**Project Green Synergy Business development for SMEs and Entrepreneurs**

**2022-1-CY01-KA220-VET-000087187**

**Mapping of Current Situation**

**Country Snapshot Template**

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This project has been funded with support from the European Commission.

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**Introduction**

Italy has been experiencing significant developments in the evolution of SMEs and entrepreneurship, with a growing emphasis on sustainable business development. The country has recognized the importance of promoting green transition and fighting climate change, which has led to various initiatives and policies aimed at supporting sustainable businesses.

In terms of SMEs, Italy has a vibrant entrepreneurial ecosystem with a substantial number of small and medium-sized enterprises. These businesses play a crucial role in the Italian economy, contributing to job creation, innovation, and economic growth. Over the years, there has been a shift in the mindset of SMEs towards sustainable practices, driven by both internal motivations and external pressures to address environmental challenges.

Sustainable business development in the ecosystem of SMEs and entrepreneurs in Italy refers to the integration of environmentally friendly practices and strategies into the operations of these businesses. This involves adopting sustainable production methods, reducing energy consumption and waste generation, promoting resource efficiency, and implementing green technologies. Additionally, it encompasses initiatives to enhance social responsibility, such as fair labor practices and community engagement.

Italy has recognized the importance of supporting sustainable business development through regulatory frameworks and policies. The country has implemented several laws and regulations aimed at promoting sustainability and reducing the environmental impact of businesses. Some key regulatory frameworks relevant to sustainable business development include:

1. National Energy Strategy: Italy has developed a National Energy Strategy that aims to transition towards renewable energy sources, increase energy efficiency, and reduce greenhouse gas emissions. This strategy provides guidelines and incentives for businesses to adopt sustainable energy practices.
2. Circular Economy Law: Italy introduced a comprehensive Circular Economy Law in 2019, which promotes the efficient use of resources, waste reduction, and recycling. This legislation encourages businesses to adopt circular business models and implement sustainable production and consumption practices.
3. Environmental Impact Assessment (EIA): The EIA is a regulatory process that assesses the potential environmental effects of certain projects, including industrial activities. It ensures that businesses consider and mitigate environmental risks, promoting sustainable development.
4. European Union Directives: Italy, as a member of the European Union (EU), is subject to various EU directives and regulations related to sustainable business development. These directives cover areas such as energy efficiency, waste management, and emissions reduction, providing a framework for sustainable practices.

These regulatory frameworks provide guidelines and incentives for SMEs and entrepreneurs to integrate sustainable practices into their operations. They aim to create a favorable environment for sustainable business development, fostering innovation, and promoting the transition to a low-carbon economy.

It is important to note that the regulatory landscape is continuously evolving, and there may be additional or updated regulations beyond the information available up to my knowledge cutoff in September 2021. Therefore, it is advisable to consult the latest resources and official government sources to stay updated on the current regulatory framework relevant to sustainable business development in Italy.

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**Current Situation of Smes and Entrepreneurs/ Sustainable Development in ITALY**

Self-employment and SMEs have a significant economic relevance in Italy, contributing to employment and GDP. Here are some statistics and information related to their importance:

1. Contribution to Employment:
   * According to Eurostat data from 2020, SMEs in Italy employed around 78% of the total workforce.
   * The Italian Small Business Association (Confesercenti) reported that micro and small enterprises accounted for approximately 93% of all Italian businesses and employed about 67% of the workforce in 2020.
2. Contribution to GDP:
   * SMEs play a vital role in Italy's GDP. According to Eurostat, in 2020, SMEs accounted for around 66% of the value-added generated by the non-financial business sector in Italy.
   * The Bank of Italy reported that micro and small enterprises contributed to approximately 38% of Italy's GDP in 2020.

Other Qualitative or Quantitative Description of the SMEs and Entrepreneurship Ecosystem:

1. Innovation and Technology Adoption:
   * SMEs in Italy have been actively involved in innovation and technology adoption. They contribute to the development and adoption of new technologies, fostering economic growth and competitiveness.
   * Italian SMEs are known for their expertise in niche sectors such as fashion, design, automotive, and agri-food, among others.
2. Access to Finance:
   * SMEs in Italy often face challenges in accessing finance, particularly during economic downturns. However, various initiatives and programs have been introduced to improve access to finance, including government-backed loan schemes and support from the European Investment Bank.

Public Policy Approach to Self-Employment and Employability:

Italy has implemented national and regional policies to promote self-employment and employability. Here are some examples:

1. National Policies:
   * The "Jobs Act" (Legge n. 183/2014) introduced labor market reforms aimed at promoting flexibility, including measures to support self-employment and entrepreneurship.
   * The "Impresa 4.0" plan, launched in 2017, focuses on fostering innovation, digitalization, and entrepreneurship to enhance employability and economic growth.
2. Regional Policies:
   * Regional governments in Italy have implemented various programs and initiatives to support self-employment and employability. These include funding schemes, training programs, and business incubators.

Public Policy Approach to Sustainable Business Development:

Italy has a comprehensive approach to promoting sustainable business development for SMEs and entrepreneurs. Some key aspects include:

1. National Strategies and Plans:
   * Italy has adopted the National Energy Strategy, which includes measures to promote sustainable business practices, energy efficiency, and renewable energy adoption.
   * The National Plan for Industry 4.0 encourages the adoption of sustainable technologies and practices.
2. Financial Incentives and Support:
   * Public financing programs, such as the "Green New Deal" and the "Smart&Start Italia" initiative, provide financial support to SMEs and entrepreneurs engaged in sustainable activities.
   * The Italian Ministry of Economic Development offers grants, loans, and tax incentives to businesses adopting sustainable practices.

To enhance the ESG behavior of SMEs, it is essential to educate on sustainability. Within a study by ALTIS Catholic and Equita University called "Sustainability: an assessment tailored to SMEs which focused on ESG rating methodologies critical issues have emerged with regard to the assessment system of the sustainable behavior of SMEs. Two scenarios emerged, that is, one in which there was a limiting or even no approach to the sustainability, as they presented a lack of knowledge and tools for being able to apply it, in the other case what has actually been done is not communicated on the outside.

Two different criticalities that require a different training process, with the first of an education in sustainability, the second instead of the importance of doing know your own actions. Experts affirm the need for companies to recruit talent, enhance one's own resources and include people capable of leading in the organization change. Young graduates appear to be more aware of what is relevant the theme of sustainability bringing important benefits to the organization from the point in view of the commitment, innovation and creativity to be able to lead a green transition.

Furthermore, it appears to be necessary to invest in the training of employees trying to overcome environmental literacy, also monitoring the concrete interventions to understand if they are working and to what extent. In the presentation entitled "The role of training to act ESG by Paola Nicoletti underlined that in order to act on ESG it is first of all necessary to HR training

* From compulsory school to upper secondary education, by investing on education or on the future, through information and raising aware young people to the topic of reference,
* From universities, helping to form the future ruling classes of the futur in the political, economic and social fields.
* Workers, mainly in SMEs, through continuous training

On the national territory there are numerous training interventions offered a large contribution is offered by the European Union, which it deems absolute to provide the necessary skills and tools to SMEs as they are the majority part of the production fabric and must keep pace with green innovation bec allow you to:

* address regulatory challenges,
* take advantage of investment opportunities,
* satisfy the consumers of the future.
* be more competitive.

STEP Tech Park and Impact Hub Leipzig have come up with a training pro guarantees support and help in line with the new business model for the full more sustainable.

The program of this project was targeted at 15 Italian SMEs and 15 German SMES. The program saw

6 training moments

2 international study visits SMEs met for two training opportunities and exchange of best practices

The training topics that were addressed in the course were:

* companies and environmental sustainability
* Sustainability Management
* Innovation Management and competitive advantage
* Open Innovation
* green technologies
* Agile or Lean Startup methodology

The training program was developed to contribute to cultural openness of sustainable innovation for SMES. Forma Camera, Special Company of the Chamber of Commerce of Rome together with the University of Rome "Tor Vergata" and Unicredit, in 2022 it provided a training course called "Circular Economy and PMI". The course was developed on 8 training meetings to respond to the challenge of the Green transition of SMES. The course was followed by academics and professionals with the aim of helping SMES for:

* Green sector training and transformation,
* Stimulating sustainable innovation and cross-sectoral collaboration for creation of shared value and for the enhancement and development of the circular economy.

The new course started in February 2023 "Sustainability Executive Course in SMES: strategic business leverage" proposes support for SMEs and tools concrete in order to be ready for the challenges of sustainable transition Relevant data will be the presence of two SMEs, during the course, which will allow the participants to know through their experience the way in which they have embarked on a path sustainable.

During the course they will be able to learn the value of sustainability with a view to growth and development for small and medium enterprises

The course can be used by those who are entering this for the first time topic of reference both for those who have already embarked on this path but at the same time fails to adequately respond to the changing needs of the market.

The benefits they aim to achieve with this course are:

* Greater awareness of sustainability issues. SMES will be able to respond promptly and professionally to requests from market, investors, customers, institutions;
* Start a route, immediately. Upon completion of the course, SMES will have the tools they need to set up a strategic path of sustainability,
* Internal professionalism. Small and medium enterprises will be able to have one or more resources with specific skills on the subject that will complement their qualifications work, triggering a positive cross-contamination

**Need for training for a sustainable development ITALY**

Self-Employment and Employability Ecosystem - Training Needs, Demand, and Supply:

In Italy, the self-employment and employability ecosystem recognizes the importance of training and skill development to support entrepreneurs and enhance employability. Here are some key points related to training needs, demand, and supply:

1. Training Needs:
   * The self-employment sector in Italy has diverse training needs to equip aspiring entrepreneurs with the necessary skills and knowledge to succeed.
   * Entrepreneurial skills such as business planning, financial management, marketing, and networking are crucial for self-employment.
   * Additionally, specific industry-related skills and digital literacy are becoming increasingly important in the evolving business landscape.
2. Demand and Supply:
   * The demand for self-employment training programs in Italy is significant, as individuals seek to acquire the skills and knowledge required to start and run their own businesses.
   * Various training providers, including public and private institutions, offer programs and courses catering to the demand for self-employment training.
   * The supply of training programs varies across different regions and sectors, with some areas having a more developed infrastructure compared to others.

Industry/Sector Organization and Structure:

The organization and structure of the self-employment sector in Italy can vary depending on the industry and region. Here are some key points:

1. Support System:
   * Italy has a support system in place to assist self-employed individuals and SMEs, which includes business associations, non-governmental organizations (NGOs), and public sector facilitators.
   * Business associations, such as the Italian Chambers of Commerce, industry groups, and trade associations, play a vital role in providing guidance, networking opportunities, and advocacy for self-employed individuals and SMEs.
   * Local authorities, including municipalities and regional governments, often collaborate with business associations and provide support through initiatives, resources, and networking events.

SMEs and Self-Employment Training:

1. Structured Training Offer:
   * Italy has a structured training offer to support self-employment and entrepreneurship.
   * Educational institutions, including schools, vocational education and training (VET) centers, higher education institutions (HEIs), and other training providers, offer programs tailored to self-employment and entrepreneurship.
   * These training programs provide aspiring entrepreneurs with the knowledge and skills required to start and manage their own businesses.
2. Formal Provision of Educational Services:
   * Educational services related to self-employment and entrepreneurship are offered at various levels in Italy.
   * At the school level, there are initiatives to promote entrepreneurial skills and mindset among students, fostering an entrepreneurial culture from an early age.
   * VET centers and HEIs often offer specialized courses and programs in entrepreneurship, providing a formal education pathway for those interested in self-employment.

It is important to note that the level of organization, structure, and training offerings can vary across different sectors and regions in Italy. Some industries may have a more mature support system and a wide range of training opportunities, while others may still be in their infancy. Additionally, the availability and quality of training programs may differ based on the geographical location.

**Conclusions**

In conclusion, Italy's SMEs and entrepreneurship ecosystem have witnessed a significant evolution with a growing focus on sustainable business development. SMEs, which comprise a significant portion of the Italian economy, have increasingly embraced environmentally friendly practices to promote the green transition and combat climate change. This shift towards sustainability is driven by both internal motivations and external pressures to address environmental challenges.

Italy has established a regulatory framework that supports sustainable business development, with laws and policies that promote energy efficiency, waste reduction, and circular economy principles. The National Energy Strategy and Circular Economy Law provide guidelines and incentives for businesses to adopt sustainable practices. Additionally, European Union directives contribute to the overall framework for sustainable development.

Self-employment and employability play a crucial role in Italy's SME landscape, with SMEs employing a significant percentage of the workforce and contributing to the country's GDP. The government has implemented national and regional policies to support self-employment and employability, including labor market reforms and programs aimed at fostering entrepreneurship and innovation.

Italy's public policy approach also emphasizes sustainable business development, with national strategies and plans promoting energy efficiency, renewable energy adoption, and the adoption of sustainable technologies. Financial incentives and support programs are available to encourage SMEs and entrepreneurs to engage in sustainable activities.

Overall, Italy's SMEs and entrepreneurship ecosystem are actively embracing sustainability and contributing to the green transition. The combination of regulatory frameworks, public policies, and financial incentives creates a favorable environment for sustainable business practices, driving innovation, job creation, and economic growth while addressing environmental challenges.

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