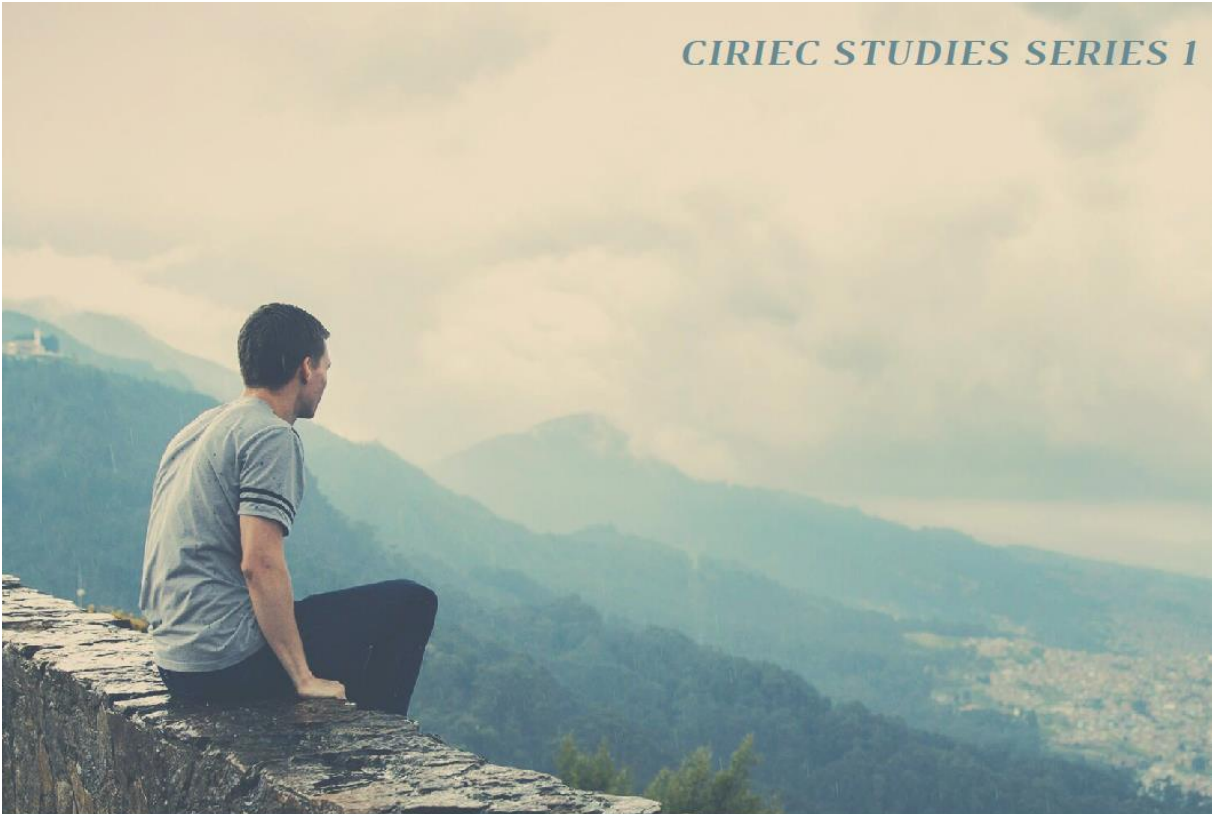


CIRIEC STUDIES SERIES 1



CHAPTER 1

**THE CONTRIBUTION OF THE
NON-PROFIT SECTOR IN NARROWING
SPATIAL INEQUALITIES:
FOUR CASES OF INTER-INSTITUTIONAL
COOPERATION IN ITALY**

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Part of *Providing public goods and commons. Towards coproduction and new forms of governance for a revival of public action* by Philippe BANCE (dir.), 2018

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**The contribution of the non-profit sector
in narrowing spatial inequalities:
Four cases of inter-institutional cooperation in Italy / Chapter 1**

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Abstract

In this chapter we illustrate how the public sector might fail in narrowing spatial inequalities, and how both underdeveloped markets and urgent territorial needs create in peripheral areas robust individual incentives to turn into non-profit activities or even household production. In all those situations, a well-developed non-profit sector can offer marginalized or excluded social groups a legal and ethical opportunity to obtain a decent income by offering rewards (monetary or non-monetary) in exchange for volunteering, allowing households to afford the cost of living.

Laying on the results of the analysis, we discuss four cases of successful cooperation among SSE institutions by one side, and the private and the public sector on the other. In all those cases, the private and the public sector decided to facilitate the development of the non-profit sector by contracting out part of the production process to reduce costs and achieve a higher level of effectiveness. The result was successful because the non-profit sector did not incur in the opportunistic behaviors that might affect profit-oriented activities.

Therefore, we suggest how local inter-institutional cooperation among the SSE, the private and the public sector should become the norm rather than the exception, in order to achieve at the same time a higher level of equitable and sustainable development and well-being.

Keywords: marginalized places; distance costs; non-profit institutions; spatial inequalities

JEL-Codes: J54, L34, R11, R12

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Introduction

Since the seminal Theory of Central Place developed by Christaller (1933), cities have been usually perceived as poles of territorial development because they cluster social and economic activities, reducing transaction costs and generating economies of scale and agglomeration. Also empirical literature proves that economic activity and productivity are more intense in urban areas, i.e. when a consistent aggregate demand, economic agglomeration, and a consistent infrastructural stock facilitate the economic routines (Ciccone & Hall, 1996).

However, if, by one side, the proximity (geographical, relational, cognitive, institutional) to the export markets and the access to a large domestic market are key factors to contrast isolation and distance (Redding & Venables, 2002), it is also true that remoteness puts small and isolated economies in a position of marginalization and deprivation. Furthermore, the degree of centrality and the spatial accessibility to goods and services market generate migration inflows toward the urban areas, often depriving the rural areas of skilled jobs, business services and technological expertise. In all those cases, as often indicated in the vast urban-rural literature (Champion & Hugo, 2004), cities polarize the space becoming “central places” that, in the absence of development and cohesion policies, relegate suburbs and rural areas to the role of “peripheries”.

Laying on these premises, our research focuses on the issue of spatial inequalities and on the impact of “distance costs” (i.e. costs generated by a multivariate spatial distance from the central place) on the level of economic activity. Specifically, we observe how, in a territorial framework characterized by the dualism between cores of economic agglomeration and left behind peripheries, where residents and firms have to pay higher distance costs (i.e. fuel costs, transport and commuting costs, labor market accessibility costs...), the institutions of the social and solidarity economy (SSE) are able, at least partially, to offset the distance costs and to satisfy the aggregate demand of goods and services served neither by the market nor by the State. The reason is that, by operating directly in peripheral areas and by matching the needs of marginalized communities, they are more resilient to marginalization and they are able to pay lower monetary wages and dividends compared to for-profit firms, as they primarily reward workers with non-monetary assets (Frey, 1997; Leete, 2000; Narcy, 2011; Becchetti *et al.*, 2012).

The remainder of this contribution is as follows:

- in paragraph one, we briefly summarize the major issues regarding the interaction between geographic and economic thought, and we use the issues collected to provide a brief explanation of the connection among peripheralization, marginalization and exclusion;

- in paragraph two, we discuss the rationale that might induce marginalized communities and individuals to explore the opportunities offered by a well-developed non-profit sector;
- in paragraph three, we present four cases in which non-profit institutions have been able to overcome a specific kind of distance cost, by developing synergies with the public and the private sector;
- in paragraph four, we briefly draw a set of recommendations and conclude.

1. Economic theory, institutions and geography: an epistemological comparison

During 1950s, polarization theories emerged as a critical response to the neoclassical theories, according to which regions would converge towards a common equilibrium of productivity and wealth (Myrdal, 1957; Hirschman, 1958). The growth processes observed in central places were linked to the shrinking processes affecting peripheries via the interregional mobility of people, goods and capitals. In the 1960s and 1970s, the concepts of “growth poles” and “growth centers” were related to the spatial scale of cities and their surroundings, measured in terms of agglomeration, and density of services and activities. However, the dichotomy between centers and peripheries was questioned and often considered dubious, therefore, since late eighties, several strands of economic literature tried to innovate a consolidated economic view that so far had mostly ignored the spatial implications of the economic behavior.

At the beginning of nineties, Krugman innovated the relation between geography and economics, by providing an endogenous explanation of the agglomeration processes. Specifically, in his seminal work of 1991, he illustrated how, in a two-regions, two-sectors general equilibrium model, under specific hypotheses regarding firms’ behavior and the underlying scenario, due to circular causation the manufacturing sector concentrates in a unique region. Furthermore, he adopted the increasing-returns-to-scale hypothesis to explain how economic behavior is “path-dependent”, i.e. initial conditions determine the optimal location into which agglomeration economies must be produced. Finally, Krugman proposed to analyze firms’ localization choices through a model-based approach, involving a multiregional scenario accounting for transport costs, economies of scale and factor mobility (Krugman, 2011).

An alternative view was provided by Douglass North, which abandoned the perfect rationality assumption and focused on the rise of transaction costs to invalidate standard neoclassical results, downsized to a hypothetical benchmark case of maximum efficiency. According to North, transaction costs always exist and might depend both on the “costs of measuring the multiple valuable dimensions of the goods or services exchanged or of the performance of agents” and on “the costs of enforcing agreements” (North, 1992). Therefore, rather than on efficiency and market clearing mechanisms, the economic performances depend on institutional

changes, i.e. on changes in the formal and informal rules that regulate the interactions among organizations at several societal scales (political, economic, social and educational).

This theoretical debate might be considered as the analytical counterpart of the ongoing debate on the issues of periphery and peripheralization. Following Kühn (2015), the concept of periphery refers to a regional/local structural view that considers remote areas as disadvantaged by construction, due to a higher distance from the centers and scarce population. This condition is in a certain sense immanent, as, both in the urban-rural dichotomy and in the core-periphery model, once the initial conditions are fixed, they cannot be reversed, at least in the short run. A more dynamic concept is instead that of peripheralization, which refers to the process of “production of peripheries” and involves multiple dimensions (Kühn, 2015).

By providing an integrated view of the literature surveyed, we observe how, at economic level, as argued by Krugman, a process of centralization implies the agglomeration of the economic activities in a core location, and consequently new jobs, economic growth and R&D investments. On the contrary, an economic process of peripheralization implies deindustrialization, and therefore unemployment, stagnation and lack of innovation. At political level, as argued by North, centralization means achieving the institutional power to design incentive schemes to promote local interests, while exclusion means the lack of this power. At geographic (informal) level, centralization means the development of a common narrative enforced through shared norms, while marginalization means the loss of heritage and cultural identity, and therefore homologation.

Finally, it is worth noticing how territorial imbalances and spatial inequalities are usually more pronounced during recessions and in times of crises, when the action of public and private institutions (firms, administrations and financial intermediaries) is limited to what can be considered financially sound. In those periods, central places often focus on core business activities or follow innovation patterns that, as a collateral effect, lead to cut the supply of good and services to the neighborhoods, producing peripheralization. Therefore, marginalized communities are forced to explore complementary patterns of development to overcome the economic scarcity. Indeed, both underdeveloped markets and urgent territorial needs create in peripheral areas robust incentives to turn into non-profit activities or even household production by virtue of social norms which motivate individuals to focus on achievements rather than on monetary compensations.

2. The role of non-profit institutions in activating sources of local development

Public institutions play an important role in fostering economic and territorial development, by:

- providing more public goods and welfare to the excluded, especially in marginalized places, to compensate spatial (social and territorial) inequalities;
- providing incentives for investments that reduce vulnerability to shocks (environmental, economic, social, human), and by promoting and sustaining resilience in time of crisis.

Notwithstanding the action of the public sector, several factors underlying economic poverty and marginalization still constrain the level of agency and participation of a relevant share of population. To overcome these bottlenecks, and to improve resilience, to reduce vulnerability and to achieve equitable and sustainable development, we suggest how the non-profit sector, taken as a large category, must become a major source of employment and a key player in eradicating poverty. Specifically, non-profit institutions (NPOs) are in charge for a large share of the production and distribution of goods and services with the employment of voluntary workers, while non-governmental organisations (NGOs) are crucial for what concern foreign aids (Salamon, 2010). Lastly, civil society organisations (CSOs) are becoming a major resource in supporting the public sector in developing activities of public interest. For what concerns cooperatives, they have a mixed nature as their objective function nests profit and dividend maximisation for their members in a mutualistic logic, where employment and availability of goods and service is more relevant than earnings. Moreover, cooperatives as place-based organizations are very keen in satisfying territorial needs (Birchall, 2011).

In the coming years, therefore, non-profit institutions need to change profoundly to meet the increasing unsatisfied demand of welfare, while facing harsher economic conditions determined by more competitive and volatile markets, and by the collateral effects of globalization.

2.1. The economic incentives at the base of household production and non-profit activities

Non-profit institutions can contribute to narrow spatial inequalities by rewarding volunteers and donors with gifts that are more valuable than the wage offered in the same place by private firms and by the public sector. As an example, in remote places the cost of living might be higher than the wage offered in the same place by either the private or the public sector. Furthermore, in remote places the latter might be unable to employ everyone looking for a job. Therefore, in the absence of non-profit institutions, at least a share of residents is structurally unable to afford the minimum cost of living, and suffers the negative effects of economic marginalization. Indeed, in

the short run marginalized residents have no exit strategies, as both economic development and migration require time and resources.

A well-developed non-profit sector, instead, can offer a legal and ethical opportunity to obtain a decent income by offering rewards (monetary or non-monetary) in exchange for volunteering, allowing marginalized residents to afford the cost of living. As in the central place a significant share of residents' demand is satisfied by the market and by the public sector, leading to consumption patterns that overcome the minimum living standards, it is reasonable to expect increasing rewards as far as non-profit activities are located from central areas, because where the market supply of goods and services is lower, non-profit institutions are asked to pursue more urgent (and therefore more valuable) needs. We assume that the opportunity cost of volunteering is equal to the wage that could be earned by being employed in a private firm or in a public administration, and that the reward obtained by volunteers corresponds to the value of their marginal productivity. Laying on these assumptions, we suggest how peripheral residents might prefer volunteering rather than working, while residents in central areas might prefer the opposite. Instead, in intermediate areas the spread between the reward offered by the non-profit sector and the wage offered by the market and the public sector might be close to zero, therefore workers might be almost indifferent between volunteering and working for a comparable level of disutility of effort. Due to shocks involving the demand and the supply curves on the markets of goods and services and to changes in welfare needs, the spread between the two sources of income can be highly volatile, and we suspect that intermediate areas might be characterized by frequent "motivational shifts", i.e. a constant need of rebalancing the mix of non-profit and for profit activities. In intermediate areas, therefore, we suggest how cooperatives and social enterprises might be the most efficient institutions, as by their nature they integrate social motivations with economic interests, avoiding frequent reorganizations of the production process.

2.2. Spatial inequalities and equal opportunities

As far as a territory is characterized by positive and increasing distance costs, spatial inequalities might raise concerns on the need of achieving equal opportunities among residents in terms of participation in the labor market and in non-profit activities.

Specifically, in the absence of distance costs, the highest wages are assigned to the most efficient workers, as in equilibrium, when the ability of each employee is observable, the private sector hires all those people whose productivity is equal or higher than the equilibrium (real) wage. For the same reason, the most rewarded non-profit activities are assigned to the most motivated and capable volunteers, as, when the non-profit sector exists, it hires all the volunteers whose productivity is higher of the reward offered.

When, instead, land is characterized by positive distance costs affecting individuals' mobility, the latter must compare the utility of the net compensation offered by the

private and by the public sector (gross wage minus distance costs) with the disutility of the job proposed. Similarly, when residents decide to apply for a volunteering position in the non-profit sector, they must compare the net value of the reward (gross reward minus distance costs) with the disutility of the activity that they must perform.

Clearly, in both cases residents face a subjective assessment, depending on their skills and on their attitude to mobility. Specifically, a person living in the central place has an advantage in achieving the most paid jobs positions in the private sector, but might have a limited access to the most rewarded non-profit activities. Similarly, a person living in a peripheral area has an advantage in volunteering in the most rewarded non-profit activities, but might have a limited access to the most paid jobs. Lastly, people living in intermediate areas have a privileged access to jobs and volunteering activities characterized by an average compensation, but might have a limited access to the most paid positions both in the for-profit and in the non-profit sector.

Finally, it is worth noticing how the individual net utility (wages minus the total costs, i.e. disutility of effort plus distance costs) decreases as far as an individual finds a job that is distant from the place of residence, as distance costs counterbalance the utility of wage. The disutility of commuting can be partially reduced by peoples' intrinsic motivation, as it reduces the disutility of effort, but anyway it raises concerns on the opportunity of achieving a broader diffusion of work-from-home activities.

2.3. Spatial inequalities as a market failure: is government spending really a feasible solution?

Distance costs can be modeled as a territorial mark-up over firms' marginal cost function, therefore as a source of inefficiency (i.e. as a market failure). In similar circumstances, the role of the public sector is usually invoked to correct the biases and turn the economy back to an efficient equilibrium. But sometimes also public policies lead to an inefficient use of resources, determining the rise of government failures.

As an example, we discuss the case of territorial imbalances between the North and the South of Italy. At the beginning of fifties, the Italian government founded "*Cassa del Mezzogiorno*" (CasMez), an institution aimed at financing the economic and social progress in Southern Italy. CasMez was financed with public funds, and operated until 1992, allocating the equivalent of almost 140 billion euros in 40 years (VV.AA., 2014 b). A complete assessment of CasMez's activity goes beyond the purpose of this research, but it is worth noticing how after 40 years of government spending, at the beginning of nineties, the Italian territory was still characterized by both regional and local imbalances, and the Centre-North was benefitting of a higher level of public expenditure with respect to the South.

Therefore, in the last two decades the idea of concentrating on Southern Italy at least a 45% share of public expenditure (that compared to a demographic share of 35% means a higher level of per capita public expenditure with respect to Centre-North) in order to incentivize infrastructural development and foster economic growth became very popular (DPS, 2013). Nevertheless, most policy makers have recently recognized the failure of both interregional and intraregional policies in narrowing the territorial divide between the two parts of the country (not in terms of redistribution policies, though). Specifically, during the Great Recession (but also before) the 45% share of public expenditure in capital account was never achieved, and Southern Italy remained a peripheral area (Salustri, Miotti, 2014).

Therefore, the key question is still how the national government could narrow regional and local divides, and what kind of policies should be developed. Clearly, if the public sector fixes a homogeneous level of gross per capita public expenditure in a territory characterized by positive and increasing distance costs from the central place, the level of net per capita public expenditure decreases with the level of remoteness of a place, raising a specific kind of spatial inequality. As residents must buy several public services independently from their economic convenience (consider, as an example, health, education, mobility), in places where distance costs overcome the level of gross per capita public expenditure they obtain a negative contribution in terms of welfare.

2.4. Cooperatives as intermediaries between the formal and the informal economy

The private and the public sector might decide to facilitate the development of the non-profit sector by contracting out to qualified actors one or more parts of the production process in order to reduce costs and achieve a higher level of social responsibility. However, non-profit institutions often lack the economic know-how required to interact with governmental and market institutions. Therefore, the role of the social economy institutions (cooperatives, social enterprises) is crucial in intermediating between the two poles of the formal (market-oriented and governmental) and informal (non-profit and household production) economy.

Indeed, several streams of literature discuss how outsourcing is risky and not always successful, both for the public and for the private sector. However, all the arguments discussed are related to a mix of information asymmetries and opportunistic behavior, and both arguments are not appropriate if referred to the SSE institutions. As regards the information asymmetries, non-profit institutions contribute to reduce uncertainty by providing a precise picture of the socioeconomic scenario in which they are deeply rooted, as they are in a certain sense part of the landscape in which they operate. Moreover, the ethic and esthetic values that inspire the action of volunteers contribute to reduce opportunistic behaviors (adverse selection, free-riding, moral hazard...), fostering a sense of community that might overcome the “tragedy of the commons”, giving rise to a new wave of commoning practices. For

these reasons, we consider the non-profit sector as the institutional perimeter within which to develop a process of cooperation among the social economy, the public sector and the market. However, as we already pointed out, the non-profit sector left to itself has not all the characteristics to create an interface with private firms and public administrations. Instead, the social economy institutions (as an example, consider cooperatives and social enterprises) have the economic structure needed, but if not supported by non-profit institutions, they might lose their mutualistic attitude, and turn into a stagnant institutional sector, due to a mixture of less binding competition constraints and lack of motivation.

To sum up, the SSE institutions are key actors in promoting resilience, reducing vulnerability and fostering equitable and sustainable well-being, especially in all those situations in which both the public sector and the market are unable to satisfy the demand of low-income social groups and peripheral territories. Specifically, while non-profit institutions are able to identify unexploited resources and rise intrinsic motivation in the volunteers involved, cooperatives and social enterprises can provide an additional supply of goods and services aimed at satisfying the needs of specific social groups and territories by virtue of reduced transaction and transport costs. When (and where) also cooperatives and social enterprises fail in satisfying people's basic needs, the non-profit sector plays a pivotal role in achieving a decent level of human well-being and development.

3. A survey of best practices of cooperation among the SSE institutions and the public and private sector

The “revolutionary” content of a development pattern based on people's agency and particularly on the empowerment of the excluded strictly depends, at institutional level, on the development of the institutions of the social and solidarity economy (SSE). In this paragraph, we survey four examples of cooperation between the formal and the informal economy in order to highlight the role that non-profit institutions can have in reversing peripheralization, marginalization and exclusion, especially when supported by the private and the public sector. Specifically, in this short overview we follow a bottom-up approach, from micro-cases where citizens activate themselves on a voluntary basis to have access to a public good, to more articulated processes of collaboration between the private sector, the public sector and the social economy institutions.

3.1. The Mura Latine Committee and the “adoption” of the Park of the Aurelian Walls

In May 2014, a group of local residents, retailers, artisans, artists, professionals and enthusiastic of arts and culture founded in Rome, in the Appio Latino neighbourhood, the Mura Latine Committee (CML), with the aim of fostering a sustainable model of human and territorial development based on the implementation of cultural and creative experiences. With the decree n. 622/15 of the Municipality of Rome, the

CML legally “adopted” the Park of the Aurelian Walls, an urban green area located in front of the Aurelian city walls at the margin of a densely populated residential area that was abandoned by the local administration due to lack of funds. Specifically, volunteers of the CML committed themselves to clean and maintain the so called “horizontal green” (everything but trees) and the street furniture located in the area, at zero costs for the Municipality of Rome and with the aim of turning a dilapidated green area into a place of aggregation and leisure both for residents and for tourists (Salustri, 2016).

Since the CML and the group of volunteers have been taking care of the park, the quality of the green area has considerably improved, even if there are still episodes of negligence that provide evidence of an insufficient level of care. The last step should be made by the Municipality of Rome, restoring the park in its integrity, and kicking off a structural maintenance, especially regarding street lighting and safety.

This first case illustrates how a bottom up initiative is able to temporarily solve a public social and environmental emergence. The volunteers of the CML have achieved the primary goal of giving back, a (previously) dilapidated urban green area to residents living in the neighborhoods and tourists. At the same time, they have produced an additional value in terms of opportunity costs, even if the park, given the scarcity of financial resources of the Municipality of Rome to provide an ordinary and standard maintenance, risks to be neglected again.

The need for a public intervention by the Municipality in supporting and recognizing the work of citizens is nevertheless necessary, as this kind of initiatives risk to remain spot and isolated. Schemes for a more formalized cooperation between civil society organisations (CSOs) and the public sphere are desirable to avoid potential degenerations of the free and not controlled use of public goods.

3.2. RomAltruista: a civic network for occasional volunteers that links citizens and enterprises

A more formalized and structured example of CSOs, which has evolved towards a NPOs is given by RomAltruista. This is a non-profit organization founded in 2011 with the purpose of facilitating the participation in volunteering activities in the metropolitan area of Rome. RomAltruista adhered to the idea of flexible volunteering, leaving the volunteer free to offer his/her time and competences whenever possible, without entering in a permanent or formal agreement with a specific organization. RomAltruista supports the vision that everyone should have the opportunity to pledge a good cause, notwithstanding the scarcity of time and the numerous constraints that stifle daily life. To achieve this goal, RomAltruista has developed a network of non-profit institutions operating in the local context, to which it delegates the organization and the implementation of most of the volunteering activities proposed. The management of the network works on a digital platform where each activity scheduled on RomAltruista’s website is coordinated by a

team leader according to a set of common goals and standards defined by RomAltruista's staff.

RomAltruista has developed a smart and efficient working scheme based on specific target groups that become a social and economic source for guaranteeing the economic sustainability of the initiative, sustaining the core activities of the platform and the concept of flexible volunteering. Three groups participate in the initiatives offered and coordinated by RomAltruista: individual citizens participate as donors and supporters by offering economic contributes and/or their free time and competences; NPOs act as partners and beneficiaries, as they receive the work of volunteers and share their competences in the network; last but not least, private enterprises are one of the most interesting target group, as they can link the profit and not for profit worlds.

Enterprise volunteering is an important expression of the commitment of the profit enterprises towards the community. Time and professional skills of employees are valuable resources that can be offered, through volunteering, to the non-profit organizations. Individual or group volunteer days, unpaid professional services, or solidarity events are ways in which a company can contribute to a good cause in favor of the community. RomAltruista, thanks to its experience and network, is able to activate employee volunteering by supporting firms that are willing to improve their corporate social responsibility schemes, achieving a higher level of cohesion and intrinsic motivation of the personnel involved, and building a more profound connection with the hosting communities and territories.

This second case provide a more evolute example of networking between NPOs and profit firms working together for a cause of general interest, exploiting the potential of volunteers. There is a lot of potential for the future of such networks, which are as effective as they are locally based and close to sense of belonging of individuals and communities.

3.3. The reuse of the dismissed railway stations of Rete Ferroviaria Italiana (RFI)

In order to avoid the dilapidation of the dismissed railway stations, Rete Ferroviaria Italiana (RFI) developed a programme of free renting to non-profit institutions and social enterprises.

The initiative has the main purpose of regenerating the physical space and giving an opportunity to excluded or vulnerable groups of people to develop initiative of public and social interest. Therefore, RFI dismissed stations constitute nowadays "community assets" that host cultural, social, economic and environmental initiatives. The initiative has been reviewed and four main typologies of activities carried out by cooperatives and social enterprises have emerged:

- environmental, landscape and historical - cultural conservation and conservation activities promoting a touristic offer;

- solidarity initiatives aimed at providing care and fostering the reintegration in the labor market of excluded and discriminated people;
- civil protection bases that strengthen and manage the resilience of communities even in the case of “shock” of environmental character;
- cultural centers for the youth, as an instrument to prevent deviance.

The RFI initiative is not an isolated case, as in Italy there are already several experiences of free location of building stock to non-profit institutions (properties confiscated to criminal organizations, abandoned state properties, religious and personal properties...). However, Italy lacks national and local policy to integrate and create synergies among the multitude of processes activated, and of an assessment of the impacts that the activity of free location of properties to non-profit institutions might have at human, social, economic and environmental level (Zandonai, 2015).

The free commodity contracts counted in 2014 were about 510 in 345 stations, and they are destined to grow especially in remote areas. Indeed, the process of free renting has not reached yet a critical mass, even if, at least for the RFI initiative, several issues might suggest a rapid increase in the number of contracts of free location signed. Moreover, considering that, by one side, the free location of dismissed properties to non-profit institutions reduces capital depreciation rate for the owner, and on the other side abates fixed costs for the beneficiary, it will be reasonable in the future to design also location schemes upon payment, depending on the amount saved by RFI in terms of maintenance costs and on the level of social responsibility of the activity implemented by the beneficiary.

Hence, the benefits of making of a dismissed property a community asset might be shared among the two sectors (the formal and the informal), and the process might involve also cooperative and social enterprises, i.e. social economy institutions able to generate at the same time positive economic results and social added value (Borzaga, Zandonai, 2013).

This initiative has been classified also as a corporate social responsibility policy of RFI, aimed at promoting the sustainable development of communities and territories in remote areas where the services mentioned above are often missing. We consider it as an interesting case of cooperation between a large profit company and small associations, NPOs and cooperatives with an explicit social mission. The example moreover could be easily replicated for other properties and assets, i.e. for all those fixed inputs (dismissed warehouses, shopping malls, factories, patents and so on...) generating fixed costs that, if recovered, might enhance firms' efficiency, in a way that at the same time alleviates the lack of capital means that often characterizes the solidarity institutions.

3.4. COMI and the education to global citizenship

COMI (Cooperation for the Developing World) is an NGO founded in 1973 and accredited by the Italian Ministry for Foreign Affairs and International Cooperation (MAECI). COMI aims at promoting people's full human development by offering opportunities of independent and informed personal growth, achieved in a spirit of multiculturalism and mutual recognition.

Being a well-established NGO, COMI has built a strong network of relevant NPOs, associations and private enterprises at national and international level sharing a common vision and approach based on solidarity. The economic sustainability of the organization is guaranteed through donations and fundraising campaigns, as well as through the development of international projects.

COMI is also in charge to manage the open call for the international civil service, one of the more recent measures introduced by the Italian third sector reform. Moreover, the organization is very active in awareness-raising initiatives through exhibitions, conferences, meetings on cultural, social and artistic as well as climate change and environmental issues.

In 2016, COMI launched a project of education to global and active citizenship, to adapt the concept of education to global citizenship (EGC) to the national and local context, and to integrate this activity in the standard education processes by fostering the interaction between the students involved and the non-profit institutions. Specifically, COMI supported the teaching personnel that manifested an interest in activating courses of EGC with their students by providing the necessary know-how, in order to narrow the gap between teachers' cultural background and the educational tools needed to teach the issues of international solidarity and of sustainable development.

Due to the consolidated connections with socially and culturally heterogeneous contexts in developing countries and in Italy, COMI has been able to foster perspectives and follow-up events that contributed to train (both at human and social level) the students involved, making them real agents of solidarity, and establishing the basis for a cultural change, able to foster a multicultural and active citizenship.

This case provides an example of cooperation between NPOs and NGOs, supported and officially recognized at an institutional level. The work of this organization however, thanks to the official recognition and the strong network, is able to reach different targets and to create an effective collaboration between organizations at a local level, such as small associations, cultural centers and schools.

4. Concluding remarks

In our research we have illustrated how the public and the private sector might be unable to guarantee a fair supply of goods and services, especially in peripheral and remote areas, due to lack of resources or to high distance costs. Spatial inequalities thus emerge, raising urgent territorial needs and creating the conditions for citizens and non-profit institutions to intervene. In all those situations, a well-developed non-profit sector can offer to marginalized or excluded social groups a legal and ethical opportunity to obtain a decent income by offering rewards (monetary or non-monetary) in exchange for volunteering, allowing households to afford the cost of living.

Laying on these issues, we have observed how the academic literature often emphasizes the role of cooperatives and of the non-profit sector in reinforcing the social capital boundaries, and the existing views of social capital share a fundamentally rational and instrumental vision of the role that social capital plays in economic development. Social capital is explicitly regarded as a productive resource just as much as financial, environmental, or human capital, which requires investments and generates returns in the form of better access to information and services, better communication and coordination, and reduction of opportunistic behavior. Cooperatives and the non-profit sector in this perspective are seen as potential tools for economic development as they make feasible what could not be achieved by people operating individually: they can build stock of capital, give members a “voice” to advocate change in government policies, promote local ownership, create jobs, promote local control of capital, and fight inequality (Valentinov, 2004, Pestoff, 2009; Birchall, 2011). Finally, when individuals act collectively, trust increases and social transactions costs decrease, establishing the premises for a community development.

On the other hand, peripheralization, marginalization and exclusion are issues that in Italy cannot be ignored, as a recent assessment of the Territorial Cohesion Agency (VV.AA.2014 a) shows how peripheral areas (the so called “Inner areas”) cover almost the 60% of the Italian territory and host a quarter of the Italian population. Negative demographic trends partially compensate the lack of welfare services observed in those areas, but this mitigation effect does not overcome the need of revitalizing marginalized areas, in order to “untap” a significant share of natural and human capital and overcome the urban/rural or core/periphery dichotomy.

The good practices mentioned in this study serve to show different stages of evolution of the collaboration between the public, the private and the third sector. At the same time, the activation of NPOs and CSOs to solve problem of public interest are the symptom of a deeper urgency of the intervention of the public sphere. Unfortunately, Italy has not developed yet the necessary level of cohesion and solidarity to achieve this goal. Therefore, it is of utmost importance to build

leaderships able to track an equitable and sustainable pattern of development, both at political and at socio-economic level. Our chapter supports that local interinstitutional cooperation among the SSE, the private and the public sector should become the norm rather than the exception, in order to achieve a higher level of equitable and sustainable development and an improved well-being at societal level.

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