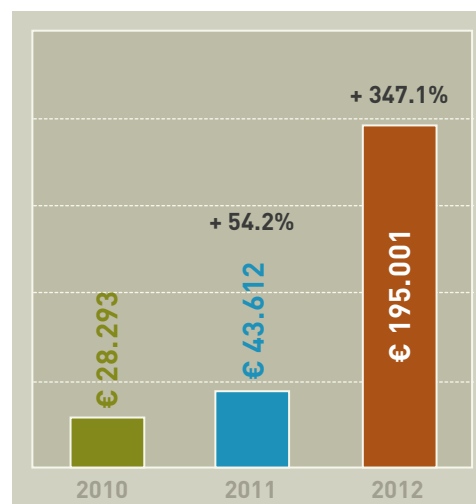


Figure 4-2. Turnover Foreign Markets (Fiore, 2014)

In Figure 4-1, you can see the increase in total turnover for all the food and wine products carrying the LT brand in the years following 2009, the first year of LTM’s establishment.

In these same years, Libera Terra’s turnover in foreign markets rose and experienced a boom in 2012, increasing by 347.12%, of which 58.48% was gained in food sales and 41.52% in wine sales.

The total turnover in 2013 for LT’s products was €5,832,297 increasing by 7.99%. A percentage of the turnover is also gained through royalties for regional activities done using the brand. 2013 was an important year because it showed an increase in international sales, which equalled 20.5% of the turnover (Libera, 2013).

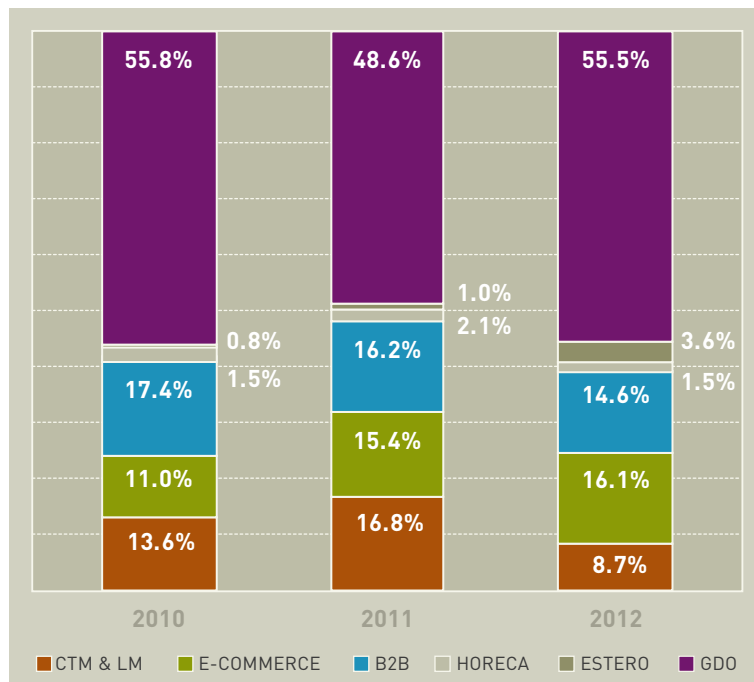


Figure 4-3. LT Distribution Channel (2010-2012) (Fiore, 2014).

Another important aspect that the Consortium LTM manages is the expansion and diversification of the cooperatives’ distribution channels. Their main channel is through COOP super and ipermarkets (established thanks to the support of Lega-coop), covering, before 2010, 65% of its distribution. Other channels are boutique stores and the fair trade chain “Botteghe del Mondo” stores. LTM has been able to

make important distribution contracts with Eataly and Horeca, who are able to distribute their products internationally. Another important milestone was the opening of their online store in 2012, Bottega On-Line. In 2012, LTM was able to sign on new contracts with other mass market retailers other than COOP, opening new collaborations with Conad Sicilia and Nordiconad (Libera, 2012).

As can be seen in the graphs below, the turnover in foreign markets by country was greatly influenced by the introduction of the online store in 2012.

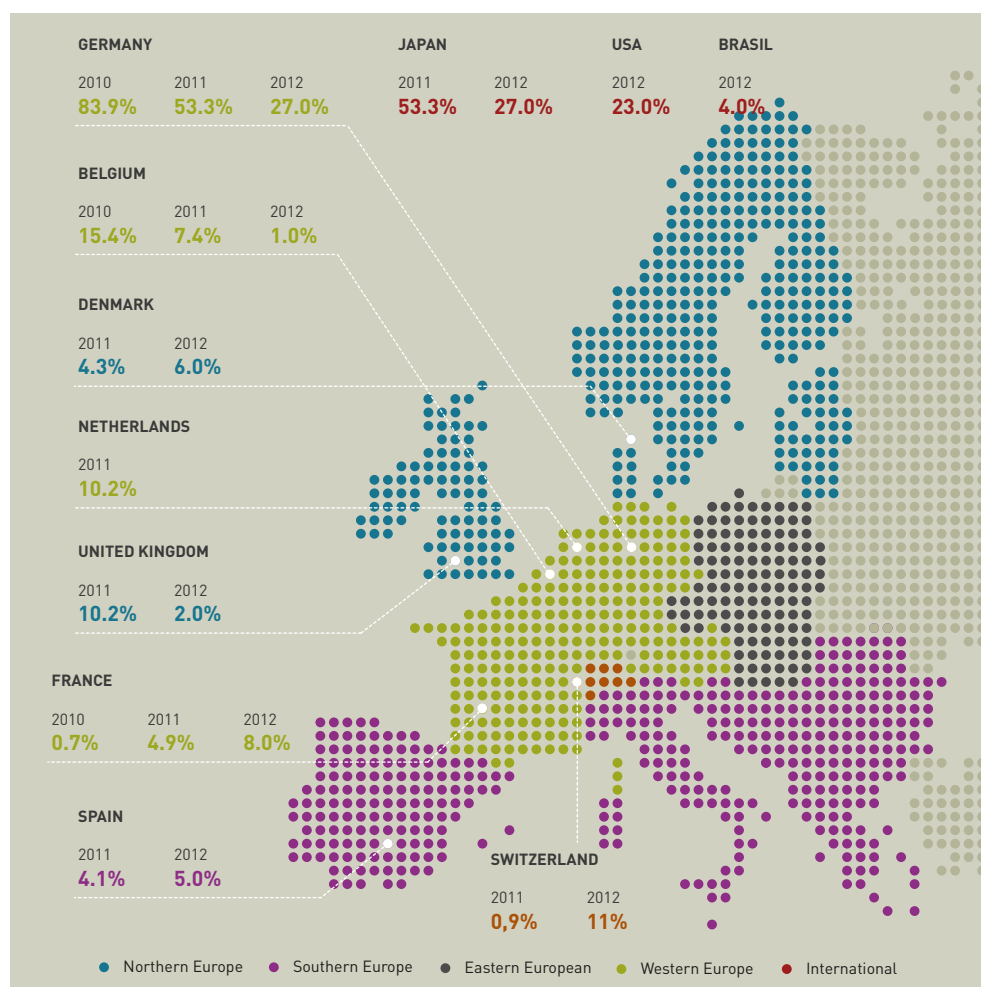


Figure 4-4. LT Turnover in Foreign Markets by country (2010-2012) (Fiore, 2014)

As mentioned earlier, there has been a steady growth in membership, partners and in turnover, which can be seen in the following graphs which highlight the various actors involved.

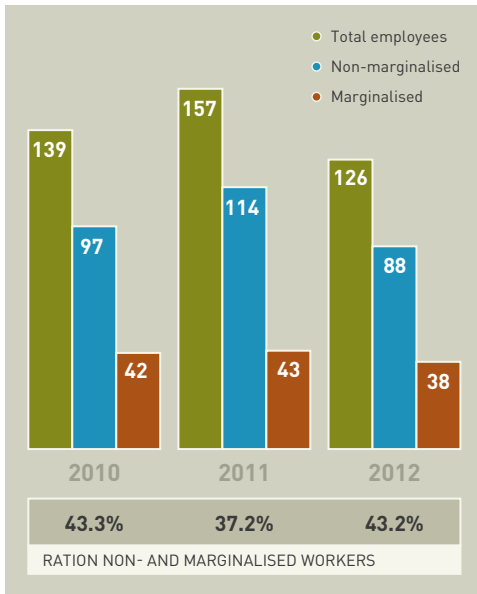


Figure 4-5. Trend Number of Employees (Libera, 2013)

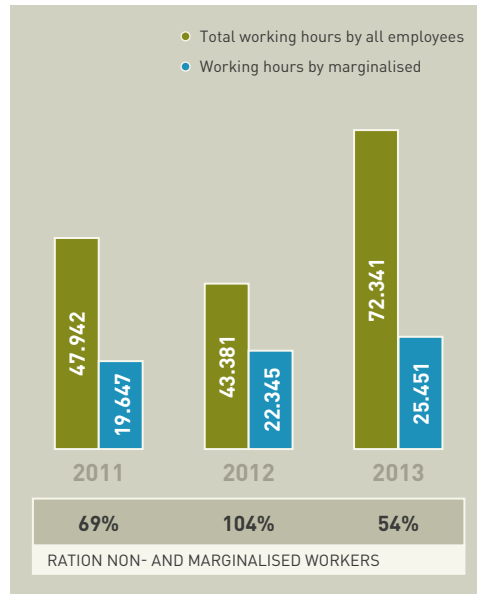


Figure 4-6. Trend Working Hours (Libera, 2013)

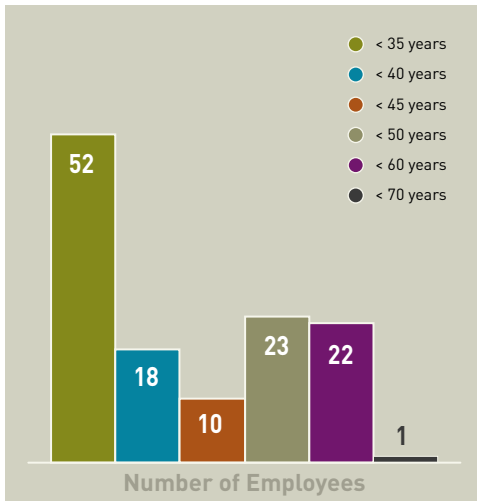


Figure 4-7. Employees by Age (Libera, 2013)

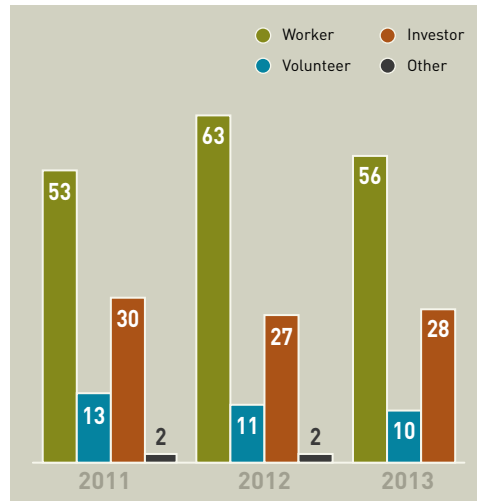


Figure 4-8. Member Composition (Libera, 2013)



Figure 4-9. Number of Volunteers (Libera, 2013)

As can be seen from the graphs, Libera Terra has a high level of social consensus and social capital, as evidenced in the substantial amount of volunteers that support its cooperatives through their program, *E!state Liberi!*. It also has a fair amount of *soci sovventori*, a special figure in social cooperatives who act only as investors and not as workers. *Soci sovventori* have the same voting power as any other member, according to the principle (one head, one vote), regardless of how much capital was invested. Another important thing to notice from the graphs is that the majority of the workforce is under 35, which was one of the main objectives of the project.

One of the dominant growth risks, however, involved in the project is the problem of ownership. Since the asset remains the public property of the municipality, this proves to be quite problematic for the cooperatives for two primary reasons. First, the obvious danger that the asset could be taken away and all the investment done on the property would remain, rendering the project fragile. The second is that due to the lack in land ownership, the cooperatives face high barriers to loan access due to the lack in collateral and hence cannot easily invest in growth strategies. Other barriers are those resulting from the mafias, either in damaging the property before leaving, creating high start-up costs or in damaging the property afterwards, e.g. lighting fires to tractors, damaging the land/crops, etc. The damage created on the property before conferment is often exasperated by the long juridical delays during confiscation, leaving the assets abandoned for long periods. The latter is a point that could be changed and must in order to render the system more efficient and effective.

5 | EVIDENCES FROM THE CASE

5.1 Problem to be addressed and idea

Libera Terra is a unique solution to a very old yet persistent problem of organized crime organizations in Italy. What makes it unique is the concerted effort by multiple actors and the importance of policy for the solution to work. As highlighted in the business case, the history of the mafias in Italy and the development of the anti-mafia movement present a key lens through which to analyse the social innovation of Libera Terra. The normative evolution of anti-mafia legislation, which went from focusing on the social security of the citizens in the economically and socially depressed zones of Italy's Mezzogiorno to focusing on the economic threat to the entire nation, reflects the strategic objectives at hand. The law 109/96 is a result of this shift and the advocacy of the association, Libera, and the vision of its founder Don Ciotti. Advocacy played an important role in gaining the necessary social consensus from civil society.

Considering the socio-economic framework that was in place in these areas, the work done by Libera was fundamental. Italy's Mezzogiorno is and was characterized by very low social capital, high diffidence in government and low levels of trust, as pointed out in Putnam's *Making Democracy Work*. The anti-mafia movement was thus as much a work of building civil consciousness as building awareness of the mafias, empowering citizens to take action and soliciting normative reforms from the government. The signing of more than 1 million signatures to petition the government to pass the law 109/96 represents a significant victory socially, in terms of having created a unified consensus and awareness, and economically, in terms of new resource generation.

Advocacy hence proved essential in creating the law, without which the solution wouldn't have been possible. In parallel with this, the work done by the large network of associations that joined Libera was equally important in creating networks of horizontal collaboration to fill the gap in civic norms, trust and services. Libera Terra, the entrepreneurial branch, is the actualization of the law 109/96 as it makes use of the confiscated assets to create collective benefit.

5.2 Core solution and motivations

As the SI is based on the use of community assets and the employment of vulnerable people as active “assets” of the solution, a lot of attention and care must be placed on value creation and governance. Since Libera Terra’s cooperatives are located in highly corrupt areas, the barriers (economic, social and cultural) to being competitive in local markets are high. Advocacy as well as innovative marketing tools and strategic partnerships become essential to remaining on the market. While benefiting from fiscal advantages given to social cooperatives under Italian law, these cooperatives must embed themselves in the community in order to draw local support as well as distinguish themselves for the quality of their products rather than relying solely on the ethical/social message for sales in target markets. Having a strong network and a professional work ethic is pivotal.

Libera Terra also highlights the importance of having a proper ecosystem to foster development. This requires that there be networks and infrastructures in place that facilitate the growth of the solution (e.g. financial tools, investors, intermediaries, human resources, policy makers, etc.) As mentioned above, the solution is the result of the concerted effort of civil society organizations, civil leaders and policy-makers. Libera Terra requires their constant support to open doors but simultaneously needs to be able to be commercially competitive in target markets, which means selling for quality and not compassion. Furthermore, confiscated assets cannot be sold and are allocated via public tender to Third Sector Organizations. Ownership hence remains that of the municipality, prohibiting access to private investment and thus hindering growth and development. The question of credit access and private financing is gaining increasing importance for the sustainability and competitiveness of the enterprises as they currently rely on any eventual surplus, public grants and donations to fund growth strategies.

The founders of the cooperatives are rarely single individuals but rather organizations. It’s clear that the top management of these organizations must be strongly motivated to undertake new initiatives and to face the large amount of bureaucratic measures that come with the assets along with the other barriers: lack of ownership, high startup costs and high risks. Benefits of belonging to a strong network however help to give incentive and foster positive growth.

5.3 Development process and value chain

As already mentioned above, the principle driver of the solution was the anti-mafia movement and the law 109/96, which granted the conferment of confiscated assets to Third Sector Organizations for social re-use. The key actors: the state, the magistrates, civil society and Third Sector Organizations played and continue to play pivotal roles in managing the value and shaping the development process.

Firstly, the state and the magistrates worked efficiently to combat the problem of organized crime, shifting its focus with the dynamic nature of the mafias, moving from focusing on personal security to economic power. They must continue to shape policy in a way to progress the evolution of the law. Some critical issues currently pressing policy-makers in this regard is the issue of speeding up the bureaucratic process of confiscation and conferment, the possibility of selling the assets and the issue of ownership and funding.

Secondly, Libera formed a strong network of Third Sector Organizations to gain the necessary know-how to manage these assets. Libera Terra also created the Consortium Libera Terra Mediterraneo and the Agency Cooperare con Libera Terra to facilitate commercial growth strategies and knowledge and skill transfer. An important part of this is gaining the skills necessary to bring quality to their products and to be competitive in traditional markets. The products must be chosen for their quality and not solely on their ethical or social value. Pricing is also important as well as market placement which is handled centrally by the Consortium for the social cooperatives that have adhered. Being part of a strong network and supporting ecosystem brings great visibility and publicity to the SI especially when linked to a strong mission. LT benefits greatly from the advocacy of its parent association Libera and from its network of partners, including COOP.

The startup phase for enterprises built on confiscated assets face specific challenges related to the type of assets that they manage. These include the following: higher startup costs for damaged property restoration; problems in accessing funding sources; lower access to the top of the talent market and poorer and weaker commercial markets due to the geographical location; and increased risk in property damage from organized crime organizations. There are also long-term barriers that prohibit growth which include increased risk in losing property management

due to lack of ownership; lack of access to financial tools, policy changes and shifts in market trends.

Some advantages for these enterprises include the fiscal advantages given to social cooperatives, the strong network they belong to and the strong social message. They also benefit from specific funds dedicated to these assets and a strong brand image.

Some of the key benefits produced by Libera Terra is the creation of local employment opportunities, the strengthening of local production, the creation of new markets, the diffusion of an entrepreneurial and ethical culture in the territory and the creation of best practices for scaling efforts.

6 | DISCUSSION OF EVIDENCES IN SIMPACT'S THEORETICAL FRAMEWORK

6.1 Social Innovation Components

6.1.1 Actors

The role of the magistrates is to be sure that the normative framework remains a relevant and effective tool to combat the mafias and that the anti-mafia is sufficiently supported and given the right incentives/fiscal advantages to be a concrete social and economic alternative to that of the mafias.

The social cooperatives must be concrete providers both of employment and produce quality products and services. The leaders of these cooperatives are usually highly motivated and well inserted in the anti-mafia movement and local networks. They also typically come from these territories and identify personally with the problems resulting from a strong territorial presence of the mafias.

The role of civil society organizations is to create awareness that the mafias exist and the correlating problems. They also have to advocate for specific supporting measures, which they do through petitions and awareness campaigns. Their work is fundamental in creating social consensus.

Another very important observation is the strong role played by the cooperative sector in Italy. Legacoop and Coopfond were instrumental to the success of LT during both the startup and implementation phases and is continuing to be in the scaling phase. The legislative framework regarding social cooperatives in Italy has created a mutualistic framework for these enterprises with specific fiscal benefits and funds. This element increases the context-dependent nature of the SI solution.

6.1.2 Resources

The sourcing of its resources is a fundamental element of Libera Terra. The main asset, the confiscated asset which in the case of Libera Terra is a land asset, is granted via public tender to a Third Sector Organization. The only entrepreneurial form allowed by the law 109/96 is a social cooperative, thus requiring that 30% of its work force be composed of disadvantaged subjects (l. 381/91).

Furthermore, the production is controlled by specific ethical standards: Organic farming and mafia-free. Specific contracts, controls and certification is required of suppliers, which conditions the supply and works towards creating a better business environment. Furthermore, the contracts come at a fixed price, which doesn't vary, creating an incentive for local suppliers to work with Libera Terra.

Employment is done locally and training of employees is offered through the Libera Terra network, mostly from the Agency Cooperare con Libera Terra.

6.1.3 Institutions

The institutions fostering the development of Libera Terra enable it grow. Without the creation of the law 109/96, the solution could not exist, at least in the form it does now. Thanks to the law, access to confiscated assets is granted and thanks to the structure of the law the only entrepreneurial form is the social cooperative. The law itself is the result of a petition made by the association Libera and solicited by civil society. Hence we can conclude that the institutional framework is both a pre-condition and a result of the anti-mafia movement and that Libera Terra is the realization of one of the solutions. Its future is also dependent on the evolution of these laws and the support of other institutions to which it currently doesn't have access (i.e. banks, impact investors, etc.).

6.2 Social Innovation Objectives

The actors directly engaging in the SI are the leaders of the Third Sector Organizations who manage the asset, the employees, the suppliers and the supporting structures (Consortium Libera Terra Mediterraneo and the Agency Cooperare con Libera Terra). All of the actors are driven by Libera Terra's mission, in part due to the specific Italian problem that it represents but also because it is a problem that

now affects everyone. As the mission is to create a concrete alternative to the mafias, the economic sustainability of the SI is relevant to all of the actors, in particular the leaders, the employees and the suppliers who draw direct economic benefit from the activity. Moreover, engaging in clean economic activities creates positive social impact on the entire community and the territory.

Due to the large number of barriers and challenges to be faced when managing confiscated assets, the need for specialized and skilled professionals is key. This however is difficult to find while maintaining the pre-imposed conditions to hire locally and respect the law and staff 30% of the labour force with disadvantaged subjects. The result is that the level of professionalization remains low and hence the trade-off between skilled professionals and possibly lesser skilled, local employees.

6.3 Social Innovation Principles

6.3.1 Modes of efficiency

Libera Terra's social cooperatives distribute their economic resources primarily to cover costs. Any remaining surplus is reinvested in the company. The lack of access to financial tools limits the cooperatives to focus on short-term success. Yet, the majority of their strategic thinking in terms of branding is bound to a long-term vision of sustainability based on quality. LT seeks to be autonomous but once again due to the barriers it faces in private funding, is highly dependent on government subsidies and donations for growth. It also benefits from a large number of volunteers who help with harvesting and restructuring.

In terms of visibility, it benefits greatly from the cooperation agreements it has with Libera's large network of associations and organizations.

Commercially, it benefits from its strong partnership with COOP, which provides them with distribution channels to sell their products.

6.3.2 Modes of governance

The governance of Libera Terra can be defined as co-regulated by Civil Society Organizations and other relevant stakeholders (i.e. consumers, employees or the local

community), enforced by creating standards and rules. The social cooperatives are also held by law to respect the governance rules binding them to a mutualistic form of governance centralized on mutuality and a principle of one head, one vote.

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