Islamic finance and social finance, an opportunity for social enterprises

Iannaci Daniel [1] and Gideon Mekonnen Jonathan [2]

[1] *University of Turin – Department of management*

[2] *Stockholm University - Department of Computer and Systems Sciences (DSV)*

Abstract— **Social enterprises are defined as the real engine of social innovation because they have in their veins the objective of creating social impact and they are the companies with the best structure in the panorama of the third sector. After the recent crisis, social hardship has become more and more frequent in all situations, from health care to housing, for example. Poverty is another existing social phenomenon that has critical effects on the ecosystem. This leads to a decrease in the protection of the quality of life by increasing the need for health services, social assistance, housing and of course social aid on necessities. The engine that could encourage change is the grafting of socially disadvantaged people into the workplace, but the companies themselves need ideas and especially resources to assimilate more staff. It is essential to grow the companies For Impact, but it is not always easy for them to access funding. In order to guarantee a constant increase in social impact, the company's attention must always be combined with performance to ensure survival into the business. Progressively, in these years, there has been a growth of the financial instruments tied to the Islamic finance and these could have an important role not only for the Moslems, but also for the non-Muslim countries.**

The constant search for alternative ways of financing is always alive, more so by the companies that make up the third sector, which are open to instruments that respect ethical principles. To support this aspect, there is an evolution of the instruments of social finance and Islamic finance, both of which have the same values.

This document, through an empirical analysis, wants to demonstrate how, through the meeting of the Islamic finance and social finance instruments, it is possible to restart the process of social innovation through the companies which are currently the major players in this field: the social cooperatives.

Keywords- Islamic finance; social finance; social enterprises; social impact; accounting

I. Introduction

Islamic religion calls for a comprehensive development of an economy and puts emphasis on social welfare and urges for maintaining social justice, equity, and poverty alleviation [1], [2]. Its teachings stresses on the duties of Muslims towards humanitarian and social welfare [2], [3]

Social welfare, social justice, equity and poverty reduction are the points on which the Islamic religion places the accent [3]–[5]. The teachings of this religion refer to humanitarian and social assistance [6], [7].

Islamic financial instruments should follow all the dictates of Sharia law. Sharia is the set of rules derived from the main Koran and Sunna resources and from other sources such as Ijma and Qyias (consensus and analogy) that cover all aspects of the life of a Muslim [8]–[10].

Islamic finance has a vast range of products which go from the Islamic micro loan and micro finance to the emission of "sukuk" (Islamic bonds) [11]–[13].

A social enterprise is the subject oriented with prevalent mutuality, trying to maximize the values of social impact, such as human well-being, but always trying to maximize profits.

Social enterprises are defined as the real engine of social innovation because they have in their veins the objective of creating social impact and they are the companies with the best structure in the panorama of the third sector. After the recent crisis, social hardship has become more and more frequent in all situations, from health care to housing, for example. Poverty is another existing social phenomenon that has critical effects on the ecosystem [14]–[16]. This leads to a decrease in the protection of the quality of life by increasing the need for health services, social assistance, housing and of course social aid on necessities. The engine that could encourage change is the grafting of socially disadvantaged people into the workplace, but the companies themselves need ideas and especially resources to assimilate more staff. It is essential to grow the companies For Impact, but it is not always easy for them to access funding. In order to guarantee a constant increase in social impact, the company's attention must always be combined with performance to ensure survival into the business. Progressively, in these years, there has been a growth of the financial instruments tied to the Islamic finance and these could have an important role not only for the Moslems, but also for the non-Muslim countries [17]–[19].

The constant search for alternative ways of financing is always alive, more so by the companies that make up the third sector, which are open to instruments that respect ethical principles. To support this aspect, there is an evolution of the instruments of social finance and Islamic finance, both of which have the same values [4], [20].

This document, through an empirical analysis, wants to demonstrate how, through the meeting of the Islamic finance and social finance instruments, it is possible to restart the process of social innovation through the companies which are currently the major players in this field: the social cooperatives.

The objective is to investigate how, through the meeting of Islamic and social finance instruments, it is possible to restart the process of social innovation through the companies that are currently the major players in this field: social cooperatives.

The document is structured as follows: the second section illustrates the literature review, the third section the research methodology, the fourth section the context of the case study, while the fifth section provides the presentation of the results, sixth discussion and finally the seventh section concludes.

II. LITERATURE REVIEW

a. *Islamic finance*

Islamic religion places emphasis on social welfare, social justice, equity and poverty reduction [2], [3]. The concept of the maqasid al sharia (purpose of sharia) upholds the principle of serving the public interest of maximizing benefit and reducing harm of the community. Thus eradication of poverty, socio-economic justice are among the primary goals of Islam [9] that is based on adl (social justice) and ihsan (benevolence) [5], [21] which makes Islamic finance attractive to the Western countries working in an ethical way [8]. In addition, Islamic finance with it various financial products is not limited to Muslims but on the contrary available to everyone [19] and this is confirmed by its diffusion and ability in attracting the attention of the investors, financial institutions and regulators as a valid alternative to conventional one [22].

Islamic financial instruments should all follow the Sharia dictates. Sharia are the set of rules derived from the main resources Quran and Sunna and other sources like Ijma and Qyias (consensus and analogy) covering all aspects of a Muslim's life [23], [24]. Sharia prohibits: Riba (usury/interest), Gharar (speculation/uncertainty), Maysir (gambling), Investing in Haram (unpermitted) activities and business like alcohol, tobacco, pork-related products, adult entertainment (pornography), and weapons [8]. Moreover, some other concepts should be maintained like: Investments should be asset-backed or identified to an underlying tangible asset; application of the profit and loss concept (PLS); fulfilling the obligation of Zakat (charity) towards the poor and needy.

The Islamic finance have a various array of products from Islamic micro lending and microfinance to the issuance of "sukuk" (Islamic bonds) [25]. Given the main problem is lack of financial access, alleviating poverty will be creating wealth through development of social enterprises. Islamic tools could support social enterprises to empower the poor and graduate from poverty through micro financing, zakat which is obligatory, and waqf as a voluntary charity.

Zakat is an annual charitable obligation to donate that includes at least 2.5% of the income or wealth paid by all Muslims who have their income or wealth above a certain threshold. Zakat can play an important key role in reducing and eliminating poverty by redistributing wealth to all society. The world value of zakat alone is potentially from 200 billion to 1 trillion dollars a year. However, this extraordinary potential has yet to be fully realised, even in the field of the world's largest Muslim-majority country, because informal zakat delivery remains much broader than contributions made through formal Islamic organizations. Thus, a change of model is necessary in the management of zakat, moving from a focus on the charitable act of giving its impact on expanding the rights of recipients. Consumer spending for basic needs, with greater attention to the following aspects of productive activities [5], [25], [26].

b. *Social finance*

All organisations create economic, social and environmental value [20], [27]. The crisis that has hit the ecosystem in recent years has made it more difficult to achieve balance in all three values. From moments of difficulty and discomfort, new opportunities usually arise, and this is for example the case of the birth of new financial instruments. An overview has already been given of the innovation that crowdfunding has brought to the economic system [13], [20], [28]–[37].

The world of finance, however, has had the opportunity to learn about the emerging instruments linked to the theme of

Social Finance, in which ethical values are put ahead of other performance indicators to which we are accustomed with conventional instruments, becoming fundamental tools for the success of the impact value chain defined by Clark et al. (2004).

It is an economic moment in which there is the grafting of another theme in which ethics is at the first place and is the expansion of the culture of Islamic finance [18], [38].

The social enterprises, given the predominant role they have within social innovation and the propensity intrinsic to their social object of ethics, seem to be the best candidates on which to push for the approach to these instruments [11], [17], [18], [38].

As Nicholls et al. (2015) says, the British government has certainly played a fundamental role in the last ten years through policies aimed at increasing the sectors of social enterprise and social finance.

The tools that social finance provides are many and above all innovative. When new themes and instruments are grafted onto an ecosystem, this gives rise to new realities such as the definition of the impact economy [20], [32], [39].

Calderini et al. (2018) has been able to give life to a concept that is currently defined Impact economy as a new entrepreneurial and financial paradigm. By overcoming the traditional notion of social responsibility, it proposes to implement initiatives with a high social impact and capable of exerting a transformative force in society (Calderini et al., 2018a; Carree and Thurik, 2010; Etzkowitz et al., 2000; Isenberg, 2011).

Businesses and social impact investments are initiatives that intentionally pursue measurable social impact and at the same time economic sustainability and financial returns.

Although ethics is put first, a guarantee that can be given by a social enterprise that intends to use one of the above instruments can give greater security if it manages to guarantee a certain propensity for technology and the innovation that it entails [40], [41]. Attention to performance is an indicator of survival within the market and this consequently allows the generation of social impact as the actor is active [42], [43]. A not insignificant factor is also the attention that the company pays to internal management in order to guarantee that it puts the same meticulousness outside as the management of the entire plan of security compliance [44], [45].

Moreover, the action of companies and investors is characterized by additionality [35], [46]–[52]

Additionality means operating in sectors that are undercapitalised because they are penalised by traditional market mechanisms. Third sector organisations that grow, structure and intensify their skills, technologies and capital [18], [53]–[55].

III. Research Methodology

This research employs a case study approach [56], [57]. The case-study approach is suitable for investigating why or how phenomena occurred and the relationships among these phenomena [57]. Through case study, one may better understand a novel phenomenon and concept [56]. In line with the purpose of this article, the methodology was adopted by preparing a longitudinal and explanatory case study [58], [59].

The empirical evidence for this article comes from the search for cases of third sector companies legal in the north-west of Italy. The phenomena of crisis that have affected the nation and the strong presence of social cooperatives on the territory has made concentrate the area of selection in a very specific that will be interesting to replicate in future research for other areas. The objective is to investigate how, through the meeting of Islamic and social finance instruments, it is possible to restart the process of social innovation through the companies that are currently the major players in this field: social cooperatives.

The criteria for the selection of the 317 social cooperatives through “Aida - Bureau Van Dijk” were as follows:

1) The companies had to be Social Cooperatives with registered offices in Italy (11,206 cases);
2) the companies had to be still active within the market (7,109 cases);
3) The companies had to represent the north-west of Italy and therefore Valle d'Aosta, Piedmont, Lombardy, Liguria (1,122 cases);
4) the companies had to have the willingness to analyse the balance sheets closed in 2018 (331 cases).

IV. Case Study – Context

The analysis carried out involves the social cooperatives that are part of the north-west of Italy, which includes the regions of Valle d'Aosta, Piedmont, Lombardy and Liguria. In Table I it is possible to see the distribution.

TABLE I. Distribution of Social Cooperatives by Region

Region	Total
Liguria	30
Lombardy	252
Piedmont	31
Aosta Valley/Vallée d'Aoste	4

Source: Our production

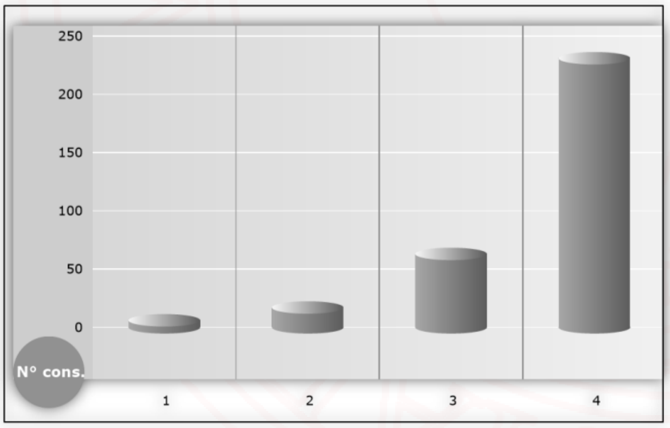
Through a systematization of all sectors indexed according to the code ATECO 2007 which is an Italian categorization of the working sectors. We believe that they are the most representative and the nomenclatures adopted are representative of the sector. Table II shows the distribution of the 317 social cooperatives analysed, the most numerous being those dealing with Healthcare, Social Welfare Services, Social Welfare and Education. The table shows that the sum of all activities categorized according to the volume of business in four sizes: Less than 10 thousand, from 10 to 100 thousand, from 100 to 500 thousand and finally from 500 thousand and up. The result is very interesting and leads to future reasoning that will be exposed in discussion as the section of most populous cooperatives is the one with more than 500 thousand annual revenues and Graph 1 helps in the representation.

TABLE II. DISTRIBUTION OF THE NUMBER OF SOCIAL COOPERATIVES BY ACTIVITY AND INCOME

	Revenues from sales (thousands of Euro)				
ATECO 2007	**Less than 10**	**From 10 to 100**	**From 100 to 500**	**More than 500**	**All**
Growing of crops and production of animal products, hunting and related service activities	0	0	1	4	**5**
Forestry and use of forest areas	0	1	0	0	**1**
Food industries	0	0	0	1	**1**
Beverage industry	0	0	1	0	**1**
Manufacture of wearing apparel; manufacture of leather and fur articles	0	0	0	1	**1**
Manufacture of wood and of products of wood and cork (except furniture); manufacture of articles of straw and plaiting materials	0	0	1	0	**1**
Printing and reproduction of recorded media	0	0	2	2	**4**
Manufacture of rubber and plastic products	0	0	0	1	**1**
Manufacture of other non-metallic mineral products	0	0	0	1	**1**
Manufacture of fabricated metal products (except machinery and equipment)	0	0	0	2	**2**
Manufacture of electrical and non-electrical household appliances	0	0	0	1	**1**
Manufacture of machinery and equipment nca	0	0	1	0	**1**
Others manufacturing industries	0	0	0	3	**3**
Waste collection, treatment and disposal activities; material recovery	0	0	0	9	**9**
Construction of buildings	1	0	0	1	**2**
Specialised construction work	0	0	0	2	**2**
Wholesale and retail trade and repair of motor vehicles and motorcycles	0	0	1	0	**1**
Wholesale trade (except of motor vehicles and motorcycles)	0	0	1	2	**3**
Retail trade (except of motor vehicles and motorcycles)	1	1	1	2	**5**
Land transport and transport by pipeline	0	0	0	1	**1**
Warehousing and transport support activities	0	0	0	1	**1**
Postal services and courier activities	0	0	0	1	**1**
Accommodation	0	0	0	1	**1**
Food service activities	0	0	1	5	**6**
Activities of information and other information technology services	0	0	1	1	**2**
Activities of management and management consulting	1	0	0	4	**5**
Scientific research and development	0	1	0	0	**1**
Service activities for buildings and landscape	1	1	6	25	**33**
Office support activities and other business support services	0	0	3	4	**7**
Education	0	2	12	33	**47**
Healthcare	0	1	3	6	**10**
Social work services with accommodation	0	1	3	30	**34**
Social work without accommodation	2	8	18	80	**108**
Creative, artistic and entertainment activities	0	0	1	0	**1**
Activities of libraries, archives, museums and other cultural activities	0	0	2	1	**3**
Sports, entertainment and entertainment activities	0	1	2	2	**5**
Repair of computers of personal and household goods	0	0	0	1	**1**
Others personal service activities	0	0	2	3	**5**
All	**6**	**17**	**63**	**231**	**317**

Source: Our production

GRAPH 1 - REPRESENTATION OF THE NUMBER OF SOCIAL COOPERATIVES DIVIDED BY REVENUES



Sales revenues (thousands of Euro)
1. Less than 10
2. From 10 to 100
3. From 100 to 500
4. More than 500

In addition, table III gives a picture of the situation in the area of research conducted by the research group made available through the database of KNOEMA CORP. The data are necessary to make the reasoning resulting from the emerging situations of the budgets of social cooperatives and the recognition of problems and emergencies has the territory and understand if the meeting between Islamic finance and ethical finance the solution can be. Based on the category, synthesis columns have been organized with the total and the average of the four Italian regions, with the possible increase or decrease compared to the year preceding the one under analysis.

In addition to data on population and life expectancy are health, work, transport and science and technology. The representation is important because health has been said to be a major problem and the data confirm it, the "Labour" as employment because you need to know if the territory can absorb the emerging workforce that could be triggered with the right financial instrument. Transport is often one of the most used activities by social cooperatives in the area that want to help disadvantaged people. Finally, with "Science and Technology" we can understand the orientation towards research and development because in order to be able to receive innovations such as those that this research wants to demonstrate the territory must be prepared.

TABLE III. OVERVIEW OF THE SEARCH AREA

DEMOGRAPHY (KNOEMA CORP.)		**Total**		**Average**	
Total population	(p) in 2018	16.090.901,00	-0,15%	4.022.725,25	-0,04%
Life expectancy	(y) in 2016	330,40	2,69%	82,60	0,67%
Life expectancy at 18 years	(y) in 2016	263,40	5,38%	65,85	1,35%
Life expectancy at 65 years	(y) in 2016	82,90	9,40%	20,73	2,35%
Number of deaths	(n) in 2018	15.990,00	-4,34%	3.997,50	-1,09%
Number of live births	(n) in 2018	9.014,00	19,60%	2.253,50	4,90%
Number dying between 0-1 year	(n) in 2016	1.286,00	8,64%	321,50	2,16%
Number dying between 0-64 years	(n) in 2016	2.722,00	-53,17%	680,50	-13,29%
HEALTH					
Death rate	(crude death rate per 100,000 inhabitants) in 2015	4.772,60	42,56%	1.193,15	10,64%
Deaths by chronic liver disease	(crude death rate per 100,000 inhabitants) in 2015	33,70	15,64%	8,43	3,91%
Deaths by accidents	(crude death rate per 100,000 inhabitants) in 2015	143,10	40,00%	35,78	10,00%
LABOR					
Employment	(ths) in 2016	7.271,80	1,46%	1.817,95	0,37%
Employment rate	(%) in 2017	262,00	3,47%	65,50	0,87%
Unemployment	(ths - p) in 2017	551,40	-30,91%	137,85	-7,73%
Unemployment rate	(%) in 2017	32,80	-28,06%	8,20	-7,02%
Long-term unemployment	(ths) in 2017	289,20	-30,36%	72,30	-7,59%
TRANSPORT					
Stock of utility vehicles	(n) in 2016	1.270.811,00	30,01%	317.702,75	7,50%
Stock of passenger cars	(n) in 2016	9.863.118,00	5,62%	2.465.779,50	1,41%
Passenger cars per 1000 population	(per 1000 p) in 2016	2.960,00	6,48%	740,00	1,62%
Stock of motor coaches, buses and trolley buses	(n) in 2016	19.506,00	0,22%	4.876,50	0,05%
Stock of lorries	(n) in 2016	1.044.433,00	31,67%	261.108,25	7,92%
Length of railway lines with double and more tracks	(km) in 2015	1.870,00	0,50%	467,50	0,13%
Total length of railway lines	(km) in 2015	4.154,00	-0,05%	1.038,50	-0,01%
SCIENCE AND TECHNOLOGY					
R&D expenditure	(Mln €) in 2016	8.397,30	4,48%	2.099,33	1,12%
Share of R&D expenditure in regional GDP	(%) in 2016	5,66	0,83%	1,42	0,21%
R&D expenditure per inhabitant	(€) in 2016	1.809,10	6,36%	452,28	1,59%
Share of human resources in science and technology	(%) in 2016	7,10	1299,75%	1,78	324,94%
Share of human resources in education sector of science and technology	(%) in 2016	1,70	9,73%	0,43	2,43%
Number of patent applications	(n) in 2012	1.407,85	22,87%	351,96	5,72%
Number of patent applications per million inhabitants	(per mln inhabitants) in 2012	294,95	23,28%	73,74	5,82%
Number of R&D personnel and researchers	(p) in 2016	143.043,00	1299,78%	35.760,75	324,95%

Source: Our production

V. PRESENTATION OF RESULTS

The results in Table III and IV show the economic and financial picture of the area analysed. As in the previous table, in order to improve the use of the material, a summary is offered by region as a total and as an average of the social cooperatives that make up the territory.

Table IV shows the balance sheet. The data used for the scientific analysis are inherent to the solidity of investments of the companies through the monitoring of the role of tangible fixed assets and the relationship with the total assets.

Moreover, the real wealth of the company, its net worth and, subsequently, the role of bank debts within the cluster of selected companies are monitored and analysed.

Table V instead shows the data grouped using the same method but from the profit and loss account of social cooperatives, highlighting revenues and EBITDA.

Through the economic and financial analysis of the most significant items (table IV), it emerges that tangible fixed assets are more present in the social cooperatives that populate Piedmont and Lombardy, while by monitoring wealth through equity, Lombardy is the most significant. The item which, as mentioned above, is important for our analysis is "payables to banks". As emerges from the studies of Boudt et al. [60] for Islamic finance, they can be considered if they are lower than 33% and the research data show that the area analysed is perfect for this condition as they are all lower.

As a propensity for higher sales revenues (table V), Piedmont and Liguria are the regions with the best data, looking at the average in order to eliminate the problem of the number of people and, finally, the profit reflects what is the trend of revenues.

TABLE IV. KEY BALANCE SHEET DATA FOR THE 4 REGIONS

n	Region	Employees	Total tangible fixed assets - thousands of Euro	Tangible fixed assets / total assets	Total Assets - thousands of Euro	Equity - thousands of Euro - Last year available	Total Debts - thousands of Euro - Last year available	Total liabilities - thousands of Euro - Last year available.	Payables to banks - thousands of Euro - Last year available	Debts to banks / Total assets	Debts to banks / Total debts
Total	Liguria	1.918	7.716	10%	77.287	21.031	43.079	77.287	15.235	20%	35%
Average	Liguria	66	257	8%	2.576	701	1.436	2.576	609	8%	13%
Total	Lombardy	14.639	166.837	35%	472.206	148.604	226.117	472.206	62.483	13%	28%
Average	Lombardy	58	662	23%	1.874	590	897	1.874	329	11%	22%
Total	Piedmont	4.738	58.529	46%	127.180	38.152	72.247	127.180	31.891	25%	44%
Average	Piedmont	153	1.888	20%	4.103	1.231	2.331	4.103	1.276	11%	21%
Total	Aosta Valley/Vallée d'Aoste	105	1.419	41%	3.505	2.206	934	3.505	130	4%	14%
Average	Aosta Valley/Vallée d'Aoste	26	355	39%	876	552	233	876	43	9%	20%

Source: Our production

TABLE V. KEY FIGURES FROM THE INCOME STATEMENTS OF THE 4 REGIONS

n	Region	Employees	Sales revenues - thousands of Euro - Last year available	Net income/loss for the year - thousands of Euro - Last year available	EBITDA - thousands of Euro - Last year available.
Total	Liguria	1.918	99.374	2.832	5.371
Average	Liguria	66	3.312	94	179
Total	Lombardy	14.639	501.226	7.316	26.628
Average	Lombardy	58	1.989	29	106
Total	Piedmont	4.738	154.443	2.315	8.362
Average	Piedmont	153	4.982	75	270
Total	Aosta Valley/Vallée d'Aoste	105	3.137	88	192
Average	Aosta Valley/Vallée d'Aoste	26	784	22	48

Source: Our production

The situation of the companies analysed shows that the more revenues increase, the more debts decrease, and therefore it can be translated that after the initial period of difficulties has been overcome and that social cooperatives become indebted, they acquire a structure that makes them independent and so much so as to reduce demand. In the discussion is presented the condition that the graft of new financial instruments can lead to evolve companies and therefore the economy of the territory and in this social innovation.

VI. Discussion

According to the Pew Research Center, Islam is the second largest religion in the world as a growth rate, in addition to the Muslim population in Europe, was 44 million in 2010 [61] estimating nearly 30% of the world's population in 2050 reaching 71 million [62]. Islamic finance could bring high liquidity to Italy in general and obviously in the section studied, obtaining capital from Muslim countries, which should not be underestimated [6]. Products in the financial field are emerging and are always more innovative, both in Islamic finance and in the finance of impact, so much to make us imagine a path along the same road. For example, they are prominent products of Islamic micro loans and micro finance for the issue of "sukuk" (Islamic bonds) [10], [25]. The studies of Karake-Shalhoub [63] confirm that the Islamic financial industry has an accelerated growth rate at world level where Islamic financial activities are expanding with Shariah-compliant activities of over 1,000 billion dollars. Islamic markets also provide various tools that serve as a basis for the development of a wide range of sophisticated, highly innovative financial instruments [5], [64].

The existing instruments in the panorama of the Islamic finance is already rich, such as, for example, waqf, zakat, sukuk waqf, crowdfunding in conformity with the Sharia, and, furthermore, the whole concept of the micro-finance tied to the guarantee of granting sustainable financing for the need of social impact. For example the adoption of zakat and the waqf instruments aim to combine the two following aspects: religious duty of charitable expenditure and economic development [38].

As emerged in the introduction, poverty is a real problem that will generate inefficiencies and hardship in multiple fields as the case study shows from the results through the increase of social cooperatives operating in the field of health and education where there is a need for greater grafting of help from society.

Islamic finance seems to be an excellent opportunity for the case study and for the Italian territory, using the potential of the financial instruments and the For-Impact business fabric of which Italy is made up.

A previous study by Biancone and Radwan [25] shows that investors have appreciated strategies and approaches to leverage Islamic financial instruments, such as sukuk and microtakaful and other relevant instruments. Biancone and Radwan [38] They continues, that to reach the SDGs, between 3 trillion dollars and 4.5 trillion dollars are necessary, while the current investments in the relevant sectors is of about 1.4 trillion dollars. Governments alone cannot achieve the SDGs goals and the increased need for access to social business opportunities. Islamic finance has various sets of social tools demonstrated in waqfs, microfinance, and sukuk and many others that are able to offer the possibility of realizing SDGs, embodying socially responsible development and creating a bridge between opportunities for economic growth and social welfare, especially for the poorest and most vulnerable. There are significant points in common between zakat and other forms of Islamic finance, and SDGs, with their common goal of alleviating poverty and hunger and reducing inequalities through the redistribution of wealth. As stated in the literature, the Zakat can be a good tool on which to focus for social innovation.

The results show that as revenues increase, the debt to banks decreases, therefore the companies that make up the analysed territory are well structured on average and show that, with the right initial help, they are then able to lead an average successful business life.

One of the points of the Islamic finance is the debt, which cannot exceed 33% of the total, and the table shows that in the four regions of Italy they lend themselves to this philosophy because they are all with values below this threshold. Moreover, it should be added that the mission of all these social cooperatives gives all For Impact and have all the characteristics sought by Islamic finance within their natural orientation to mutuality.

VII. Conclusion

With the aim of answering the question "how, through the meeting of Islamic and social finance instruments, it is possible to restart the process of social innovation through the companies that are currently the major players in this field: social cooperatives", the result is positive and stimulating for future challenges. The companies show a part of the Italian panorama and having all, on average, a good balance sheet situation, they show that the position that they could assume with regard to the banks as potential clients is good as they have all the necessary characteristics for the Islamic and ethical finance.

Given the situation of the sectors, a mobility of capital is necessary, which requires liquidity for development, given that social entrepreneurs are considered the engine of social innovation. The meeting between the demand that the territory makes for social finance instruments and the characteristics of the Islamic finance instruments can be the solution.

Specifically, in Italian’s case, as mentioned in the introduction, the post-crisis effects have left their mark on the social fabric. The ecosystem needs to restart and therefore the trigger is needed to be able to act as a multiplier. As stated in previous articles by Secinaro et al. [65], social enterprises and, therefore, social cooperatives are the engine of social innovation and, with the help of Islamic financial instruments, the nation can restart. For future research, it may be interesting to select with the same business criteria in other states with a high percentage of social cooperatives and understand if they can be close to financial instruments of impact and, therefore, be protagonists of social innovation.

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