



Study Centre in cooperative and social enterprises and non-profit organizations

Mapping of Potential Investors in Social Enterprises - The Valle Camonica Case -

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INTRODUCTION

This research aims at defining the availability of “social impact” investments on the Valle Camonica area, in order to provide the social enterprises with a mapping of potential investors, subdividing them into:

- socially responsible enterprises of the region,
- private investors, potential holders of “patient capitals”,
- current donors/philanthropists, potential investors in social enterprises.

Within the project, particular importance is given to the regional dimension, that is to the context of Valle Camonica.

This document is thus a field research that aims at identifying if and how there are capitals that could be used for social enterprises, both in terms of loan capital, and as donations and liberal disbursements.

For this reason the research is subdivided into specific chapters: the first deals with the topic of social investment and patient capitals, to explain briefly what they are about, from the second one instead we deal specifically with the analysis carried out on the territory.

The second chapter reports the result of the research done in the main enterprises of Valle Camonica, some of which definable as “socially responsible”, therefore particularly heedful to issues of social impact and to the social consequences of the partners' actions on the region. The third chapter is concerned with an analysis carried out on the clients of Valle Camonica's branches of the BCC Cassapadana, to analyze their thought and their propensity to use and to invest in the so-called “patient capital”.

At last, the fourth chapter is about the subject of the donors, of their propensity to give or to invest in social enterprises, analyzing a sample of potential philanthropists, identified with the support of the BCC Cassapadana partner.

In all cases the privacy of those who answered is guaranteed, and at the end of the analyses it will be possible to sketch an emerging line regarding the above-mentioned contents.

1. PRELIMINARY REMARKS: PATIENT CAPITALS AND SOCIAL INVESTMENTS

Often, in this text, there will be references to the topic of patient capitals and, more in general, of social investments.

The patient capitals are particular instruments of the financial world, typical of the venture capital, and they can be an opportunity for the third sector and the social enterprises that accomplish actions of general interest.

They are capitals with a long-term viewpoint and they don't expect the highest possible economic return for their investment, but they seek the maximization of the generation of social and environmental value, from the enterprises in which they invest. In this way they obtain a mixed dividend, resulting from the balancing of financial and extra-financial components.

The data gathered by the Forum for Sustainable Finance¹ show that the market of sustainable and responsible investments is constantly growing. However, much more could be done in this sector if the transaction costs and the informative asymmetries were reduced, if there were more investment opportunities and a meeting-exchange place between demand and supply.

According to Jacqueline Novogratz, the founder of Acumen Fund², the patient capitals are no philanthropy nor venture capital, but they are “venture philanthropy” that is “it's money invested in enterprises and organizations which solve the most difficult problems such as, among others, the ones linked to health, housing and alternative energies”.

The venture philanthropists are people who aim at supporting organizations not only in economic-financial terms, but also by providing a strategic contribution, aimed at managing the sustainability of their intervention adding to the financial return a social return. The donor in this case is not just active in the phase of

¹ Website: www.finanzasostenibile.it

² Website: www.acumen.org

disbursement, but he supports innovative solutions that allow a synthesis between the instruments of finance and those of “charity”. According to these visions, the social enterprises operating in the social-health and welfare fields (where the demand is typically “not paying”, or anyway the purchasers do not coincide with the users) can operate with “near-market” models and they are promoted by risk capital which, while accepting the risk of equity, limits itself to limited return expectations and essentially to the conservation of the capital. The goal of such ventures should be to build a real “asset class” with "patient" and "responsible" capitals, to attract the available private wealth and to exchange part of the financial return with the social return of the initiatives.

The sectors that these patient capitals could support are represented below, and they coincide with the areas of traditional activities of the social enterprises. So the link between patient capitals and the financial support to the social venture is immediate.

Traduzione del riquadro sottostante:

According to the **ISTAT 2014 Report**, there are five areas in which it will be most necessary to develop services to meet the growing social needs and to approach the average expenditure of the European Union.

These areas represent **today the 20.85% of the social expenditure supported by the State = 165 milliard €**

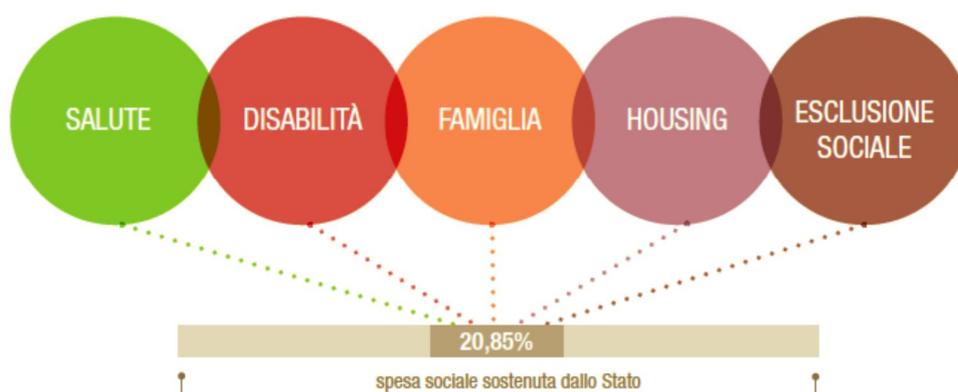
HEALTH - DISABILITY - FAMILY - HOUSING - SOCIAL EXCLUSION

20.85% - social expenditure supported by the State

Source: Elaboration from ISTAT, (2014), Fourth Report on social cohesion

Secondo il Rapporto ISTAT 2014, sono cinque le aree in cui sarà maggiormente necessario sviluppare servizi per rispondere ai crescenti bisogni sociali e avvicinarsi alla spesa media dell'Unione Europea.

Queste aree rappresentano oggi il 20,85% della spesa sociale sostenuta dallo Stato = 165 miliardi di €



Fonte: Elaborazione da ISTAT, (2014), Quarto Rapporto sulla coesione sociale.

Figure 1: The typical fields of social investments in Italy

The instruments of social and “patient” investments can then become the lever for the development and sustainability of social enterprises, which given the difficulties of the markets in the latest years need new, innovative sap, but also concrete economic-financial support.

Speaking of which, it appears relevant to point out the characteristics that the European Venture Philanthropy Association (EVPA) ascribes to the “venture philanthropist”, that is the one who supports social ventures, but trying to support the social impact they themselves generate, and not so much/not only to have an economic return³:

- Deliberateness: the venture philanthropists decide and are aware of the social impact of their strategic financing choices;
- Elevated relationships: the venture philanthropists have intense relationships with the social organizations they support and can thus create highly-spreading, innovative models of social change;
- Customized financing: the expected return rate can be below the average market level or be in line with the market returns, considering that the venture philanthropists must plan the most appropriate financing within a range of possible alternatives;
- Variation of the instruments: which vary from pure debt to equity also according to the specific mission of the social enterprises;
- Multi-year support: the strategies usually refer to a time of three to five years;
- Support not only of financial kind: venture philanthropists support social enterprises also in terms of planning, strategy, marketing, counseling regarding human resources, etc;

³ EVPA, *A guide to Venture Philanthropy for venture capital and private equity investors*, 2011, Website: <http://evpa.eu.com/research-and-policy/knowledge-centre/knowledge-center-research/>

- Strengthening of organizational skills: one focus is the long-term economic vitality of the social enterprises (or of the projects) in which the investment was made, in particular the importance of financing the operative costs is recognized, to be able to help the enterprises to reach a better social outcome and to be more efficient;
- Performance measurement: to be able to measure correctly the results obtained it is crucial to plan correctly the business, to define clearly the results (also half-way) to reach, to describe the competences that the managers must possess, to measure then the social impact.

Instead, for what concerns the instruments that can be used by the Venture Philanthropists, that is the instruments in which the social investment becomes concrete, see the research carried out by the KOINON project partner titled “xx”.

2. VALLE CAMONICA'S SOCIALLY RESPONSIBLE ENTERPRISES

Empirical research has been carried out through the analysis of testimonies of privileged participants, selected respectively from among small enterprises (10-50 employees, turnover less than 10 mil. Euros), medium ones (50-250 employees, turnover less than 50 mil. Euros) and big ones (more than 250 employees, turnover more than 50 mil. Euros) working in the Valle Camonica area. The study allowed focusing on some key factors in the survey of investments aimed at the nonprofit and on the prospect that the subjects reach gradually of the main operative mechanisms of this phenomenon and, more in general also of the social-economic ones. The study profiles used were those of perception (and representation) of the propensity to investment in this context and of the decisions that the interviewed ones made, in the course of time, regarding the characteristics of their intervention in support of projects and initiatives of social usefulness.

The remarkable degree of rootedness on the territory of the enterprises considered in the survey makes for a first significant element of thought. A common point of the testimonies lies, indeed, in the awareness that the knowledge of the region, also in its cultural and symbolic traits, represents a necessary condition to start and strengthen an efficient relationship with the nonprofit sector in its wholeness. This connection exploits all of the potentiality that the collaborations and the relationships in the work context allow to put down and to improve also for contexts that are not strictly economic or commercial. On this aspect it goes without saying that the weight and the role taken on by the social capital are important as a veritable strategic factor. In strengthening his own relationships, in fact, the entrepreneur piles up and enhances in time those resources also of value, of reputation and trust that eventually make up the fabric of the work relationships and which are then “utilized” to explore opportunities of intervention in the social context.

The more this network of connections (also “weak”, that is informal and not structured on the level of interpersonal relationship) opens up to the joint needs and requests of the region, the more incisive the entrepreneur's skill will be to generate

value inside such relationships and to state his own philanthropic bent. In this sense, the sharing of experiences favoured by the network of connections and by the investment in trust represents an aspect distinctly felt by the interviewed ones.

On the operational front, concerning the ways and the timing with which the enterprises formalize their intervention in investments of social nature, it is possible to trace some recurring profiles.

1. The first of them is that of the entrepreneur who prefers a direct procedure in first person in the philanthropic activity, sometimes with a discretionary style and depending on the circumstances. In this sense the interviews identified a spontaneous propensity, with subjects who plan interventions on the territory in full autonomy, whereas other entrepreneurs prefer to select their action in a reactive way, giving answers to precise needs expressed by the region through requests of expressly formalized contributions and then satisfied through donations, sponsoring of events or else.
2. There is also the figure of the entrepreneur who always acts in autonomy, but he does that by operating through a purposely established interface, for instance a foundation (this is the case of a big enterprise from among the interviewed ones), whose juridical status and whose *governance* should allow to achieve a certain soundness in structuring the initiatives, besides warranting a higher continuity of action. It is anyway remarked, with a certain resoluteness on the interviewed person's part, that it is always the importance of interpersonal relationships to imprint the activity of the foundation (“it's the people that make the institutions”).
3. Some subjects (this is the case of some medium enterprises), finally, address to actors usually operating in the nonprofit sector, who can then act as medium between the firm and the final recipient.

From what is inferred by analyzing the answers, the majority of the interviewed people show a profile of their own intervention directed more on individual choices, and sometimes isolated, which involved especially the social cooperatives as

privileged interlocutors. Only for some of the interviewed people it is possible to notice an intention to develop more articulated philanthropic projects, compared to the choice to make a “spot” donation.

The philanthropic activities in which the interviewed enterprises are involved range from the cultural ones to the social-charitable ones, but they include also sports and religious ones, depicting a broad range that seems to reflect a somewhat restrictive view of the concept of “social usefulness”, at least in the light of the variety of the fields that it lets approach in the current economy (just think of the protection of the cultural heritage or the environment, just to mention a few examples).

The perception and the representation of the activity undertaken by the social enterprises seems still a process to be defined in some fundamental aspects. From the testimonies one can infer, in particular, a limited awareness of the social-economic role that the social enterprises cover in the local survey. In the detail, the delicate function that the social enterprises cover within the nonprofit sector doesn't seem to be adequately felt. As specialized literature has shown, they should make up an important driver in the penetration of the local economic reality, in particular in its facets less open to the relationships with the traditional nonprofit area. It does not seem accidental, for instance, that the interviewed people deem necessary for the social enterprises to strengthen their networking activities with other actors engaged in the same field. Supporting a widespread notion of this need, one may quote the opinion according to which this commitment towards the network activity should be supported by a higher and stronger managerial ability. This consideration, fairly shared by the interviewed people, calls for some thoughts.

One first topic belongs to the selfsame nature of social enterprises: if the commercial entrepreneurial reality does not perceive them as an adequate partner in supporting and propping up an “organized” and coherent process of social investments, then one can formulate the hypothesis that there is no appropriate interchange of knowledge and experiences, but also of competences, to link the two realities. It doesn't seem accidental, in fact, that the interviewed people feel somehow

encouraged, if not justified, in adopting a direct initiative style, often unstructured, or occasional, of which however they acknowledge the social value.

The passage, then, is fairly delicate, because the interviews seem to show various explanatory factors of this reduced reliance in the effectiveness – not so much in the role they cover – of the social enterprises (otherwise it would be hard to understand why they should strengthen their network activity and get better managerial ability for this purpose). On the one hand the commercial venture prefers to act in first person because of a sort of moral duty, the one of being also philanthropic, an attitude which goes along also with the rejection of any boasting and any form of thankfulness, as in the tradition of universal solidarity. On the other hand, though, the interviewed entrepreneurs show a certain impatience towards the tendency to support occasional interventions and, consequently, they feel the need of a relationship they define “of mutual contamination” with the actors of the nonprofit, in order that some degree of planning quality can emerge, to warrant more stability and prospect.

Furthermore, the interviewed people prove to perceive the importance of one among the main drivers of the nonprofit, that is the reputation of the actors involved in the virtuous process of production of goods for everybody, on the one hand, and of generation of positive external effects on the other. Acting with “transparency and coherence”, in fact, is considered the key element for the promotion of activities that require a constant supply of confidence on the citizen's part, but also on the economic actors' part. In this direction, the role of the entrepreneur as an example and promoter of a form of intervention also in terms of communication and cultural dissemination is felt as the pick to spread the awareness of the need to invest in social projects. It is for this reason that the contiguity between social entrepreneur and commercial entrepreneur is deemed so important, in a scenario in which the implications of ethical nature don't quite belong yet in the strategic action on the CSR model.

Likewise, the majority of the interviewed people doesn't perceive the importance that instruments such as the patient capitals take on in a strategic perspective and that the investments in social usefulness require in higher and higher amounts. Also for

this kind of motivations the interventions of social usefulness or, anyway, the financing to nonprofit or such activities are often guided by a volunteering spontaneous activism reminiscent of a philanthropic model of first generation.

The main motivation brought forth by the interviewed people to account for this behavioural model, of which they anyway claim the intrinsic social value, lies in the opinion that the economic crisis has heavily hit the entrepreneurs' freedom of action, with the consequent weakening of the support to the traditional nonprofit local institutions. This, however, is not the only motivation emerging in favour of the “spot” donations that characterize the philanthropic spontaneous action. To it we can add one more systemic, linked to the need, according to the interviewed people, that the nonprofit actors carry out a generational change with more involvement of the youth in organizing and planning their role. This passage, moreover, seems to be only consequent to the social enterprise's need of a more widespread work of cultural dissemination of which the interviewed people perceive the need.

Only through this process those new competences can emerge, which could make operative and fully appreciated instruments such as the patient capitals, a subject that the territory, as we said, still holds as immature in terms of its full and proper use. The attention directed to this solution, moreover, does not constitute a uniform tendency in the complex of the answers given by the interviewed people, although it is possible to trace a certain bent to try out various forms of patient capitals. The examples in this direction come from a big firm, which experiments with models of widespread shareholding (advance of employee severance indemnity in an equity fund with debenture loan) and of microcredit. One of the interviewed entrepreneurs, for example, maintains that he utilizes these forms also thanks to a supporting financial organization. In these cases the entrepreneurs activate tight bonds with which they strengthen the mastery of the specific instrument of philanthropic intervention, also thanks to the network of relationships built through the social capital generated in the course of their main economic activity. It is also interesting to note that those who don't master the use of patient capitals in the nonprofit area say they are interested and willing to go into this subject. This opening doubtlessly

lets us hope for the future.

In short, the forms through which **the interviewed people claim to develop their philanthropic activity are mostly tied to a traditional perspective**, which anyway follows closely the trend and the character of the Italian sector as a whole (activity mostly of “civil” kind, reduced managerial ability, limited access to financial resources). **However, there is also a certain interest in the modalities of the so-called “contemporary” philanthropy that tries to go beyond the intervention model usually linked to disbursements only derivable from cash-flow availability.** In keeping at the centre of their objectives everybody's wellbeing in all their social profiles, especially in their more disadvantaged sectors, the attention of contemporary philanthropy is directed towards that creation of assets that can allow to cultivate this diversified approach and more and more mindful to the mobilization of private resources exploiting the financial lever (the patient capitals are just an example of this trend)⁴.

Again it is important to point out how, analyzing the answers given by the interviewed people, it must be recognized **an implicit acknowledgment of the role that the social capital and the networks can cover in this delicate course of transformation.** What appears clear is the awareness that a possible systematization on the legislative level can represent only the frame inside which the actors must then plan a more advanced intervention model compared to the current one, of which they seem to grasp the critical state. Also for this reason the interviewed people emphasize the need for a more accentuated networking as an engine for this new frontier of philanthropy, an aspect that is considered to be not detached from a sort of renewal of the managerial approach to these themes.

The same planning quality on new and variously formulated forms of financing, such as the hybrid ones like near-equity, seems thus to travel from a necessary ripening of the vision of the actors in the field, also thanks to their capacity to face

⁴ Cfr. Bengo, I. and Ratti, M. (2014), “Datemi una leva... nuovi strumenti di filantropia e finanza per il sociale”, in *Impresa Sociale*, n. 4/2014.

the long term horizon of the planning of interventions. If, on the one hand, the crisis inevitably had an impact on the capacity of disbursement of “spot” donations (as the interviewed people maintain), considering the reduced supply deriving from the cash-flow, this phase (which we wish may end soon) can be the occasion to plan that passage to a model of philanthropy in which the financial lever may be able to accompany the establishment of new assets.

Taking on the viewpoint of the interviewed entrepreneurs, the drivers of this passage seem to have to go back again to the territoriality of the social action, with its external effects on the front of reputation and trust, and to the networking for a renewed managerial quality of the new generations engaged in the nonprofit.

3. PRIVATE INVESTORS IN VALLE CAMONICA

This chapter, which sums up the main results of a survey carried out through the dispensing of a questionnaire, is divided into three passages. The first one consists of the description of the main characteristics of the selected sample, both for what concerns the subjects' biography and for what concerns their social-economic profile. The second step, instead, has a descriptive nature, at a statistic level, of the most relevant aspects of the answers given by the subjects regarding the knowledge and the direct experiences of the phenomenon being studied, that is to say the donations and the investments of social usefulness. The third phase, finally, consists of a survey on the explanatory factors, in terms of relationships among the most significant variables, of the reliefs emphasized in the second descriptive part.

The questionnaire was drawn up by BCC clients operating in Valle Camonica, whose sample, of 142 units, was built *ad hoc*, spotting subjects potentially holding “patient capitals” in favour of social enterprises. The most represented age range is that between 51 and 65 (35%), followed respectively by that between 36 and 50 (27%) and by that between 66 and 80 (22%). The sample is divided fairly equally between males (55%) and females (45%), while the most represented educational title is that of the higher high school (47%), after which are the elementary/lower secondary school (36%) and the university degree (17%).

The most recurring jobs are those of the employee, freelancer, labourer and entrepreneur, while housewife and retired persons complete a rather multi-faceted picture. The distribution of the frequencies on the income bands is bimodal, with the bands between 25,000 and 50,000 Euros (43%) and the one between 10,000 and 25,000 (42%) that make up the larger portion. These two bands, added to the first one, the one up to 10,000 Euros, cover 92% of the sample.

One first look at the knowledge declared by those who answered lets us remark that **as many as 59% of them don't know of the work of the social enterprises, while this already high percentage climbs to 67% when the object of the question regards the regional social enterprises.** The data show that the two fields,

the general one of social enterprises as organizations and the local one, are congruent between them, in the sense that the region reveals itself to be an exact expression of this lack of knowledge. The totality of those who have no knowledge of the work of social enterprises in general, in fact do not locate their presence in the region, while only a low – however significant – percentage of those who claim to know the social enterprises (18%) don't see a confirmation of this perception if it is referred to organizations working locally.

The fields of highest interest for the interviewed people, in the scope of the social enterprises, are instruction, education, training (27% total) and those of social, health and social-health assistance (29%). A certain attraction, although doubtlessly minor compared to the prevailing fields, is to be found in the environment and ecosystem protection (17%), in a picture that anyway remains the expression of a fairly traditional representation of the nonprofit activity, where fields such as the promotion of the cultural heritage and social tourism turn out to be rather residual (9%).

55% of the subjects do not perceive the social value and the attention to the territory in the social enterprises they know directly. This datum may seem to be particularly relevant, but it should be read in light of the fact that, as we just pointed out, as many as 67% of the interviewed people didn't know any active social enterprise in the region. Furthermore, 75% of those who don't know at all any social enterprises maintain they don't perceive any social value in the known social enterprises. It is interesting to notice how, out of the 47 people who provided answers maintaining that they know some social enterprise in their town of residence, 81% perceive its social usefulness and the attention for their region.

Rather, the datum on the poor perception of the social value of social enterprises takes on a certain relevance if it is read in comparison with the behaviours that those who answered maintain to keep, because there is a high and significant association between the participation to initiatives and events promoted by the social enterprises and the perception of the social value. **In short, the subjects don't participate to the initiatives of the social enterprises if they don't recognize their value.** On the

other hand, coherently with what we just remarked, as many as 93% of those who don't perceive the social value of enterprises don't participate to the events they organize. The second side that gives indications on the subjects' actual behaviours concerns a conduct certainly more relevant than the presence at initiatives and events, that is the habit to give donations not just occasionally. The percentage of those who adopt this habit unfortunately is not consistent, being about 38%, and the variability of the answers regarding the kind of donations given appears very high.

The fields more targeted by those who gave answers are surely the research against cancer, social organizations in general, aid to disabled and to disadvantaged subjects, child sponsorships, missions, parish works, Emergency, Unicef and more. Some indications, regarding the factors that account for the poor amount of donations, can derive from the answer to the question on the knowledge of the instruments supporting the social enterprises. **Just as the activity of donation doesn't appear particularly relevant, likewise the scanty experience with specific instruments supporting the activities of social enterprises appears to be prevailing** (only 16% claim to know these instruments). Indeed, the two variables, expressing a real conduct on the one hand and the perception of a phenomenon on the other, are meaningfully and mutually correlated: for example, out of the 117 subjects (equivalent to 84% of the total) who don't know instruments supporting the social enterprises, 79 (68%) don't usually give donations.

An interesting food for thought concerns the factors that appear explanatory of the choices made by the subjects about the donations given. The first investigation plan around this profile concerns the role and the weight of the variables concerning the individuals' biography. There are some characters such as sex, the educational level and the income band, which don't appear in any way significantly linked to the behaviours. For what concerns the age, in the first group, the one 18-35 representing 16% of the total of the sample, the non-donors represent 19% of the total of non-donors. This incidence is higher in the 36-50 age group, where the non-donors are 31% of the total of non-donors, but they also represent a more consistent group of the total set of samples (27%). Similar considerations concern the following group,

where the non-donors are 33% of the total of non-donors, but this group also shows a higher sample representativeness (35%). Only 16% of non-donors, instead, belong to the age group between 66 and 80, representing 21% of the sample. Within this group, 53% of them regularly give donations, which is the highest percentage compared to all other age groups and the only one over 50% (meaning that no other group, except this one, has more donors than non-donors).

A second level of reading concerns instead the relation that the individual choices can have with respect to the perceptions and the knowledge expressed by the subjects. Three are the central variables on this ground: the knowledge of social enterprises in general, the knowledge of social enterprises working in the region, and the perception of the social value of social enterprises and their importance in the region. The first variable is linked in a relevant and significant way with the habit to give donations. In detail, **out of the 57 subjects who maintain they know an enterprise they consider a “social enterprise”, 62% use to make donations and, symmetrically, out of the 84 who do not know a social enterprise 79% do not make donations.** Less evident, although equally significant, is the association between the knowledge of at least one social enterprise working in the town of residence (or in the region) and the habit of making donations. Here, too, specifically, 61% of those who know some social enterprise working in the region make donations, whereas 74% of those who don't know any don't make donations. Similar considerations can be made in the relation between the perception that the subjects have of the social enterprises as actors mindful of the region – as well as of certain social value – and the habit of giving money for ends of social usefulness. On this point it is interesting to remark that as many as 80% of those who don't perceive social value and regional mindfulness in social enterprises don't make any donations at all.

This set of variables, from those subjective-biographical to those concerning the opinions, while showing significant associations with solidarity behaviour, don't explain the trend in one or the other direction (to give or not to give). **A simple model of multi-varied logistical regression, instead, shows that there are two**

variables with a significant impact, as predictors, on the solidarity choices of the subjects: the age group and the knowledge of some organization that is deemed to be a social enterprise (see the appendix for statistical details).

Besides the real (declared) behaviours, it is interesting to value the tendency the subjects show about the use of a hypothetical availability of money (the question gives a resource equal to 100 Euros). 30% of those who answered wouldn't make any investment, 18% would choose to make a donation, 17% would opt for a private investment with bank/post office financial instruments, while only 14% would go toward an investment in social enterprises (21% prefer not to answer). These data are particularly relevant when we cross them with those about the subjects' real behaviours (to make or not to make consistent donations), so much that they reveal a significant correlation between the two variables. **In the detail it is possible to point out a tendency to conservatism on the two fronts, that is: 37% of those who already don't have a solidarity behaviour wouldn't make any investment (with the 100 Euros hypothetically owned); 34% of those who are already used to make donations, would behave in the same way before the hypothetic availability of 100 Euros. It is also interesting to notice how, in the background of such attitude, there are 27% of subjects, usually donors, who would steer on investments in social enterprises. This disposition is a tendency worth mentioning.**

Concerning the familiarity with the initiatives and the activities of the social enterprises defined “particular” in the questionnaire, that is not common, 84% of the subjects maintain they don't have any knowledge of their characteristics and their use. Then 16% of the subjects who, instead, affirm they know these “particular” activities, when asked to give examples of these, range in spheres also traditionally at the centre of the action of nonprofit organizations in general, quoting the recourse to the 5 per thousand as a main instrument and recalling activities such as assistance, initiatives for the disabled and the elderly, parish activities in general, sending text messages to collect funds. Besides these cases, however, it is possible to find also examples of less “traditional” initiatives, such as the thematic days for schools and

culture, the socially responsible funds, the facilitations with regional funds or the bank bonds.

For what concerns the spreading of the “patient capitals”, as many as 91% say they don't know about them and the remaining 9% point to the microcredit as the best known kind of investment. **To the question if they would be interested in deepening the possibility of a use from BCC Cassapadana or a social enterprise of financial instruments dedicated to the support of social initiatives** (e.g. dedicated loans, debenture loans in which a percentage of the interests goes as a donation to the social enterprise), **the answer is for 62% negative**, compared to 38% available for this solution. The data, by the way, don't show any association between these inclinations of the subjects and their attendance at the branches of BCC Cassapadana. It is interesting to note, moreover, that there is a very weak correspondence between the scanty knowledge of instruments or activities in support of social enterprises and the availability to deepen the subject of alternative financial instruments through BCC Cassapadana. In addition, to confirm a fairly uniform attitude, as many as 72% of those who are not available to deepen the subject of financial instruments supporting the social enterprises through BCC Cassapadana are not used to give donations. **The age groups most interested in deepening the subject of the instruments supporting social enterprises, through BCC Cassapadana, are those between 36-50 and 51-65. While not counting much for statistical purposes, instead, the profession shows an interesting datum with respect to this scanty propensity to investigation: the only professions that show a positive mark in this direction are the employee and the teacher.**

One datum which can counterbalance these elements, not so encouraging on the front of the subjects' motivations to deepen the theme of investments in social usefulness, concerns the fact that those who claim to be sensible to this theme coincides largely with those who perceive the social enterprises' social value and attention to the region (in detail, 71%). In a fragmented picture like the one emerging from our analysis, this datum appears significant compared to the trend of the answers about the subjects' “intentions”, characterized by a careful attitude to say the

least towards the disposition to understand a complex phenomenon such as the relationship with social enterprises. It is interesting to note that out of the 50 subjects available to deepen the theme of the instruments supporting social enterprises, always through BCC Cassapadana, 34% attend very little (less than once a month) the branch. The rest of the model of attendance (how many times one goes to the BCC branch of Cassapadana) is represented in a fairly uniform way in the category of those who claim to be willing to deepen the theme of the instruments through Cassapadana. Beyond these descriptive observations, the variable that interprets the frequency with which the account holder goes to the branch office doesn't make a significant predictor of the declared willingness to deepen the above-mentioned themes (see the appendix also for the details of lack of significance of this relationship).

The analysis, in conclusion, shows a rather fragmented picture, in which the knowledge of the work of the social enterprises is largely unsatisfactory, both in general and at a regional level, while the attention given to the nonprofit favours the traditional sectors. Also the participation to organized events and the activity of donation present low attendances, where the latter seems anyway linked to the knowledge of the nonprofit in the region. In this context, an important sign comes from the consideration that **the activity of donation appears to be linked to the knowledge of social enterprises as reference organizations**, so the strengthening of this bond could be an important stimulating driver. It is not accidental, in fact, that the perception of the social value and of the attention to the region in the known social enterprises is connected to the donation itself, where it is declared. **To reinforce the above-mentioned bond, however, it seems necessary to ripen also a more aware knowledge of the use of more specific instruments, of which the patient capitals, with the perception that characterizes them in the sample used, make for a brightening example.** It may be comforting, in this direction, the evidence according to which who is interested in deepening these themes through BCC Cassapadana also feels the social value and the interest for the region of the selfsame social enterprises.

3.1. Statistical Appendix – Main Elaborations

Relation between the knowledge of any organization which is felt as a social enterprise and knowledge of any active social enterprise in the town of residence or in neighbouring towns:

Pearson $\chi^2(1)=103.8947$, $Pr = 0.000$; Goodman and Kruskal's gamma = 1.000

Relation between the knowledge of any active social enterprise in the town of residence or in neighbouring towns and perception, in the known social enterprises, of the social value and the attention for the region:

Pearson $\chi^2(1)=37.8544$, $Pr = 0.000$; Goodman and Kruskal's gamma = 0.8559

Relation between the participation to initiatives and events promoted by the social enterprises and the perception of the social value and of the social enterprises' attention to the region:

Pearson $\chi^2(1) = 22.3960$ $Pr = 0.000$; Goodman and Kruskal's gamma = 0.8140

Relation between the knowledge of any organization which is felt to be a social enterprise and the habit of giving donations:

Pearson $\chi^2(1) = 23.1308$ $Pr = 0.000$; Goodman and Kruskal's gamma = 0.7073

Relation between the knowledge of any active social enterprise in the town of residence or in neighbouring towns and the habit of giving donations:

Pearson $\chi^2(1) = 16.5197$ $Pr = 0.000$; Goodman and Kruskal's gamma = 0.6388

Relation between the propensity to invest in a given instrument given the availability of 100 Euros and the habit of giving donations:

Pearson $\chi^2(1) = 5.6459$ $Pr = 0.017$; Cramér's V = 0.5104

Relation between the knowledge of any organization which is felt to be a social

enterprise and the knowledge of particular instruments, activities, initiatives for the support of the social enterprises:

Pearson $\chi^2(1) = 33.0651$ $Pr = 0.000$; Goodman and Kruskal's $\gamma = 0.9602$

Logistic regression on the tendency to make donations, with respective predictors:

Logistic regression				Number of obs =	140	
				LR $\chi^2(2)$ =	26.57	
				Prob > χ^2 =	0.0000	
Log likelihood = -79.074683				Pseudo R2 =	0.1438	
Donations given	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
Knowledge of social enterprises	.1821475	.0750038	-4.14	0.000	.081268	.4082508
Age group	1.856315	.3769941	3.05	0.002	1.246762	2.763885

- Logistic regression on the willingness to deepen the theme of financial instruments supporting social enterprises, with respective predictor:

Logistic regression				Number of obs =	141	
				LR $\chi^2(2)$ =	132	
				Prob > χ^2 =	0.33	
Log likelihood = -87.412361				Pseudo R2 =	0.0019	
Willingness to deepen	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
Attendance _ BCC visits	1.075121	.1357564	0.57	0.566	.8394121	1.377017

4. VALLE CAMONICA'S PHILANTHROPISTS

This chapter is organized so as to give a preliminary overview of the subjective characteristics of the 19 people who answered the given questionnaire, to which a mostly descriptive-qualitative survey follows, in the light of the low sample numerousness, of the main recurrences that emerge from its precise analysis.

The survey was carried out through the elaboration of a questionnaire given to a group of branch account holders, singled out through purposive sampling. At the base of the identification criterion was placed the appraisal of philanthropist, defined through some requisites of the account holder and linked to his or her high economic supplies, to his or her particular family conditions (for instance the lack of heirs) and to the sensibility they have shown towards social themes.

The sample, rather narrow in terms of numbers (19 account holders) but highly representative in terms of the analyzed issue (the propensity to philanthropic activity), is characterized by a bimodal distribution with respect to age, with the group between 36 and 50 and the one between 66 and 80 resulting to be more represented. The sex is usually male, while the prevailing education level comprises elementary and lower secondary school, immediately followed by the diploma of higher secondary school. The professions are equally distributed, from the business agent to the executive, from the employee to the labourer, but entrepreneurs and retired people show a higher incidence than the other categories. The profile of those who answered closes with the family income, where the prevailing group is the one from 25,000 to 50,000 Euros, followed by the one from 0 to 25,000 Euros. The two groups (cumulative frequencies) cover on the whole 76% of the sample.

The knowledge of the realities analyzed through the questionnaire, that is the social enterprises (mainly social cooperatives), shows two characteristics. On the one hand it appears fragmented, as the answers point to a clear segmentation of the sample in two parts, between those who have a knowledge of the presence in the region of social enterprises and who, vice versa, does not have information on their action and hasn't perceived their intervention. The subjects who claim to know the

activity of the social enterprises in the neighbouring areas are also able to identify some they deem representative. There are two questions in a sequence which point to test, respectively, two interesting aspects. The first concerns the possible higher familiarity of the subjects with the legal form of the “social cooperatives” of the area as an expression of the action of social enterprises. On this aspect it is proper to point out that the subjects who don't know about the action of the social enterprises maintain they also don't know the “social cooperatives” (8 out of 19) of the area, while, symmetrically, those who know the activities of the social enterprises maintain they have a notion of the existence of the regional social cooperatives (8 out of 19). **It doesn't appear, then, that the subjects' perception of the specific legal nature with which the enterprise practises its own activity has an impact on the perception of the nature of the same activity.** The second aspect, explained in the passage from the first to the second question, concerns precisely the regional dimension of the action of these organizations, since the subjects are asked to specify whether their knowledge of the social cooperatives working in the region finds expression “in the towns neighbouring yours” (this question works also as a control item from the preceding question). **Almost all the subjects answer positively, reinforcing the idea that the territorial closeness constitutes a relevant reference in the identification and recognition of these realities.**

On the level of the variety of the individual representations of the phenomenon being surveyed, the research gives some interesting food for thought. The sector which is found more interesting for the social enterprises by those who answered is the one of social, health and social-health assistance (11 occurrences), followed by instruction, education and training (5) and by environmental and ecosystem protection (4), social tourism (4), research and allocation of services (4), followed then by services for the social enterprises and by the promotion of the cultural heritage. The analysis of the answers given to the question asked to comprehend the perception of the social value and of the attention to the region shown by social

enterprises, carried out with an eye to the knowledge in general of the social enterprises, points to a high association despite the low sample numerosness⁵. **In short, almost all those who claim to know the social enterprises perceive their social value and the attention for the region, while all the subjects who don't perceive these peculiarities, understandably, declare that they don't know the social enterprises.** Similar consideration can be made reading this datum with respect to the knowledge of social cooperatives with offices and active in nearby areas. Also in this case, in fact, we can note that almost all the subjects who know about the action of local social cooperatives (9 out of 10) have a perception of the social value and of the attention to the region by these organizations. Not only, much as it is not possible to perfect an accurate statistical survey, it is important **to underline that precisely the knowledge of the social cooperatives working in the region would represent a good predictor of the perception of the social value of these organizations, differently from other individual variables.**

This seems to confirm, once again, the relevant weight that the regional closeness has on the collective representation of the phenomenon, besides the fact that neither the knowledge of social enterprises nor the judgment expressed by those who answered on the social value and on their attention to the region are correlated to individual variables such as age, sex, educational title and profession.

Another delicate passage of the analysis concerns the relation between the perception of the phenomenon being studied and the behaviours held towards the selfsame phenomenon. Specifically, we can point out how the perception of the social enterprises' social function and of their attention to the region is not in any way associated to the initiatives taken by those who answered, who, by the way, appear rather limited, considering that only 5 subjects out of 14 say they participate to the social enterprises' initiatives. The actual behaviour recorded concerning the disbursement of donations is instead opposite, as a large majority (13 out of 19)

⁵ Kendall's tau-b (rank correlation) = 0.9000; *Prob* > |z| = 0.0002 (with continuity correction) on independence test of H₀.

maintain they make this choice rather regularly. Not even this attitude, however, is linked to the individual social-economic variables, since the age group, sex, educational degree and profession have no significant links with the habit of giving donations. In the field of descriptive statistics, anyway, the two age groups that are mostly involved in the activity of donation are those between 36 and 50 and between 66 and 80, although this datum is not statistically significant, for these groups are also the ones more represented in absolute terms (respectively 7 and 6 out of 19). **The typology of these donations is rather limited, as the actual types are the occasional donations, the sponsorships, the 5 per thousand, the postal bulletins and, anyway in a limited measure, being a financing member.**

The donations are accompanied also by the attitudes of the subjects, who maintain that, in front of a certain availability of money (10,000 Euros), they would act anyway in support of the nonprofit activity. This declaration of intents, however, doesn't seem to favour yet the social enterprise as an active subject, for the preferred ways would be the ones of private investment with bank or postal financial instruments (6 out of 19) and of donation (4 out of 19), **while only 2 subjects would trust in the social enterprises for an investment.** Of the remaining 7 subjects, 3 wouldn't make any investment, while 4 abstain from giving a precise answer (this, too, is a significant datum). **The cooperatives also suffer the reduced willingness that the answering people manifest towards the subscription of investments with a lesser remuneration rate and more time but who support their projects (11 subjects out of 19 claim to be unwilling in this eventuality).**

The preferred subjects as receivers of the donations are charities and associations, while following those it is possible to find again foundations, cooperatives and research bodies. In choosing the organization prevails **the criterion of territorial closeness and, shortly after, that of its history.** Then comes the direct knowledge of the organization and the cause it pursues with its activity, in a picture that seems to emphasize, also symbolically, the theme of the reputation that the organization has been able to build up over time.

The knowledge of the instruments supporting the activity of the social

enterprises is practically nonexistent and, furthermore, the 2 subjects (out of 21) who claim to know about it aren't able to give relevant examples (the 5 per thousand doesn't seem to be distinguishing of this category of instruments). On the other hand, besides these deficits of command of the phenomenon, we find again a relevant push to participate to meetings to deepen the knowledge of financial instruments to support the social enterprises (12 subjects out of 19). Also the willingness to support economically a cooperative of the region is high (still 12 out of 21) and the forms, as well as the timing, that this propensity takes on concern mainly a yearly donation (6 preferences), the support of a particular project lasting more than a year (4 preferences) and the support of a particular project lasting at the most 6 months (3 preferences). The favourite instruments to warrant support to the social enterprises are the investments to accomplish particular projects (9 preferences), the 5 per 1000 (8 preferences) and the financial services for disabled persons (2 preferences).

The propensity towards the philanthropists' social investment was tested also through a question aimed at checking the willingness to subscribe to an investment with a lesser remuneration rate and more time, but supporting social projects promoted by the cooperatives. Also in this case the majority of those who answered is not willing to accept this circumstance (11 out of 19). However, also in case of unwillingness, the majority of the subjects would be ready to support anyway investments in generic social projects (it seems like the “social project” is seen differently from the social enterprise itself). The opinion of the interviewed people is more or less equally divided into those who maintain that social enterprises should finance themselves and those who, instead, consider this incorrect.

For what concerns the relations between the behaviours explicitly directed to the social enterprises and the subjects' personal characteristics, the most important individual variables do not exercise any impact on the participation to the social enterprise's activities. Age group, sex, income band, education level, for instance, do not constitute explanatory factors of the individual conduct of altruistic kind in this direction. Also due to the low numerosness, in fact, as we already pointed out, it is

not possible to come to considerations founded on significant data. There are, however, some qualitative evaluations, which can be developed on these aspects of the personal biography. For example, the education level “elementary/lower secondary school” sees the highest frequency of missed participation to the social enterprises' activities, where the secondary school diploma marks a prevalence of the subjects' participating activity, while the only two subjects with a university degree do not accept at all these activities. It is interesting to read this bond between title and behaviours also with respect to the habit of giving donations. In this case, differently from what was said for the participation to the activities of the social enterprises, who owns a certificate of elementary/lower secondary school or even a diploma of upper secondary school, is more inclined to make donations. Moreover, all the participants to the social enterprise's activities are used to making donations, whereas the contrary doesn't appear to be verified. There are then persons who, while not participating in the social enterprise's activities, are used to making donations (as many as 8 out of 19).

A remarkable datum is that those who answered do not act in a philanthropic sense in compliance with their perception of the social enterprises' social value, for these two dimensions appear to be independent. In detail, 8 subjects out of 13 who are not used to make donations perceive the social value and the attention to the region in the social enterprises they know. Moreover, as regards the knowledge of particular instruments in support of the social enterprises, the tendency to make donations doesn't show significant relations, as if the behaviour of a solidarity character resulted independent of any form of specific knowledge of the dynamics of the field. Still on a descriptive level, it is instead possible to notice how it is possible to link the tendency to make donations with the willingness to support economically the cooperatives of the area (8 subjects out of the 13 who make donations belong in this group). As regards instead the claim to be available to attend in-depth meetings, it is interesting to note that the subjects between 66 and 80 years old are mostly interested.

As regards the inclination to invest given the availability of at least €10,000, this

shows, still on a descriptive level, a prevalence of frequencies in the first two income bands, the one up to 25,000 Euros and the one from 25,000 to 50,000 Euros, whose subjects, as we already pointed out, choose various options, from private investment with bank/postal financial instruments to donation.

The family income band highlights relevant dynamics also with respect to the willingness to subscribe an investment with a lower remuneration rate and more time to support social projects promoted by the cooperatives. The school certificate that shows the highest occurrences of positive answers to this question is the first one (4 subjects), the one up to 25,000 Euros. The people who answered who declared they have an income between 25,000 and 50,000 Euros, instead, are more inclined not to subscribe this kind of investment (5 subjects against 3 in favour), while all those who belong to the band between 50,000 and 75,000 Euros are against (3 subjects). **The datum, still from a qualitative-descriptive point of view, deposes then for a growing mistrust of patient capitals as the family income grows.**

In terms of age, instead, the data show that the age group between 36 and 50 would intend to invest (still the same 10,000 Euros) in a homogeneous way on the various forms of investment. However, also in this case, 3 subjects wouldn't invest anything or prefer not to answer. The second most represented group in the intentions to invest, and also the most united, is the one between 66 and 80, with 3 subjects opting for private investment with bank/postal financial instruments. The education level, while it doesn't show any significant impact in a statistic sense, lets one formulate some relevant evaluations. For example, the data point out that the subjects with elementary/lower secondary school certificate prefer the private investment with bank/postal financial instruments, while those who have a higher secondary school diploma prefer not to answer.

Also the opinion expressed about the self-financing of social enterprises shows some interesting aspects. The crossed frequencies between this variable and the sex of those who answered, for example, point out that the positions of the women are much more united and addressed to the social enterprises' necessities to benefit from external forms of financing. The men, conversely, are “divided” exactly in halves, 6

subjects are convinced that the social enterprises must rely only on self-financing and other 6, instead, are convinced that they must support themselves also with external resources. Besides these considerations, it seems proper to remark that not all those who answered who claim to be willing to support economically the social cooperatives of the region think also that the social enterprises must finance themselves. On this issue the subjects' opinions seem to be split equally between those who favour and those against self-financing.

In short, the whole picture shows two main facets. The first concerns the sphere of knowledge and of individual perceptions of the phenomenon being studied. In this sense, the activity of the social enterprises is not mastered very much by the interviewed people, who, however, when they are familiar with it at a regional level, claim to be certain of the scope of the social cooperatives interested with respect to their geographic closeness (neighbouring areas).

The second perspective is the one of the subjects' real behaviours and their typical action of solidarity matrix. This plan highlights a certain fragmentary character of the initiatives, certainly relevant, but anchored to a fairly traditional intervention profile, which rewards rather usual solutions. A proof in support of what has been pointed out is the poor knowledge of instruments supporting the social enterprises' activity. What emerges, however, is the awareness of wanting to reduce this deficit of knowledge through in-depth meetings, while, where one notices the social enterprises' participation to the activity (certainly a minority procedure), this constitutes an incentive to giving donations (anyway not dependent on the first condition).

The regional dimension keeps its centrality with respect to the donation actually made, as well as to the criteria that inspire the subjects' solidarity action, but also towards their willingness to keep donating in the future. It is then this factor which constitutes the driver of a process that attempts to put at the centre of the nonprofit dynamics a subject (the social enterprises) not yet perceived as key interlocutor, also with respect to the willingness to invest in social projects following the availability of hypothetical amounts of money.

5. CONCLUSIONS

This research has produced some evidences, reported in short as follows:

- Valle Camonica's profit entrepreneurs and private individuals have little knowledge of the ecosystem of social enterprises of their own region;
- The economic-financial support to the social enterprise is sporadic, linked to personal initiatives and to models of traditional philanthropy (*unatantum* unstructured donations);
- Poor, in all analyzed fields, is the knowledge of methods and instruments supporting the social enterprise, whether they are of private capital or loan. The only instrument which is quoted is the 5 per 1000;
- Where there is an economic-financial support to social enterprises, the same is justifiable with a good knowledge and a recognized territoriality of the same;
- There is no specific correlation between the subjects' personal/working characteristics and the tendency to give/invest in social enterprises;
- There is a correlation between age (over 60) and work (employees and teachers) and willingness to know better the possibilities to support the social enterprise.

From these main evidences, some suggestions emerge supporting the theme and the ACT SOCIAL project in general.

- **SOCIAL ENTERPRISES**

Valle Camonica's social enterprises should give more and better communication of themselves and of their action, especially of the social impact they produce in the area of their competence.

The incentive and the generation of positive social capital is the first vehicle to obtain trust, support and, then, economic support from the subjects of the territory.

Valle Camonica's citizens could thus become a good target of financial requests,

but also of specific fund-raising campaign, if only they could spread messages, images and “stories of change”.

Having relationships with the profit enterprises of the area should become a constant activity for the social enterprises, intercepting that sensibility which characterizes the entrepreneurs so as to support the impact investments which, through the social enterprises, it is possible to accomplish.

A managerial approach to communication, to social marketing, to fund raising, to the description and evaluation of their own impact are fundamental requisites to activate such financing policies. On the other hand, making the best of what the enterprises have accomplished for years in the region, every day, getting the needed managerial instruments, could be the immediate lever to produce value.

- DONORS/SPONSORING SUBJECTS

Obviously the donors and sponsoring subjects can't be forced to take any action, how appropriate instead it would be to concentrate on the aspects which emerge as relevant to direct their intentions of financing/donation. First of all focus on the theme of the region and the closeness, as well as the structured and permanent bond. Creating relationships based on trust is the keystone to build regional systems of “venture philanthropy”. On the other hand, looking at the subjects of interest they let emerge: the medical-health prevention, the subject of disability, etc. Finally, proposing ways of collection that may meet – besides the different ends – also the different economic supplies of the subjects being considered, from entrepreneurs to private investors and donors, all moved by different motivations and needs.

- FOR THE FINANCIAL INTERMEDIARIES

From among the various needs pointed out by the research, what stands out is the virtual absence of an offer of financial instruments that can match demand and supply of capitals. Until this gap isn't filled, repeating instruments that already exist in other areas or studying *ad hoc* ways for the Camunian region and enterprises, the subject will remain incomplete and the possibility that social impact investments are

accomplished virtually impossible.

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