

Law 381/1991 on Social Cooperatives*

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LAW 381/1991 ON SOCIAL COOPERATIVES

Law of 8 November 1991, n. 381

The Chamber of Deputies and the Senate of the Republic have approved; THE PRESIDENT OF THE REPUBLIC PROMULGATES the following law:

Art. 1. Definition

1. Social cooperatives have the purpose of pursuing the general interest of the community¹ in the human promotion and social integration of citizens through:
 - a) the management of socio-health and educational services, including the activities referred to in Article 2, paragraph 1, letters a), b), c), d), l), and p), of Legislative Decree 3 July 2017, n. 112;
 - b) the conduct of diverse activities – agricultural, industrial, commercial, or service-based – finalised towards the work integration of disadvantaged persons².
2. The norms relative to the sector in which the cooperatives themselves operate apply to social cooperatives, insofar as they are compatible with the present law.
3. The social denomination, however formed, must contain the indication of ‘social cooperative’.

Art. 2. Volunteer Members

1. In addition to the members provided for by current regulations, the statutes of social cooperatives may provide for the presence of volunteer members³ who provide their activity gratuitously.
2. Volunteer members are recorded in a specific section of the book of members. Their number may not exceed half of the total number of members.
3. Collective agreements and legal norms regarding subordinate and autonomous labour do not apply to volunteer members, with the exception of norms regarding insurance against workplace accidents and occupational diseases. The Minister of Labour and Social Security, by his own decree, determines the amount of remuneration to be assumed as the basis for the calculation of premiums and relative benefits.

¹ **Translator’s Note:** The concept of *interesse generale* marks a fundamental juridical shift from traditional cooperative law. While standard cooperatives are bound to serve the ‘mutual interest’ of their members (e.g., cheaper goods, better wages), Law 381 mandates that Social Cooperatives serve the wider community. This legal innovation aligns with the Civil Law concept of *Intérêt Collectif* (Collective Interest), effectively creating a private enterprise with a public purpose.

² **Translator’s Note:** This defines the specific mission of ‘Type B’ social cooperatives (WISEs - Work Integration Social Enterprises). Unlike ‘Type A’ cooperatives which deliver social services (care, education), Type B cooperatives engage in any market activity (from agriculture to manufacturing) provided their workforce comprises at least 30% disadvantaged persons.

³ **Translator’s Note:** This provision introduces a unique multi-stakeholder governance model. Unlike traditional volunteers who are external to the organisation, *soci volontari* are voting members of the cooperative assembly. They contribute labour without remuneration but share in decision-making power, ensuring that the community interest is represented alongside the interests of paid workers.

4. Volunteer members may only be paid the reimbursement of expenses actually incurred and documented, based on parameters established by the social cooperative for the totality of members.
5. In the management of services referred to in Article 1, paragraph 1, letter a), to be carried out in application of contracts stipulated with public administrations, the performance of volunteer members may be used in a complementary and non-substitutive measure regarding the employment parameters of professional operators provided for by current provisions. The performance of volunteer members does not contribute to the determination of service costs, with the exception of the charges connected to the application of paragraphs 3 and 4.

Art. 3. Obligations and Prohibitions

1. The clauses relative to mutualistic requirements⁴ referred to in Article 26 of the Legislative Decree of the Provisional Head of State 14 December 1947, n. 1577, ratified, with modifications, by the Law of 2 April 1951, n. 302, and subsequent modifications, apply to social cooperatives.
2. Any statutory modification directed at eliminating the character of social cooperative entails the cancellation from the 'social cooperation section' provided for by the second paragraph of Article 13 of the cited Legislative Decree of the Provisional Head of State 14 December 1947, n. 1577, as modified by Article 6, paragraph 1, letter c), of the present law, as well as the cancellation from the regional register referred to in Article 9, paragraph 1, of the present law.
3. For social cooperatives, the ordinary inspections provided for by Article 2 of the cited Legislative Decree of the Provisional Head of State 14 December 1947, n. 1577, must take place at least once a year.

Art. 4. Disadvantaged Persons

1. In cooperatives that carry out the activities referred to in Article 1, paragraph 1, letter b), the following are considered disadvantaged persons: physical, psychic, and sensory invalids; former patients of psychiatric hospitals, including judicial ones; subjects in psychiatric treatment; drug addicts; alcoholics; minors of working age in situations of family difficulty; persons detained or interned in penitentiary institutes; convicts and internees admitted to alternative measures to detention and to work outside pursuant to Article 21 of the Law of 26 July 1975, n. 354, and subsequent modifications. Furthermore, subjects indicated by decree of the President of the Council of Ministers, at the proposal of the Minister of Labour and Social Security, in concert with the Minister of Health, with the Minister of the Interior and with the Minister for Social Affairs, having heard the central commission for cooperatives instituted by Article 18 of the cited Legislative Decree of the

⁴ **Translator's Note:** Refers to the rigorous capital constraints derived from the 1947 Basevi Law, such as the Indivisible Reserve (Asset Lock). Although Social Cooperatives serve a general interest, they must retain the mutualist capital structure, meaning profits cannot be freely distributed to members but must be reinvested or locked within the movement, protecting the organisation from demutualisation or speculative sale.

Provisional Head of State 14 December 1947, n. 1577, and subsequent modifications, are considered disadvantaged persons.

2. The disadvantaged persons referred to in paragraph 1 must constitute at least thirty per cent of the workers of the cooperative and, compatibly with their subjective state, be members of the cooperative itself. The condition of disadvantaged person must result from documentation coming from the public administration, without prejudice to the right to privacy.
3. The total rates of contribution for mandatory social security and assistance insurance due by social cooperatives, relative to the remuneration paid to the disadvantaged persons referred to in this article, with the exception of the persons referred to in paragraph 3-bis, are reduced to zero.

3-bis. The rates referred to in paragraph 3, due by social cooperatives relative to the remuneration paid to persons detained or interned in penitentiary institutes, to former patients of judicial psychiatric hospitals and to persons convicted and interned admitted to work outside pursuant to Article 21 of the Law of 26 July 1975, n. 354, and subsequent modifications, are reduced in the percentage measure identified every two years by decree of the Minister of Justice, in concert with the Minister of the Treasury, of the Budget and of Economic Planning. The contribution relief referred to in the present paragraph applies for a period subsequent to the cessation of the state of detention of eighteen months for detainees and interneers who have benefited from measures alternative to detention or from work outside pursuant to Article 21 of the Law of 26 July 1975, n. 354, and subsequent modifications, and of twenty-four months for detainees and interneers who have not benefited from them.

Art. 5. Conventions

1. Public bodies, including economic ones, and capital companies with public participation, even in derogation of the discipline regarding public administration contracts, may stipulate conventions with the cooperatives that carry out the activities referred to in Article 1, paragraph 1, letter b), or with analogous organisms having headquarters in other Member States of the European Community, for the supply of goods and services other than socio-health and educational ones, the estimated amount of which net of VAT is lower than the amounts established by Community directives regarding public procurement, provided that such conventions are finalised to create work opportunities for the disadvantaged persons referred to in Article 4, paragraph 1. The conventions referred to in the present paragraph are stipulated following the conduct of selection procedures suitable to ensure respect for the principles of transparency, non-discrimination, and efficiency.
2. For the stipulation of the conventions referred to in paragraph 1, social cooperatives must result inscribed in the regional register referred to in Article 9, paragraph 1. Analogous organisms having headquarters in other Member States of the European Community must be in possession of requirements equivalent to those required for inscription in such register and result inscribed in the regional lists referred to in paragraph 3, or give demonstration with suitable documentation of the possession of the requirements themselves.

3. The regions make known annually, through publication in the Official Journal of the European Communities, the requirements and conditions required for the stipulation of conventions pursuant to paragraph 1, as well as the regional lists of organisms that have demonstrated possession of them to the competent regional authorities.
4. For the supplies of goods or services other than socio-health and educational ones, the estimated amount of which net of VAT is equal to or greater than the amounts established by Community directives regarding public procurement, public bodies including economic ones, as well as capital companies with public participation, in call for tender notices and specifications of charge may insert, among the conditions of execution, the obligation to execute the contract with the employment of the disadvantaged persons referred to in Article 4, paragraph 1, and with the adoption of specific programmes of recovery and work integration. The verification of the capacity to fulfil the aforesaid obligations, to be conducted on the basis of the present law, cannot intervene during the course of tender procedures and in any case prior to the adjudication of the contract.

Art. 6. Modifications to the Legislative Decree n. 1577

1. To the cited Legislative Decree of the Provisional Head of State 14 December 1947, n. 1577, the following modifications are made:
 - a) at Article 10, the following paragraph is added at the end: ‘If the inspection regards social cooperatives, a copy of the report must be transmitted, by the Ministry of Labour and Social Security, within forty days from the date of the report itself, to the region in whose territory the cooperative has its legal headquarters’;
 - b) at Article 11, the following paragraph is added at the end: ‘For social cooperatives the provisions referred to in the second paragraph are arranged following the opinion of the organ competent in matters of cooperation of the region in whose territory the cooperative has its legal headquarters’;
 - c) at the second paragraph of Article 13, the words: ‘Social cooperation section’ are added at the end;
 - d) at Article 13, the following paragraph is added at the end: ‘In addition to the section specifically provided for them, social cooperatives are inscribed in the section to which the activity carried out by them directly pertains’.

Art. 7. Tax Regime

1. ((PARAGRAPH REPEALED BY LEGISLATIVE DECREE 1 AUGUST 2025, N. 123)).
2. ((PARAGRAPH REPEALED BY LEGISLATIVE DECREE 1 AUGUST 2025, N. 123)).
3. To Table A, part II, of the Decree of the President of the Republic 26 October 1972, n. 633, and subsequent modifications, the following number is added: ‘41-bis) services of a socio-health and educational character rendered by social cooperatives’.

Art. 8. Consortia

1. The provisions of the present law apply to consortia constituted as cooperative societies having a membership base formed in a measure not less than seventy per cent by social cooperatives.

Art. 9. Regional Legislation

1. Within one year from the date of entry into force of the present law, the regions issue the implementation norms. To this end, they institute the regional register of social cooperatives and determine the modalities of connection with the activity of socio-health services, as well as with activities of professional training and development of employment.
2. The regions adopt model conventions for relations between social cooperatives and public administrations that operate within the region, providing, in particular, for the requirements of professionalism of the operators and the application of current contractual norms.
3. The regions also issue norms aimed at the promotion, support, and development of social cooperation. The charges deriving from the support measures arranged by the regions are placed to the charge of the ordinary availability of the regions themselves.

Art. 10. Assistance and Consultancy Activities

1. The provisions of the Law of 23 November 1939, n. 1815, do not apply to cooperatives instituted pursuant to the present law.

Art. 11. Participation of Legal Persons

1. Public or private legal persons⁵ in whose statutes the financing and development of the activities of such cooperatives is provided for may be admitted as members of social cooperatives.

Art. 12. Transitional Discipline

1. Social cooperatives already constituted at the date of entry into force of the present law must conform within two years from such date to the provisions provided herein.
2. The deliberations of modification to adapt the deeds of incorporation to the norms of the present law may, in derogation of the provisions of Articles 2365 and 2375, second paragraph, of the Civil Code, be adopted with the modalities and majority of the ordinary assembly established by the deed of incorporation.

The present law, bearing the seal of the State, shall be inserted in the Official Collection of normative acts of the Italian Republic. It is obligatory for anyone to whom it pertains to observe it and cause it to be observed as a law of the State.

⁵ **Translator's Note:** By allowing public or private entities (*persone giuridiche*) to become members, the law formalises the 'Multi-Stakeholder' nature of the Social Cooperative. This permits a governance structure where workers, beneficiaries, volunteers, and funding institutions (like the State or foundations) can all sit on the same Board, co-constructing the service rather than having a simple provider-client relationship.

Given in Rome, on 8 November 1991

COSSIGA ANDREOTTI, *President of the Council of Ministers Seen, the Keeper of the Seals:*
MARTELLI