

## AN INSPIRE SOCIAL ENTERPRISE CASE STUDY Arcobaleno Cooperativa Sociale – Turin, Italy



Daniel Iannaci works in the management control, impact assessment, and social reporting department at Arcobaleno Cooperativa Sociale, a social enterprise whose mission is to employ fragile people, i.e., by offering concrete opportunities for reintegration through work, and consequently generating a double value: economic and social. The cooperative does this by providing services for the environment, digitalisation, and nutrition, promoting labour inclusion and becoming a successful example of social entrepreneurship. Since 2017, he has been working on developing new models of inclusive social reporting through a PhD project that included the University of Turin - Department of Management.

**Federico: Can you tell us about your journey and how you decided to join a social enterprise instead of following the traditional route?**

**Daniel:** First, thank you for the interview. As I understand it, the “*traditional path*” involves completing my studies and finding a job that involves working in big companies and multinationals with shiny brands. The commonplace is that this gives prestige and enhances the CV. Having understood which channel to direct my passions and energies, the choice has always been between 'traditional' and challenging. The scales always tipped on the latter. I embarked on a career as a Chartered Accountant and Auditor about 12 years ago, even though these days it is not easy because it has lost the centrality and authority it had 20 years ago. While bureaucracy increases, one has to be good to make room for activities that fill the spirit and allow the development of essential business ideas that give legs to those who had the statement at the time. That means lots of challenges every day. I seemed to have found my arena, but then I had the opportunity to get back into the game through a PhD program.

I cannot generalise with all colleagues who have undertaken or will undertake this career because I have learned that everyone will have different stories influenced by your area. This university gives you this opportunity and the research team you are part of. Well, my experience between PhD and PostDoc has been a continuous challenge. Remember I was telling you where my scale hangs in these cases? Here in 3 years of PhD. I have done things that the 'traditional' path you mentioned earlier would have taken me, perhaps ten years to experience. I have had the opportunity to measure myself all the time, but above all, I have had a chance from day one to set foot inside Arcobaleno Cooperativa Sociale.

The concept of “*hybrid*” was present in my research and, above all, in the path, I was taking because I was combining academia with social cooperation; I was studying that world and living it. I realised early on that I would face many challenges there, but they were no longer individual; they were for the community and the ecosystem. I was getting to know more and more about the cooperative team

that has a 30-year history and has made history by becoming an example for the area. I realised that I wanted to play these games with them.

My passion and the experiences I had gained in recent years made me believe that I could support them and make a difference. I soon realised it was still insufficient; I needed to live and breathe social cooperation from within. No study could complement what I lacked; I had to make another difficult choice but one that filled me with pride.

**Federico: What are the everyday activities in Cooperativa Arcobaleno?**

**Daniel:** We have been providing services in Turin for about thirty years. We started by offering environmental services, and over the years, we have also developed other activities, such as digitising paper archives. We provide concrete employment opportunities to disadvantaged people and protect the environment. The quality and values of our work have made us a business group and a successful example of social entrepreneurship today.

We have always sought a balance between doing business and caring for people and the environment. We started with the Cartesio project - the paper and cardboard collection service made unforgettable and iconic by the 50-litre yellow bin placed in the hallways of Turin apartment buildings - but for years now, we have also been investing in innovation and new businesses. These activities have consolidated our prestige and credibility in the area - going beyond the borders of Turin - and have enabled us to create a group with very interesting numbers.

On the threshold of its third decade, Arcobaleno, therefore, offers a complete range of services dedicated to waste collection (paper and cardboard, bulky items, multi-material, safely removed asbestos and WEEE), digitisation and archiving. In addition, it controls no less than four companies, which we participated in designing or developing, which also operate in other sectors, but which adhere to our philosophy, guaranteeing an essential continuity of values. By itself, work alone is no longer enough to alleviate the hardships of our fragile population; we have to come out of the cooperative gates. We are waiting to be able to start work on providing the neighbourhood, in which Arcobaleno has its headquarters, with a multifunctional sports facility that can also involve the population that lives there, and which broadly represents one of the most drained areas of the city. At its foundation, it had five workers, which has grown to about 300, more than 30% of whom are disadvantaged.

**Federico: And on the level of services towards the employed, what are the special features of Cooperativa Arcobaleno?**

**Daniel:** With this question, we get to the heart of social action.

Arcobaleno operates on a non-profit basis as a social enterprise and pursues social goals, constantly searching for a balance between doing business and caring for people. It does not simply give a job because employees would not be enough to reintegrate the person. The aim is more important: to also provide members with educational, training, and housing spaces for a more complete and adequate integration (or reintegration) into society. For Arcobaleno, the concept of social enterprise is a mission, not a business name!

Arcobaleno wants to position itself towards its members as facilitators of processes, exploring needs and aspirations, and building new relationships. The cooperative promotes collaborative forms beyond traditional area logic.

The aim is to create new social and relational values to respond to the unique needs of vulnerability and fragility the community is experiencing.

The welfare policy put in place from the outset involving the cooperative's members provides for:

- HEALTH: coverage through a health policy with an extension of the approach to the family unit;
- ECONOMIC SUPPORT: through the tool of loans to members;
- CONSULTING: fiscal consulting activities for employees;
- TRAINING: to broaden the skills of members with the hope of providing insights that can improve their lives within the ecosystem to which they belong, Arcobaleno has implemented over time;
- Computer and social network courses;
- Courses for public speaking realised with Scuola Holden;
- Courses for driver qualification card renewal;
- Driving School courses for acquiring a C licence;
- WELLNESS: YOGA and Physio-Pilates courses;
- OUTINGS WITH THE FAMILY: outings that succeed in creating opportunities for members to share and cultural enhancement for the entire family;
- CULTURAL PROJECT: Finally, through Arcobaleno's cultural projects, such as “Arcoturismo”, we contribute to the development and implementation of policies to promote sustainable tourism that supports local culture and products and, above all, create a "conscious will" among members.

**Federico: Thank you very much for the stimulating answers. After framing the social enterprise (Cooperative), I would like to focus more on the topic of tasks and competencies. What are your jobs in it, and what competencies do you see around you?**

**Daniel:** Today, it is difficult to name my job because, given my background and skills, the areas I touch are financial and non-financial. If I had to try to summarise, we could say financial and non-financial management control. The literature helps us frame the last aspect precisely because of the intangibles. I can give space to this activity through my position as a social impact assessment and social reporting manager. Thanks to the Department of Management of the University of Turin, represented by Prof. Biancone and Prof. Secinaro and their entire team, we have started a process of experimentation precisely on the subject of social impact and measurement to create an “integrated” accounting system within the social enterprise that can translate all those social impact facts that occur during the year, which will then have the ultimate consequence of reporting, as for the economic and financial realities. It means restructuring the foundations precisely because we strongly believe in these values. At the planning stage, our social impact objectives are reflected in the actions we decide to put in place to achieve them. In the cooperative, I have met critical people with different characteristics who have enriched and continue to enrich me. Without their collaboration and confrontation, I would not have been able to think of achieving some of the results we have managed to achieve.

All around me, I see excellent business skills to make a concrete reality necessary to achieve social goals. The cooperative was born out of an intuition that managed to create many jobs and give many people life again. It is fascinating to see that the company's gaze is always turned towards the future, so much so that years ago, it created the research and development area, which among various experiments, led to the creation of seemingly distant companies that are part of the Arcobaleno Group. The goal is the same, to test and find new ways to create experiments at an industrialisation stage that can give space to more people.

Social work inclusion is essential to us, as you will understand.

**Federico: From your daily experience, do you think being a social entrepreneur is more challenging?**

**Daniel:** Good question, Federico. I think I can answer it very personally; we cannot develop a theory. I believe that each of us has characteristics and vocations, and for this reason, we must have the strength and also the luck to follow them. This allows us to express ourselves at our best. We cannot always do what we want. I have known colleagues with totally different pasts who go out into the streets every day to collect paper, who have fundamental values and who are not chasing the dream of a lifetime but who have been taught by life itself that happiness lies in being around people you love and sharing as much as possible with them. This can be translated into the family and the working environment. I believe that in Arcobaleno, you can breathe a climate not easily found in other companies. These considerations lead me to answer your question: being a social entrepreneur is challenging for me, but this does not mean that all others are not good. The rules of the market and corporations have led to progress over the years, the progress that today brings us to talk about current topics such as artificial intelligence. As I see it, growth has to happen with the third sector through social innovation, and social cooperatives play a crucial role, as I have said in numerous publications. I believe Arcobaleno is responsible for facing challenges that perhaps other smaller realities cannot even imagine, but everything happening in recent years has also put us in difficulty. Partnerships with the territory and the city are fundamental to cooperation, planning, and co-designing. So, all of this, for me, is challenging because the social sector needs to have more of a voice to continue to pursue its mission, and to me, this is very stimulating. In conclusion, for me, it is more challenging. The needs are to create working tables with all the institutions that lead to concrete actions capable of generating social impact for all because, as theories on the subject teach us, when we talk about influence, it means that it also benefits those who have not had a direct interest in this reality such as citizens.

**Federico: How do you see the relationship with the City of Turin, and how would you assess the role of partnerships in the area? Do you feel supported?**

**Daniel:** You asked the right question because I mentioned the centrality of partnerships earlier. Alone we go nowhere, social cooperation already knows this, but as a company, it is necessary to dialogue with other realities of the third sector, institutions, and the city. Be careful. However, when I speak of partnership, I also mean sharing our values and working with other realities. I mentioned at the beginning that we were born with the intuition not only to do paper collection but to do it with the 'door-to-door' method. At the time, we were the first to do so. Here, for example, it was precisely this experience that we were able to share internationally through Arcobaleno's mission in Argentina to help a cooperative create a virtual reality of 'cartoneros'. The innovation already mentioned cannot be done alone but only through the coming together different realities and experiences. In this, there are now many projects done in collaboration with universities and polytechnics. I am here today to talk about these issues and my experiences precisely thanks to the intuition of Arcobaleno and the University of Economics to start a research project that fortunately saw me involved.

**Federico: What do you mean by communication? And how do you see the role of communication in a social enterprise?**

**Daniel:** If I were to ask the same question around, I would probably associate the term communication with marketing. Instead, my job leads me to experience communication as a tool to create awareness, transparency and responsibility. We still have to distinguish that these messages are for those inside and outside the company. You do internal communication through the many meetings that lead to a confrontation between members aimed at sharing and transparency and external communication with meetings in the territory. For example, collaboration with the University is now a consolidated element. This allows us to make young people understand what we do, tell them what activities and services we provide, and why social enterprises are as attractive as the big companies with better-known brands.

The tool I intend to use to communicate to internal and external stakeholders is social reporting. This allows you to go beyond numbers; the study carried out with my research group during my PhD years was aimed at creating a popular reporting structure for social cooperation, which can be read by professionals and non-professionals alike. Because at the end of the day, this is the only critical aspect of the annual report; only if you are an expert can you get so much information.

The study continues because there are no one-size-fits-all guidelines, so we are still discussing the challenge of finding and inventing a set of indicators that can objectively and transparently tell the story of Arcobaleno. Anyone who has done scientific research knows that a study must be repeatable to be considered valid, a principle we have in mind. Two years ago, we structured a social impact assessment that we then shared with other social cooperatives in Piedmont and Italy. Speaking the same language also means being more representative of the territory, being comparable, and making sure that we can bring concrete information capable of making important decisions for the territory at the famous partnership tables.

**Federico: Thank you very much for the very interesting insights. Coming towards the conclusion, what would you feel like recommending to university students on the same path as you and social business people?**

**Daniel:** The suggestion to students is to gain experience. The only way to understand our path is to touch it with our hands. I recommend not waiting until you finish your studies to work because that is when the experiences that make a personal difference occur. The labour market then wants that preparation given by the university and experience gained in some reality, all together also provides a certain decision in the person concerned because clearly, the ideas become more concrete.

I give advice for all areas, even an academic career, because talking to students about business without having experienced it is difficult, and students understand that.

In conclusion, I advise students to experience as much as possible and not necessarily in their home country, this leads to significant growth.

For those who do not know which path to take, I want to break a lance in favour of social work. It is a dynamic environment that transfers values to you that you are willing to fight for. Personal professional growth is there, but working to restore people's dignity, to restore a sense of living through the language of the company and transferring it to the territory is, in my opinion, something worth investing in.



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