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European Journal of Social Impact and Circular Economy

Corporate Social Responsibilities Washing in The Textile Industry: A Review of Causes, Consequences, and Remedy.

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Abstract

The textile industry is facing a growing issue of Corporate Social Responsibilities washing or CSR-washing, which are misleading social claims made by companies to appeal to customers' social consciousness. This review examines the causes and consequences of this practice, focusing on the holistic impact on consumers, corporations, stakeholders, and society. The analysis used various sources, including review papers, case studies, book chapters, and websites, to identify relevant publications. The study explores the concept of CSR-washing in fast fashion and its impact on society. To combat this issue, it suggests promoting transparency, accountability, and independent certification in the textile industry. The lack of research on this practice in the industry makes it difficult to understand its effects. The study emphasises the need for optimal measures to control this practice, aiming to create a sustainable and responsible fashion sector.

Keywords: CSR-washing, ethical, transparency, fast fashion, sustainability.

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1. Introduction

The term Sustainability was first coined by a German forester in the 18th century, but it became popular with the birth of the contemporary environment movement in the late 1960s and 1970s (Wiersum, 1995). Sustainability refers to the optimal utilisation rate of non-renewable resources without risking the ability of future generations to fulfil their needs (Hotelling, 1931; Kuhlman & Farrington, 2010). The demand in the industrial sectors to safeguard the environment and practice social responsibility has intensified due to the policies and strategies created in the previous decade to promote sustainable development (Joung et al., 2013). In order to effectively meet sustainability standards, it is crucial to evaluate the sustainability performance of the industrial sectors (Bi, 2011). As consumers' growing awareness of such devastating impacts, the textile industry has shifted its focus on sustainability more in recent years. Among the three pillars, social sustainability is an ideal state of well-being that might be expected to occur when social, economic, and environmental interactions foster intergenerational equality and longitudinal equilibrium (Grum & Kobal Grum, 2020). It is how businesses identify and manage their impacts on people, both positive and negative. Businesses need to have good relationships and engagement with their stakeholders, such as employees, workers in the supply chain, customers, and local communities. Businesses need to proactively manage their social impacts because they can significantly impact their ability to operate. For example, if a business does not treat its employees fairly or respect human rights, it may lose its social license, which is the public's trust and acceptance. Social sustainability is also important for business growth. Businesses that are socially responsible are more likely to attract and retain customers and business partners. They are also more likely to be innovative and productive (Runhaar & Lafferty, 2009). Social sustainability is a broad concept that encompasses many different aspects of society, including social value, liability, well-being, group improvement, social capital, social support, human rights, work rights, place-making, social obligation, social equity, social skills, group diversity, and human adjustment. It is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. It is based on the understanding that social, economic, and environmental issues are interconnected. Social obligation is a related concept that focuses on the specific issues that businesses and governments are responsible for addressing to achieve social sustainability. These issues include asset utilisation, pollution, consumer well-being, human rights, health and safety, product fairness, and quality. Social obligation is a conscious effort to maintain and improve human well-being and prosperity while being environmentally responsible (Grace Annapoorani, 2017).

In recent years, public concern towards the protection of social well-being has grown, which has been recognised by the pioneer brands of textile industry and focused on sustainable approaches and transparency to social issues, resulting in a noticeable growth in the ethical fashion market (Eurobarometer, 2017; Younus et al., 2024). As the textile industry is required to adopt sustainable practices, Corporate Social Responsibilities (CSR) initiatives aim to address the textile industry's sophisticated social challenges, ensuring an ethical outcome. CSR provides a common ground and principles for several sustainability frameworks, such as the Global Reporting Initiative (GRI), Sustainable Development Goals (SDG), and ISO 26000, which are generally practised in the textile industry. Brandsfrom textile industry is seizing the marketing opportunity by using the consumers' sentiment on social distress by claiming their products are socially sustainable without implementing CSR initiatives for sustainable frameworks (Beyer & Arnold, 2021; Easterling et al., 1996; Schmidt & Donsbach, 2012;

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Wonneberger & Matthes, 2016). This often leads to brands exploiting exaggerated, fabricated, and illusive claims of social well-being of products in order to improve brand value (Berliner & Prakash, 2015; Kangun et al., 1991; Matthes & Wonneberger, 2014). These actions are considered CSR-washing, which dilutes sustainability's true meaning and uses it as a marketable catchphrase, has not only affected consumer behaviour but also penetrated the textile sector (Apaolaza et al., 2023; Testa et al., 2021). This distortion has exacerbated the problems already present in the ecological footprint of the fashion and textile industry by contributing to the compounding problems of overproduction and overconsumption. Unintentionally, this creates a confusing environment where deceptive marketing tactics cast a shadow on genuine sustainability (Badhwar et al., 2024).

Although the phenomenon of misleading consumers about a company's ethical practice by misrepresenting CSR initiatives has been discussed in several studies, there is a research gap on its holistic impact on the textile industry alongside its challenge to distinguish because of a lack of agreed-upon nomenclature and hazy limits. Some writers, for instance, employ different terms, including "corporate hypocrisy" or "bluewashing," which encompasses not just greenwashing and bluewashing but also pinkwashing (referring to breast cancer awareness) (Lubitow & Davis, 2011; Pope & Wæraas, 2016; Wagner et al., 2009). To distinguish the issue from environmental issues, other scholars favour the term "socialwashing" (Rizzi et al., 2020). Furthermore, a number of researchers view bluewashing as a component of the broader phrase "greenwashing" rather than as a distinct tactic (Seele & Gatti, 2017).

The objective of this review is to comprehend theoretical concepts of CSR-washing in the context of the textile sector by addressing research stages, conducting a systematic review of the literature, and identifying relevant papers. To fulfil the review objective, the following research stages were addressed:

A) Identify the prevalence of research regarding CSR-washing or relevant terms as part of the study.

B) Evaluate common keywords in reviewing the literature.

C) Conduct a content analysis of the literature to analyse the practice of CSR-washing in the textile industry and its types, causes, and consequences.

D) Propose possible solutions to mitigate CSR-washing.

This study examines how theory fits with real-world actions in the textile sector, taking into account shifting laws. This review expands on existing studies and literature on CSR-washing in the textile sector, providing a more subtle perspective on current difficulties and remedies.

2. Research Methodology

2.1 Identify Research

This study used a process to conduct a systematic review of the literature and identify relevant papers by gathering the context of the literature (Gall, Gall, & Borg, 2003). This method is effective in identifying trends, gaining knowledge and developing a review process (Köksal et al., 2017; Seuring & Gold, 2012). To narrow down the sample and confirm the relevance of selected articles, both abstract reviewing and full-body reviewing were involved. At first, abstracts of peer-reviewed articles were reviewed to identify their relevance to CSR-washing. Then, full body content was reviewed to identify its relevance to the textile industry.

2.2 Common Keywords and Methodology used

The research used a search approach to minimise the number of relevant publications. Resources used for searches include Web of Science, Google Scholar, and Scopus. The keywords used to search the relevant

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publications were "greenwashing", "bluewashing", "CSR", "textile", and "fast fashion". The study analyses articles, including review papers, case studies, book chapters, and websites, on CSR-washing, their relationship to fast fashion, and sustainability in the textile sector.

2.3 Content Analysis of Literature Sample

As part of the research process, a content analysis of the selected articles was conducted to provide an overview of the main topics covered by the literature samples. The analysis of literature samples showed the practice of misleading claims of environmental and social sustainability, which includes CSR-washing (Table 1).

Authors	Key Findings
Apaolaza et al. (2023)	Greenwashing is an obstacle to purchase of sustainable clothing.
Badhwar et al. (2024)	Transparency and honesty are needed in the fashion industry's green marketing strategies. Consumer education is also important to prevent misinterpretation of green-related terms and to promote sustainable consumption practices.
Berliner & Prakash (2015)	UNGC members fare worse than non-members on costly and fundamental performance dimensions, while showing improvements only in more superficial dimensions.
Macellari et al. (2021)	More than 80% of the significant negative events related to companies from UNGC LEAD Program were not reported or were only partially reported in their sustainability reports.
Pope & Wæraas (2016)	The rarity of CSR-washing is based on perspective rather than that of fact
Rizzi et al. (2020)	Awareness campaigns and third-party verifiable standards and certifications should be considered to mitigate risks regarding "social washing".
Sailer et al. (2022)	Sustainable Black Friday campaigns may attract economically and socially concerned customers while practising greenwashing and bluewashing
Seeli & Gatti (2017)	Speculatively greenwashing is constituted in the eye of the beholder, depending on an external accusation.

Table 1. Key findings summary of literature sample.

Based on the key findings it was observed that though Corporate Social Responsibilities was a major factor in both greenwashing and bluewashing, CSR-washing itself was not addressed as an individual challenge.

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To address CSR-washing in the textile industry, a conceptual framework was constructed to analyse CSR-washing in the textile industry, the drivers of practising CSR-washing, its consequences, and possible remedies to mitigate CSR-washing in global and domestic textile industries.

3. Historical Background

Any deceptive claims on the social initiatives or effects of a company, good, or procedure are referred to as "bluewashing" (Sailers et al., 2022). The problem of bluewashing was first brought up by critics with respect to the United Nations Global Compact (UNGC) at the 2002 World Summit on Sustainable Development. They accused corporations of leveraging their UN collaboration to hide their lax enforcement of labour and human rights norms (Sailer et al., 2022). The assertions of UNGC members avoiding their social obligations are supported by related research. It was found that while members only make low-cost attempts to improve in relatively superficial aspects, they do worse than non-members in critical and expensive aspects (Berliner & Prakash, 2015).

Corporate Social Responsibility (CSR) programs and Environmental, Social, and Governance (ESG) criteria have emerged in response to increased transparency and accountability demands (Bromley & Powell, 2012). CSR programs typically express a company's commitment to addressing environmental and social challenges (Macellari et al., 2021). CSR programs prioritise legitimacy over economic gains (Schaltegger & Hörisch, 2017). A study found that simply demonstrating commitment increases company legitimacy (Bansal & Clelland, 2004). CSR claims are often overstated, selective, or unrealistic (Pope & Wæraas, 2016). ESG policies, like CSR, address a company's environmental effects and social responsibility activities while also considering corporate governance (Bassen & Kovács, 2020). "CSR-washing" is the practice of businesses "paying lip service" to their CSR goals instead of implementing meaningful changes to enhance their CSR performance (Berliner & Prakash, 2015). A corporation that has been CSR-washed appears more socially conscious than it actually is. CSR-washers do the bare minimum to appease detractors, advocacy organisations, and social media platforms because they believe that corporate social responsibility is the domain of the public relations division (de Faro Adamson & Andrew, 2008).

Cause-related marketing (CRM) is a common way that social appeals are used in advertising. CRM is the practice of allocating a portion of product sales revenue to charity organisations (Christofi et al., 2020; Robinson et al., 2012). The best outcomes from this approach are obtained when companies exhibit sustained dedication to nonprofits. Furthermore, brands run the danger of losing credibility if the donated amount is out of proportion to the purchase price (Sailer et al., 2022). However, although important aspects like labour and human rights are usually overlooked, CRM is commonly utilised to improve business social images. CRM is then utilised to aim at CSR-washing.

The Social Life Cycle Assessment (S-LCA) is an important tool for evaluating and improving a company's social and environmental effects, but it may also be used to encourage CSR-washing (Herrera Almanza & Corona, 2020). Companies may selectively disclose only the positive social impacts discovered by S-LCA, while ignoring negative results. This presents an inaccurate image of their total social performance. Companies may overestimate the significance of tiny social benefits found by S-LCA and use them to make unsupported claims about their social responsibility. Companies may also undertake S-LCAs without disclosing the complete methodology, data, and outcomes to the public. This lack of transparency makes it impossible to determine the authenticity and trustworthiness of their statements. Finally,

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companies may prioritise small social issues highlighted by S-LCA while ignoring more major social and environmental implications across their value chain.

4. Conceptual Framework to identify CSR-washing

A framework can be constructed based on the key elements of CSR-washing, including corporate actions, communication and marketing, and stakeholder perception, to identify CSR-washing**.** Corporate Actions encompass analysing a company's true environmental and societal impact, such as its carbon footprint, waste management, labour practices, and community involvement. Also, examine specific CSR initiatives. Communication and Marketing include analysing the company's communication strategies to comprehend how it presents its CSR activities to the public, as well as scrutinising the specific strategy to promote CSR initiatives for potential exaggerations, misleading statements, or selective information presentation. Stakeholder Perception examines a company's interactions with multiple stakeholders, such as employees, customers, investors, and non-governmental organisations (NGOs), to better understand their perspectives on the company's corporate social responsibility performance.

There are numerous techniques available for analysing CSR-washing within this framework. Assessing the company's CSR activities against independent third-party audits and certifications to determine the legitimacy of its claims. Comparing the company's CSR performance and communication to industry standards and established standards to discover areas for development and the possibility of CSR-washing. Tracking social media interactions and online reviews to gain insight into the general consensus of the company's CSR programs and detect any issues or critiques. Interviews with important stakeholders, such as employees, customers, investors, and NGOs, are conducted to get feedback on the company's CSR activity and identify any issues or critiques (Figure 1).

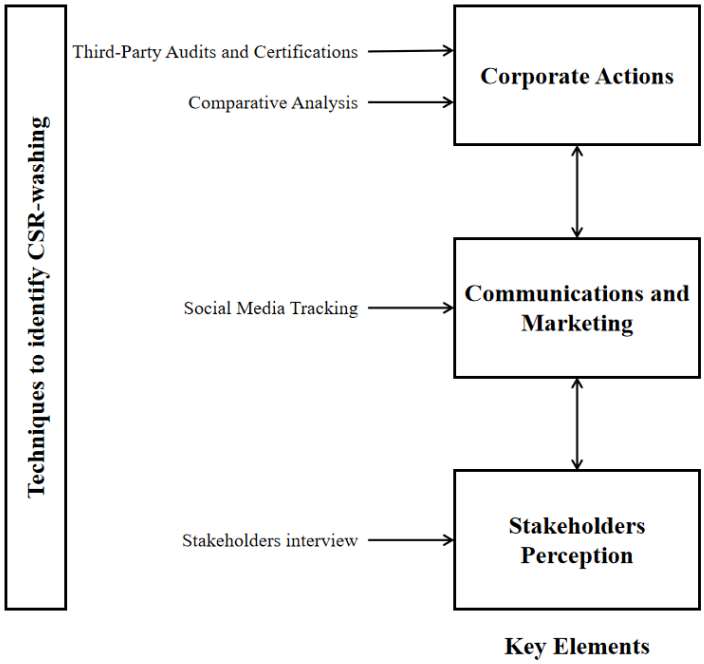

Figure 1. Conceptual Framework to identify CSR-washing

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Source: Author's elaboration

4.1 Common Methods of CSR-washing

Many fashion brands exercise some common CSR-washing methods. Selective reporting leads textile industries to produce portrayals that may include a few positives that they intend to highlight while concealing bigger unethical actions. For example, they may claim to be donating a few pennies to charity while continuing to violate labour laws. A misleading collaboration with renowned social organisations can provide the impression that the company is ethical. Many firms use these organisations for public relations, although they do not always adhere to their criteria. It was stated that by affiliating with organisations such as the UN Global Compact (UNGC), many brands have attempted to create an ethical veneer while making no meaningful improvements to its negative effect. Vague claims lead to broad and ungenerous assertions regarding social responsibility, such as saying that the corporation is concerned about 'just treatment of workers' but fails to submit evidence of their social compliance criteria ("What is Bluewashing? (2024)," 2024).

5. Causes of CSR-washing

5.1 Government rules & regulations

In many countries, there are weak regulations and enforcement mechanisms to hold companies accountable for their sustainability claims. This allows companies to get away with misleading marketing practices (Mishra, 2023).

5.2 Consumer demand

Consumers are increasingly aware of environmental and social issues, leading to a growing demand for sustainable fashion. However, many consumers lack the knowledge and tools to critically evaluate sustainability claims and identify CSR-washing. This makes it easier for companies to deceive consumers and exploit it as an opportunity for CSR washing (Hartmann, 2018; Newman & Bartels, 2011).

5.3 Lack of transparency

The textile industry is notoriously opaque, with complex supply chains that make it difficult to track the origin of materials and the working conditions of labourers, suffering from low salaries, involuntary overtime, inconsistent hours, and poor safety conditions (Alamgir & Banerjee, 2019; Wills & Hale, 2005). This lack of transparency allows companies to make misleading claims about their sustainability practices. Brands often use vague and misleading marketing claims to promote their products as sustainable without providing concrete evidence to support their claims. This can include using terms like "eco-friendly", "sustainable" or "ethical" without specific definitions or certifications.

5.4 Focusing on a single pillar of sustainability

Some companies may focus on one aspect of sustainability, such as using recycled materials or environmental impact, while neglecting other important factors like fair labour practices (Morelli, 2011). Implementing truly sustainable practices can be costly and complex, especially for smaller companies. This can create a barrier for some companies to adopt sustainable practices, leading them to resort to CSR-washing instead.

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6. Consequence of CSR-washing in the textile industry

CSR-washing businesses trick consumers who desire to make an ethical choice by purchasing sustainable products that are not. This manipulation of consumers' goodwill is not only dishonest to customers, but it is also harmful to societal progress toward a better future. Many fast-fashion manufacturers promote the utilisation of 'sustainable' fabrics and production practices, but they continue to use processes that are harmful to the environment and workers. As a result, CSR-washing undermines the credibility of companies and brands. When consumers discover that a company is engaging in mere hype or outright lying about its sustainability, they lose faith in even genuine environmentally friendly businesses ("What is Bluewashing? (2024)," 2024).

CSR-washing has led the textile sector to invest in items that violated alleged public pledges to human rights. CSR-washing also involves intentional or irresponsible misrepresentation, illegal business activities, and deceptive advertising regarding working conditions in various pioneer textile industries where it is claimed that child labour is exploited (Vladeck, 2003). Auchan, a French retail corporation, engaged in misleading marketing methods despite publicly stating that it respects workers' rights, but a clothing label marketed by the company was discovered in the ruins of the Rana Plaza building collapse, which killed over 1,100 textile workers (Turnbull et al., 2023).

Overall, falsely claiming a product or process in the textile sector socially conscious or socially sustainable results in hindrances in achieving sustainability and disrupting the social pillar of sustainability, which disrupts the other pillars of sustainability as well. Eventually, CSR-washing can undermine the efforts of companies that are genuinely committed to sustainability, as it can create confusion and scepticism among consumers ("What is Bluewashing? (2024)," 2024).

6.1 Practice of CSR-washing by fashion giants

In 2021KnowTheChain benchmark evaluated the efforts of the 37 largest global apparel and footwear companies and discovered that luxury brands such as Kering and LVMH, as well as budget retailers Amazon and Walmart, are among the worst performers when it comes to addressing human rights exploitation in supply chains—clearly, a higher price tag does not guarantee better transparency and respect for workers' rights. Almost all companies (97%) declare a supplier code of conduct that forbids forced labour and a supplier monitoring system. However, they are ineffective in combating forced labour or providing worker remedies (*2021 KnowTheChain Apparel & Footwear Benchmark*, 2021). H&M, Calvin Klein, Gap, Nike, Adidas, Shien, and Tommy Hilfiger have all been accused of links to Uighur slave labour, either at the source or in factories. China is the world's greatest cotton grower, with about 84% of its cotton coming from the Xinjiang area, home to the Uighur people. Xinjiang is a major supplier of cotton for global fashion firms. According to a consortium of over 180 human rights organisations, one in every five cotton products sold around the world contains charges of forced labour (Mishra, 2023).

7. How to tackle CSR-washing

7.1 Regulatory frameworks and standards

The fast fashion industry requires stronger rules and enforcement measures in the fast fashion business to address CSR-washing. In fact, governments and authorities in many countries are beginning to make a greater impact by enacting laws to improve the transparency of corporate social responsibility claims.

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7.2 Third-party verification

To combat CSR-washing in the fast fashion business, it's crucial to develop independent certification methods tailored to the sector. Certification systems must meet rigorous standards and be endorsed by reputable third-party organisations with experience in sustainability and ethical practices. Certification programs in the fast fashion sector help prevent CSR-washing by requiring companies to achieve sustainability requirements and prove their impact. Independent credentials help customers make educated decisions and support businesses committed to openness and ethics. They urge fashion firms to improve sustainability and lessen their environmental impact. Certifications encourage responsible behaviour and promote positive change in the sector. Implementing extensive certification schemes builds trust and encourages customers to support brands that correspond with their beliefs.

7.3 Transparent supply chain

Transparency in the supply chain refers to disclosing and making visible the entire manufacturing process, from raw material sourcing to distribution and retail. This transparency enables customers and stakeholders to gain a comprehensive understanding of the environmental and social implications of each stage in the supply chain. Brands should prioritise revealing supply chain information, such as factory locations, labour standards, and environmental practices. Implementing independent audits and certifications, such as those offered by the Fair Wear Foundation or the Sustainable Apparel Coalition, can improve openness and accountability to mitigate CSR-washing.

7.4 Consumer empowering

From the customer's perspective, prevention should begin with an understanding of what it is. Empowering consumers with knowledge enables them to make informed judgments and evaluate the larger ramifications of their fashion choices (Cheeseman, 2016). Furthermore, educating consumers about the environmental and social consequences of their shopping habits allows them to recognise and CSR-washing, and promote truly sustainable firms. This may cause a shift in consumer behaviour, with a growing desire for ecological and ethical fashion. As demand grows, brands are driven to modify their operations and provide more sustainable solutions, resulting in positive industry transformation (Cheeseman, 2016). Governments, non-governmental organisations (NGOs), and industry groups can conduct public awareness campaigns to educate consumers about CSR-washing techniques and provide guidance on how to recognise and avoid them. These campaigns can use a variety of platforms, including social media, commercials, and events, to reach a diverse audience and promote sustainable consumption. Brands should take proactive steps to increase transparency and educate customers about their sustainable initiatives. This may involve disclosing thorough information about their supplier chain, sourcing procedures, environmental certifications, and social responsibility activities. Furthermore, organising events, workshops, and seminars about sustainable fashion can assist increase consumer awareness. These events may include conversations about the environmental impact of rapid fashion, ethical production methods, and sustainable alternatives to identify and CSR-washing.

Online platforms can provide real-time information on a product's sustainability credentials, allowing shoppers to make more educated purchasing decisions. Furthermore, social media and online forums can encourage information exchange and awareness campaigns, allowing consumers to participate in debates and advocate for sustainable practices. Social media serves as the major medium for obtaining information and provides a great potential for companies and individuals to harness their influence in creating

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awareness and achieving recognition of CSR-washing practices, especially given the significant flood of internet users (Bennetta & Oeppen Hill, 2022).

8. Challenges in addressing CSR-washing

One major obstacle in conducting this study was the lack of research regarding practice of CSR-washing in the textile industry as many scholars considered CSR-washing as a form of greenwashing or bluewashing rather than addressing it as an individual issue. The study individualised CSR-washing as an act of lip servicing rather than taking initiatives to enhance company's CSR performance. While greenwashing indicates the practice of misleading claims of environmental sustainability, this practice may not include CSR despite the interconnectivity of environmental and social sustainability. Similarly, the practice of bluewashing accounts for the misrepresentation of social sustainability claims which is a broader category than CSR. As there are several social sustainability framework practices besides Corporate Social Responsibilities. Hence, the practice of CSR-washing also indicates bluewashing, but the practice of bluewashing may not always indicate CSR-washing. So it is important to warrant CSR-washing in a distinct category of analysis.

9. Conclusion

The study addresses CSR-washing in the textile industry as a distinct practice by disclosing the gaps in literature reviews, as CSR-washing is often shadowed by practices like greenwashing and bluewashing. It demonstrates how CSR-washing is a deceptive strategy that obstructs achieving sustainability and can have serious effects on organisations, consumers, and society. The study concludes that increasing consumer demands, immature legislative frameworks such as reluctance to implement labour laws and environmental regulation, lack of transparency and accountability, regulatory gaps in host nations, and ignoring the holistic concept of sustainability can lead to the practice of CSR-washing in the textile industry. It involves corporations claiming to respect fair labour rules while exploiting workers through low wages, long hours, and hazardous working conditions. The textile industries may focus on environmental sustainability while ignoring labour rights violations, exaggerating performance, engaging in harmful activities, and employing deceptive marketing strategies. The study proposes that consumers may boycott fashion brands that practice CSR-washing, resulting in financial losses and brand damage. It also suggests developing a regulatory framework to identify CSR-washing and implement transparency in their policies. While purposeful CSR-washing may damage the social pillars of sustainability, it can also raise consumer awareness and lead to more sustainable fashion solutions. This study did not provide a further comprehensive analysis of other types of social washing and recommended policies for governments or the textile industry organisations to take actions against the practice of CSR-washing. Further research is required on the mentioned fields.

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Global Impact Index as a Tool for Measuring Social Inclusion: A Case Study of Arcobaleno Social Cooperative

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Abstract
Assessment of social impact has become a strategic priority for social cooperatives in response to the growing need for transparency and accountability. However, traditional evaluation models, often developed for for-profit companies, fail to capture the complexity and specificity of organisations that integrate social, economic, and environmental missions. This study presents the Global Impact Index (GII Italian version IGI), an evaluation model designed to meet the needs of type B social cooperatives, with a particular focus on the reality of Arcobaleno Social Cooperative.
GII is structured around three fundamental dimensions: environmental, managerial, and social. The environmental dimension uses innovative tools such as Integrated Well-being Performance (IWP Italian version PIB) and Integrated Environmental Variation (IEV – Italian version VAI) to analyse cooperative's activities' contribution to urban well-being and long-term sustainability. The managerial dimension examines operational sustainability, the relationship between productivity and social inclusion, and workforce dynamics, highlighting how cooperative's social mission affects economic efficiency. Finally, the social dimension explores well-being and satisfaction of worker-members, emphasising cooperative's impact on quality of life and social integration.
This study's results demonstrate that GII is an effective tool for measuring, monitoring, and improving the performance of social cooperatives. Integrating three dimensions provides a holistic view of impact produced, offering a basis for targeted strategic decisions and stakeholder engagement. Although model has some limitations, such as need for further testing in different contexts, it represents a replicable and scalable approach for third sector. GII makes a significant contribution to literature on impact assessment and opens new perspectives for sustainability and social inclusion.

Keywords: Social Impact Assessment, Social Cooperatives, Global Impact Index, Sustainability, Inclusion

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1. Introduction

In the context of third sector and social cooperatives, social impact assessment has become increasingly relevant, responding to a growing need for transparency and accountability towards stakeholders (Iannaci, 2020).

However, many traditional impact measurement metrics were developed for for-profit companies and do not adequately address specific characteristics of social cooperatives, whose value is not exclusively tied to financial metrics.

To address this gap, Arcobaleno Social Cooperative Type B (hereinafter referred to as "Arcobaleno") has developed Global Impact Index (GII - Italian version IGI), an innovative evaluation tool designed to reflect complexity and social mission of similar legal entities.

Global Impact Index was specifically designed to measure and enhance this type of contribution, incorporating three fundamental dimensions:

1. **Environmental Dimension:** Reflects urban context in which cooperative operates, highlighting how activities impact environment and community well-being.
2. **Managerial Dimension:** Evaluates internal management and cooperative's economic sustainability, with a particular focus on the relationship between productivity and social inclusion.
3. **Social Dimension:** Represents core of generated impact, analysing well-being and satisfaction of worker-members and their sense of belonging to organisation.

This tripartite analysis allows us to move beyond traditional financial metrics, offering a holistic view of impact of a social cooperative (Biancone et al., 2018b; Borzaga & Depedri, 2002; Repubblica Italiana, 1991).

Goal of GII is not to replace existing models but to integrate ESG (Environmental, Social, Governance) metrics, SDGs (Sustainable Development Goals), and BES (Equitable and Sustainable Well-being) with a sector-specific perspective, recognising importance of parameters such as intentionality and additionality of social intervention

RQ: How can an integrated impact index, which considers specificities of work integration social cooperatives, effectively measure economic, social, and environmental value produced by these cooperatives and offer a replicable tool for third sector?

This paper explores how Global Impact Index is structured around three dimensions—urban context (environmental dimension), personnel management (managerial dimension), and members' perception (social dimension). By comparing these areas, an overall value is determined, aimed at improving interpretation of social impact and identifying opportunities to increase value generated through presentation of results of two comparative analyses conducted, first between 2019 and 2020, and second in 2023-2024 biennium.

To ensure clarity and coherence, this article is structured as follows:

- **Section 2** presents theoretical framework, discussing existing impact measurement models and their limitations.
- **Section 3** outlines methodological approach adopted in this study, including data collection and analysis methods.
- **Section 4** presents results of study, highlighting key findings related to application of GII.
- **Section 5** discusses implications of findings, linking them to existing literature and managerial applications.
- **Section 6** concludes with a summary of key insights, limitations of study, and recommendations for future research development.

By streamlining transition from general challenges to specific contribution of GII, this introduction provides a clearer and more concise foundation for study.

2. Theoretical framework

2.1 Social Impact

Social impacts are social and environmental changes created by activities and investments (Arvidson et al., 2010, 2013; Banke-Thomas et al., 2015; Epstein & Yuthas, 2014, 2017; Faraudello et al., 2020; Gazzola et al., 2024; Millar & Hall, 2013). These impacts include issues such as equality, livelihoods, health, food security, poverty, safety, and justice. Environmental impacts cover areas such as conservation, energy use, waste, environmental health, resource depletion, and climate change. Term "social impacts" refers to both social and environmental changes—positive and negative, intended and unintended—that result from investments (Biancone et al., 2019a; Calderini et al., 2018a, 2018b; Ebrahim et al., 2014, 2014; Epstein & Yuthas, 2017; Murdock, 2010).

This includes organisations whose social impact is exogenous through production of goods and services and those whose impact is endogenous through organisational structures and processes (Biancone et al., 2019a; Bonilla-Alicea & Fu, 2019; Faraudello et al., 2020; Nyssens, 2007).

2.2 Social Impact Measurement

Currently, there is no standard unit for social impact, nor any agreed-upon methodology or accounting regulation to acquire and report it (Alijani & Karyotis, 2019; Nicholls, 2009; Nicholls et al., 2015; Rawhouser et al., 2019; Secinaro et al., 2021). This is widely seen as a barrier to future development of social finance market as it makes comparative analysis of various value propositions and investments impossible. However, there have been some advances towards creating a set of agreed-upon impact accounting systems for social finance. Initiatives include integrated ESG accounting; Global Reporting Initiative (GRI); Sustainable Accounting Standards Board (SASB); Impact Reporting and Investment Standards (IRIS) of Global Impact Investing Network, and European Union's Social Impact standard.

In UK, Cabinet Office has supported launch of "Inspiring Impact," a decade-long project aimed at building a coordinated and consistent approach to impact measurement. This included commitment to explore broader use of SROI (Social Return on Investment) methodology, which represents closest thing to an industry standard currently for reporting social impact at project or organisational level.

Global Impact Investing Ratings System (GIIRS) - developed by B Lab, U.S. organisation behind B-Corp certification, represents a leading example of an approach to creating standardised ratings and reporting social impact. GIIRS rating system uses IRIS metrics combined with additional criteria to achieve an overall assessment of company or fund, as well as targeted subcategories in governance, workers, community, environment, and socially and environmentally focused activities models. As of 2014, there were over 500 companies rated by GIIRS in 39 countries, each assessed up to a maximum of 200 points based on criteria ranging from commitment to a social mission and land use to how they treat their workers and communities in which they operate (Nicholls et al., 2015).

A common issue is defining success in terms of what organisation produces rather than impacts that result. It is essential to focus on impacts for following reasons: actions do not always have intended outcomes, instincts are not always correct, and without understanding impacts, it is difficult to improve them (Epstein & Yuthas, 2017).

Social impact is a primary goal of social cooperatives' activities; however, these organisations and individuals often are unclear on how to measure and thus improve their impact. While designing and measuring financial outcomes is common, most organisations find measuring social impact much more

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challenging. But demands for more thorough and comprehensive analysis of impacts are rapidly increasing (Epstein & Yuthas, 2017).

2.3 Integrated Well-being Performance (IWP)

Reconstruction of Integrated Well-being Performance (IWP - Italian version PIB) (Gambassi & Microcosmos, 2012; Polci & Gambassi, 2000, 2018) stems from definition of Sustainable Development contained in Brundtland Report by World Commission on Environment and Development (1987). Since then, numerous research methodologies have been dedicated to measuring well-being of individuals and societies.

First signs of a significant inability of income to describe variability of real well-being already emerged during 1968 U.S. presidential campaign when Robert Kennedy delivered a speech at University of Kansas in which he pronounced "de profundis" of GDP, stating that it measures "everything except that which makes life worthwhile." In that vision, happiness, awareness, lifestyle, dignity, and elements related to social and environmental "costs" gained prominence. Air pollution, deterioration of people's health and emergence of new diseases, destruction of planet's resources, rush to purchase unnecessary products, and new forms of social distrust and inequality are just some aspects that GDP does not monetise among items of "wealth," ignoring their value.

Since 1968, many methodological approaches to measuring well-being have been developed. Human Development Index (HDI) is first and most cited, while Ecological Footprint has been pivotal for environmental shift it proposes, positioning it as a central element in planning development actions and policies. European Commission has also committed to "Beyond GDP, Measuring Progress, True Wealth, and Well-being of Nations" work plan to promote use and development of indicators that, alongside GDP, are more inclusive of environmental and social aspects of progress, with the aim of fostering sharing of information on latest initiatives and ongoing work.

In Italy, cultural debate has led to BES (Equitable and Sustainable Well-being) by ISTAT-CNEL, which in 2012 began to raise awareness among Italians of need to go "beyond GDP," starting from adoption of commitments and objectives of good governance.

2.4 Limitations of approaches and attempt of their overcoming

These approaches acknowledge difficulties in attributing value to intangible elements that cannot be ascribed to measurable quantities, such as natural resources. When challenge of measurement is combined with their essential role in describing concrete dynamics of territorial development, it becomes clear why concepts of quality of life, well-being, and human development have evolved in multifaceted ways.

Indeed, all approaches have encountered or demonstrated difficulties along way. However, it is not an overstatement to categorise these challenges into three main areas of analysis:

1. A tendency to focus on specific areas (recently on environmental aspects, previously on quality of life) rather than integrating these areas holistically.
2. A limited ability to synthesise indicators, leading to more complex interpretations when comparing different territories and across time.
3. enduring dilemma of balancing subjective and objective indicators and preference for working with qualitative data among latter.

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All approaches agree that well-being is a concept more complex than a linear index: three components of sustainability—environmental, social, and economic—are not elements to be mathematically summed but rather aspects of same reality. For optimal territorial conditions, these must be perfectly balanced, with limited variability and equilibrium among them.
This equilibrium thus represents a new frontier for objectives of development models. It conceives goal not as a growing function, linear model, or equation but as a system of causal links among variables, aspects, and axes—a system of correlations aiming to synthesise and adapt the most general elements of quality of life to concept of integrated well-being.
Model discussed here is a system that evaluates effectiveness of variables, enables comparisons among them, verifies extent to which indicators from one axis are connected to those from another, determines factors explaining balance itself, identifies deviations from optimal situation (which is not uniform across all systems), and provides the most efficient guidelines for pursuing improvements.
The objective of this methodological proposal is to identify and understand interconnections among many factors that influence well-being, as these are fundamental when analysing policy options. It is global approach, more than specific indices, that identifies sectors where actions can most effectively improve well-being of territories under review.
Transforming an aspect that requires careful attention—such as compliance with well-validated national and international procedures—into added value has been true core of this approach. This opportunity has been facilitated by non-arbitrary selection of indicators, their treatment to outline a common direction among homogeneous groups, independence of these groups from one another, and their basis in aspects related to resource endowments, attitude measurements, people's sensitivities, adoption of good practices, pollution production rates, and distinct visions for quality and quantity of well-being.

2.5 Social Cooperatives type B in Integral Sustainability: A Qualitative ESG-Oriented Analysis

Promotion of integral sustainability represents a central element in mission of social cooperatives. Through a retrospective analysis based on ESG metrics (Environmental, Social, Governance), it can be confirmed that this research has always stood out for its transparency, including in area of sustainability. However, it is recognised that applicability of these new frameworks may encounter some limitations in different contexts. For this reason, focus has been on fundamental concept underlying ESG evaluation (Clément et al., 2023; Edmans, 2023; Lanzalonga et al., 2024; Li et al., 2021; Secinaro et al., 2023; Tsang et al., 2023), making it replicable rather than limiting it to predefined indicators from literature.
Three ESG pillars represent shared language of sustainability. These pillars allow for measurement of an organisation's environmental, social, and governance performance using standardised and widely accepted parameters. In context of social cooperatives, these dimensions are translated as follows:

- Environmental Dimension [E]: This pillar includes all information related to environmental impact of activities and measures adopted to reduce it.
- Social Dimension [S]: focus here is on members' perceptions of cooperative's contribution to improving their living conditions and overall quality of work environment.
- Governance Dimension [G]: This pillar concerns internal governance and decision-making processes, ensuring that activities are managed effectively, efficiently, and in compliance with ethical and regulatory principles.

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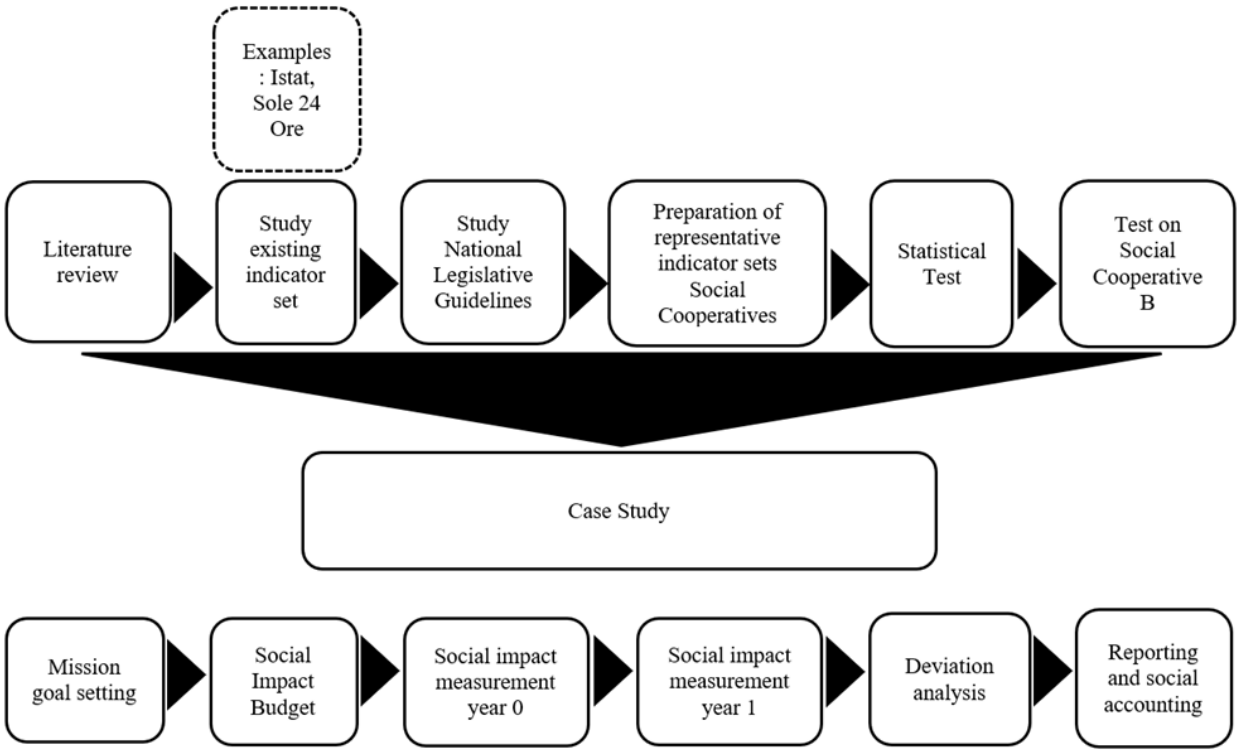
This shared language is particularly important in financial contexts and national, European, and international regulatory dynamics. Therefore, an approach has been specifically developed to be replicable by all cooperatives, rather than relying solely on a predetermined model.
Goal has been to overcome difficulty of quantitatively measuring well-being in a way that objectively and collectively represents phenomenon through synthetic indicators, appropriately weighing its multiple aspects. Specifically, contribution of this methodological proposal aims to measure phenomenon by distinguishing it into specific aspects, peculiar characteristics, and identifying groups that allow for rigorous statistical representation. This representation serves to synthesise entire phenomenon through a one-dimensional index derived from quantification of various aspects, potentially interpreted through causal analysis.
Aware of importance of "agreement on most important dimensions," the most critical phase of entire process has been identification and selection of indicators useful for defining well-being in our country and in major Italian cities under review.
Two main difficulties were encountered during this process: first, inability to work with subjective variables from sample surveys; second, fact that primary focus of our application is Italian cities—municipalities—rather than entire national territory. This detail limits availability of some indicators, not because they are not measured at local level, but due to real practical constraints.

Figure 1. Mapping study



Source: authors' elaboration

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Nevertheless, we believe we have arrived at an excellent solution, represented by eight categories, many of which are fully aligned with BES guidelines and other national-scale research approaches, all well-aligned with Sarkozy Commission's recommendations from choice of indicators onward. These eight categories have proven reliable in accurately describing magnitudes they are meant to measure. In addition to scientific validity of selected indicators and adherence to classification of categories used by other approaches, they have been subjected to appropriate homogeneity and reliability tests (Cronbach's alpha).
Possibility of assigning "independent" weights to various indicators, free from subjective biases, and of comparing system quantitatively opens interesting prospects for construction of alternative measurements to GDP. This could facilitate territorial policy strategies aimed at improving well-being levels and optimising targeted actions on specific, clearly identifiable socio-economic and environmental aspects.
Case study analysed is a social cooperative operating in environmental sector, specifically in waste recycling, in Turin area, Italy.

3. Methodology

This study employs a systematic approach (Corvo et al., 2021) to assess impact of social cooperatives, integrating both qualitative and quantitative methods. Methodology was structured to ensure validity, replicability, and transparency, addressing limitations of traditional impact assessment models (Eisenhardt, 1989; Lincoln & Denzin, 2000).

3.1 Research Design and Approach

A longitudinal and explanatory case study (Yin, 2017) was adopted to evaluate application of Global Impact Index (GII) in Arcobaleno, a Type B Social Cooperative based in Turin (Porquier et al., 2010). Case study method was chosen to provide in-depth insights into practical implementation of GII, allowing for an extensive evaluation of its effectiveness in measuring social, environmental, and managerial impact. To ensure methodological rigor, study applied data triangulation by combining: primary data (interviews, surveys, direct observations); secondary data (financial reports, official records, and publicly available environmental data); comparative analysis with similar organisations to contextualise findings. By integrating multiple data sources, study enhances credibility and reliability (Leonard-Barton, 1990), minimising bias in data interpretation (Stake, 1995; Yin, 2017).

3.2 Data Collection Process

Data collection was carried out through three primary methods:

- Semi-structured interviews: Conducted with key stakeholders, cooperative members and management; aimed to gather insights into organizational governance, economic sustainability, and social mission effectiveness; interviews were recorded, transcribed, and analysed using thematic coding techniques.
- Surveys and Questionnaires: a structured questionnaire was administered to a representative sample of Arcobaleno's worker-members; key themes included quality of life, job satisfaction, and perceived impact of cooperative initiatives; responses were analysed using descriptive statistics and correlation analysis to assess relationships between social, environmental, and managerial indicators.

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- Document and Financial Analysis: reviewed annual financial reports, employment records, and sustainability statements from Arcobaleno; cross-checked internal documentation with external data sources, including municipal and regional environmental reports.

The sample selection was designed to maximise representativeness, ensuring inclusion of members across different roles, seniority levels, and socio-economic backgrounds. Potential biases, such as self-selection bias in survey responses, were addressed by random sampling and ensuring anonymity.

3.3 Data Analysis Techniques

To interpret collected data, study employed a mixed-method approach, combining:

- Thematic Analysis: Applied to qualitative data from interviews to identify recurring patterns and key themes (Braun & Clarke, 2006).
- Factor Analysis: Used to identify underlying relationships within survey responses, particularly between worker satisfaction, inclusion, and productivity.
- Comparative Benchmarking: Positioning Arcobaleno's impact metrics against similar social cooperatives in Italy and Europe, providing external validation of GII model.

The validity of findings was reinforced through cross-validation across multiple data sources. Reliability was ensured by applying standardised data collection protocols and using multiple coders for qualitative analysis.

3.4 Justification of Case Selection

Arcobaleno was selected as case study due to:

- Its long-standing history as one of Italy's leading Type B Social Cooperatives.
- Its diverse workforce, which includes individuals from disadvantaged backgrounds.
- Its established focus on environmental sustainability, work integration, and governance innovation.

This selection ensures that findings can be generalised to other social cooperatives, offering practical insights for broader applications of GII.

3.5 Ethical Considerations

- All participants provided informed consent, ensuring voluntary participation.
- Confidentiality was maintained by anonymising personal data in interviews and survey responses.
- Study adhered to ethical research guidelines, following best practices in social impact research.

4. Results

With aim of addressing essential questions such as: Do we objectively perceive social cooperative? Does it achieve its mission objectives? Does social cooperative create positive or negative changes for direct stakeholders? Does social cooperative generate social value?

Founded in 1992 in Turin, Arcobaleno is one of the most important work integration social cooperatives in Italy, with nearly 300 worker-members, many of whom come from disadvantaged backgrounds. Cooperative was born from experience of Abele Group, a non-profit organisation from Turin with a long history of social commitment. Arcobaleno operates primarily in field of waste collection and

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environmental services but stands out for its inclusive approach and commitment to creating social value. Cooperative's mission is to provide job opportunities to vulnerable people while contributing to environmental sustainability and social cohesion of local community.
Creation of Global Impact Index (GII) is result of an articulated methodology based on a combination of qualitative and quantitative analyses, using principles from existing frameworks (BES, SDG, ESG) adapted to context of social cooperatives. Development process of GII has been characterised by a model based on three key dimensions—environmental, managerial, and social—each representing critical aspects for work integration social cooperatives like Arcobaleno.

4.1 Structure of Global Impact Index

Global Impact Index is structured as follows:

a. Environmental Dimension

Environmental dimension of GII focuses on interaction between cooperative and urban context, using two main indicators to provide an accurate assessment: Integrated Well-being Performance (IWP) and Integrated Environmental Variation (IEV- Italian version VAI). While IWP offers a benchmark for Turin in context of Italy's ten largest cities in terms of quality of life and well-being, IEV identifies long-term environmental actions with the greatest impact.

- Integrated Well-being Performance (IWP): This indicator analyses eight dimensions—demography, wealth, health, tourism, economy, innovation and quality production, productive specialisation, and environment. IWP provides a snapshot of the most urgent environmental and social challenges faced by city, allowing comparisons with other realities, such as population decline, demographic aging, and income concentration.
- Integrated Environmental Variation (IEV): IEV, integrated with IWP, identifies and prioritises the most effective environmental actions for long-term performance. It allows for analysis of how specific interventions, such as increasing recycling rates, reducing particulate emissions, and enhancing public transport, contribute to improving environmental quality and overall well-being. IEV analysis thus highlights which strategic levers can be used to achieve more effective environmental results.

This integration between IWP and IEV enables cooperative to better orient future strategic choices in terms of sustainability and to respond more precisely to needs of territory.

Thanks to stimulus from Law 163/2016, which introduced BES (Equitable and Sustainable Well-being) index to assess quality of life and impact of public policies on fundamental social dimensions—thus surpassing traditional GDP as a one-dimensional economic measure—this original approach seeks to integrate rather than replace existing valuable databases and reports, such as those from Il Sole 24 Ore. Goal is not to change description of what already exists but to approach results with a new method that provides greater depth and additional insights. Key Features of New Approach:

- Analysis of Explanatory Factors: It is not limited to constructing rankings or estimates but focuses on evaluating contribution of explanatory factors. It moves from designing simple models to analysing transformations of these factors, carefully evaluating causal links between indicators and their impacts.
- Innovative IWP Methodology: It examines the most effective levers for revitalising territories through this methodology, offering an integrated approach to well-being assessment.

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- Municipal-Level Data Base: Analysis is based on municipal rather than provincial data, allowing for a more detailed and personalised view of situation. This approach makes survey potentially replicable for every Italian municipality, providing a comprehensive picture of local dynamics.
- Variability Explored Through a Wide Range of Indicators: Nearly 200 indicators are used, collected in a specific municipal database. These data are focused on comparing Turin among Italy's ten largest cities, allowing identification of indicators most correlated with index itself and those that positively influence dynamics of IWP and territorial well-being.

CAs observed, qualifying aspects of IWP index are primarily related to municipal scale of indicators[1] and, secondly, to ability to trace internal relationships among them and to weigh their impact on determining positioning. Through IWP, main objectives are outlined, providing a concrete and accurate framework of what it means to compete on a national level. It clarifies priorities, factors affecting competitiveness, and measures effectiveness of actions taken to improve positioning and integrated performance.
Final estimates are not just rankings and, above all, are not limited to current situation of city but also consider its development potential. In this context, it is not so much about taking a snapshot of city but rather highlighting elements that could make it competitive in facing future.
Originality of "Integrated Well-being" concept lies in systemic approach (nearly 200 indicators grouped into 8 main categories: Demography, Innovation and Quality Production, Economy, Productive Specialization, Tourism, Wealth, Health, Environment).
The choice of these indicators allows for analysis of characteristics of Turin and other cities, starting from demographic data of their inhabitants to level of services provided (social and health assistance, services for citizens and businesses, innovation) and productive dynamism (productive system and specialisation, tourism, economy, and wealth): a single concept that synthesises quality of widespread territorial services and ability to compete for development consistent with its resources and identity[2]
In summary, outcome is a score that aims to concretely express integrated performance of well-being—a score simplified and always brought back to a scale from 0 to 100, representing city's competitiveness and resilience, inspired by already utilised BES, Equitable and Sustainable Well-being, and Kennedy's holistic vision of beyond-income.
Not all information is available for all 8,000 municipalities in Italy. Many indicators cover provincial capitals, 105 cities where nearly a third of population lives, while others allow for analysis of major Italian cities. Common data base remains Istat, with some specific sections providing data at an appropriate territorial scale[3].

b. Managerial Dimension

In this dimension, focus is on operational efficiency and personnel management. Indicators such as productivity per worker-member and ratio between full-time and part-time employees have been selected, taking into account specific factors such as inclusion of vulnerable individuals.

[1] Gli studi precedentemente riportati si riferiscono alla scala provinciale
[2] Se pure 200 indicatori possono sembrare fin troppi, di fatto non possono essere considerati esaustivi nella descrizione di una realtà tanto complessa; oltre a ciò, dobbiamo tenere presenti i limiti di disponibilità dei dati allorquando si lavora su scala comunale.
[3] demo.istat.it e dati.istat.it/; esploradati.istat.it/databrowser/#/ ; "A misura di comune", con una dinamica dei dati dal 2014 al 2020; "Atlante Statistico dei Comuni"; Gli "Indicatori territoriali per le politiche di sviluppo" 2014-2020 con 327 indicatori a livello territoriale

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statistical analysis technique used is factor analysis through principal components. This technique ensures strong internal cohesion and allows for construction of indicators capable of functioning as comparisons between territories and indicating connections with individual conditioning variables. "Principal components" technique represents ideal method for identifying factors (i.e., combinations of interconnected indicators) capable of expressing level of quality and integrated well-being of cities—essentially, global state of art—before linear regression models attempt to verify effectiveness of interventions towards specific parameters.
This dimension can highlight significant dynamics that reflect organisation's inclusive and social mission while considering relevant economic implications.

- Variation in Production per Worker-Member

From an economic perspective, this phenomenon indicates business efficiency, characterised by changes in costs, especially related to personnel, which must be compared to revenue value, representing a managerial challenge. However, from a social perspective, this trend can be interpreted differently: it represents success of cooperative's mission, which focuses on social inclusion rather than profit maximisation. Primary focus is on creating job opportunities for disadvantaged people, even at expense of individual productivity.

- Decrease in Incidence of Disadvantaged People

Reduction or increase in indicator related to disadvantaged individuals within cooperative can be attributed to success of inclusive mission. With years of service, many workers overcome their initial disadvantaged conditions, remaining actively employed within cooperative. This is a positive result, although cooperative faces challenges related to identifying and integrating new vulnerable individuals. For example, changes in dynamics related to substance abuse—with an increasing incidence among young people of school age—require adapting mission, which in some cases may focus more on educational support rather than direct employment. Additionally, some non-certified vulnerabilities do not fall within official parameters but still represent segments of vulnerable population that cooperative is committed to supporting.
These data underscore how economic and social dynamics of a work integration social cooperative are closely intertwined. While there are challenges related to economic sustainability, pursuit of social mission remains at core of activities, contributing to transforming situations of vulnerability into paths of growth and inclusion.

c. Social Dimension

This is the most significant element within GII, analysing perception of well-being and satisfaction among workers, as well as their level of integration (Cevenini et al., 2012). To this end, a questionnaire was administered to a representative sample of worker-members to measure aspects such as quality of life, sense of belonging, and emotional stability.
Questionnaire was developed after several tests to estimate its internal consistency, targeting a sample of cooperative worker-members based on gender, age, citizenship, educational qualifications, type of contract, years of seniority, membership status, role, and potential employment under Law 381 (disadvantaged individuals). The large number of sampling variables and complex yet rewarding choice of working with a proportional quota distribution between population and sample were made possible using specific sampling software.

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Impact measurement primarily focuses on relationship between enterprise and society. In case of work integration social cooperatives, it becomes essential to also measure effects produced on vulnerable segment of population to which these cooperatives direct their efforts for full reintegration into civil life. While other entities in business world may also engage with this particular population segment, specificity of work integration cooperatives is that this objective forms core of their mission. Therefore, success of enterprise is not measured by its ability to generate profits but by its ability to produce "social utility," which derives directly from success of reintegration project and cooperative's capacity to maintain disadvantaged individuals within civil consortium as workers with full citizenship rights and restored dignity (Iannaci, 2021).

This specificity defines these organisations, each with targeted strategies and projects to balance goal of supporting their members while addressing challenges of market from which they cannot withdraw.

Following section highlights effects on social body and, where possible, provides an initial estimate of cooperative's impact.

Questionnaire

In addition to sections aimed at outlining a synthetic profile of members, questionnaire also requested evaluations regarding specific initiatives promoted by cooperative to achieve its social objectives. Ultimately, it focused on three specific areas of relationship:

1. Sentiment: general emotional and attitudinal perception of members towards cooperative and their work environment.
2. Cooperative's Impact on Quality of Life: Assessing how cooperative influences overall well-being and life satisfaction of each member.
3. Members' Evaluation of Cooperative: Gathering feedback on cooperative's performance, effectiveness, and perceived value from members' perspective.

At the end of structured assessment, following table summarises key findings for each of three dimensions of Global Impact Index (GII), highlighting main indicators and observed impacts.

Table 1: Summary of Global Impact Index (GII) Dimensions and Key Findings

Dimension	Key Indicators	Observed Impacts
Environmental	- Integrated Well-being Performance (IWP) - Integrated Environmental Variation (IEV)	- Improved waste collection efficiency - Reduction in particulate emissions - Enhanced public transport use
Managerial	- Productivity per worker-member - Inclusion of disadvantaged individuals	- Balanced economic sustainability with social inclusion - Long-term retention of previously disadvantaged workers - Identified areas for operational efficiency improvements
Social	- Worker sentiment survey - Impact on quality of life - Member evaluation of cooperative governance	- High worker satisfaction and sense of belonging - Increased perceived well-being due to cooperative initiatives - Positive feedback on governance and decision-making processes

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4.2 Data Collection

Data collection was carried out through a combination of tools, including interviews, anonymous questionnaires, and analysis of internal data from cooperative. Environmental data were obtained from public sources and cross-referenced with information provided by project's scientific partners, such as School of Management and Economics at University of Turin. Managerial dimension included an economic-financial analysis based on cooperative's annual financial statements, while social dimension focused on members' work experiences through direct surveys.
Analysis of collected data provided an accurate representation of impact generated by Arcobaleno, highlighting how environmental, managerial, and social dimensions contribute to overall index.

5. Discussion

5.1 Contributions to Literature

Authors demonstrate that conducted analysis was structured in two phases. First, existing metrics currently in use and present in landscape were scientifically analysed to establish a set. Secondly, validity of framework was tested through case study.
To date, research in this field has rarely led to shared solutions, as evidenced by plurality of models adopted for measuring and evaluating social impact, reflecting highly differentiated approaches and tools. This condition is generated by fragmentation among social impact assessment models and wide variety of approaches. Often, these models are not replicable for organisations with social impact as their core mission, such as social cooperatives. Lack of clarity affects cohesion of various evaluation models, risking absence of clear metrics for practical use (Spiess-Knafl & Scheck, 2017). For this reason, aim of this article is to provide a literature review and a case study capable of filling this gap.
Next step in this research will be to conduct an even more extensive analysis that also considers contributions of external stakeholders. Further research should focus on relationship between social impact studies and sustainability studies, as two frameworks that should partially overlap and integrate (Bonilla-Alicea & Fu, 2019).

5.2 Implications for Managers

Social impact assessment seems to be losing appeal after scientific surge of recent years; however, this article aims to demonstrate its continued relevance. Scientifically, all crucial aspects have been thoroughly explored (Biancone et al., 2018a, 2018c, 2019b; Corvo et al., 2021; Faraudello et al., 2020; Iannaci, 2020), while in practice, there is a lack of clear and truly replicable models that can unite all ecosystem actors necessary to generate social impact.
This research underscores need for impact assessment models that not only reflect realities of social enterprises but also provide a structured methodology that public administrations and policymakers can adopt. While GII primarily focuses on social cooperatives, its integration across environmental, managerial, and social dimensions suggests potential for broader applications.
Findings indicate that adopting structured impact assessment models can facilitate operational synergies between social cooperatives and public institutions, enhancing long-term effectiveness. By ensuring that

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all stakeholders are engaged in evaluation process, a more comprehensive and actionable understanding of social impact can be achieved.

Key Takeaways:

- GII provides a structured and replicable framework for assessing social impact in cooperatives.
- Existing impact measurement models often lack cohesion, limiting their applicability to social enterprises.
- Public administrations could benefit from integrating GII into policy evaluation processes.
- Future research should expand on external stakeholder perspectives and explore synergies between impact assessment and sustainability frameworks.

This structured discussion strengthens study's contributions by summarising key insights and reinforcing practical implications of findings.

6. Conclusions

This study analysed role and effectiveness of Global Impact Index (GII) as an integrated evaluation tool for type B social cooperatives, focusing on case study of Arcobaleno. Results demonstrate that an evaluation model like GII can effectively meet specific needs of social cooperatives, providing a balanced and replicable measurement of economic, social, and environmental impact.

Central question of this study was: How can an integrated impact index, which considers specificities of work integration social cooperatives, effectively measure economic, social, and environmental value produced by these cooperatives and offer a replicable tool for third sector?

GII has proven to meet this need by integrating three fundamental dimensions:

1. Environmental Dimension: Tools such as Integrated Well-being Performance (IWP) and Integrated Environmental Variation (IEV) have identified the most effective actions for improving urban context, highlighting how cooperative contributes to territorial well-being and long-term sustainability.
2. Managerial Dimension: analysis of productivity per worker-member and inclusive management revealed cooperative's dual objective: ensuring economic sustainability and promoting social inclusion, balancing operational challenges with social mission.
3. Social Dimension: perception of worker-members, improvement of their quality of life, and their sense of belonging emerged as core of cooperative's impact.

Adopting a model like GII offers social cooperatives a practical and concrete tool to:

- Monitor and improve their performance across three dimensions of analysis.
- Transparently represent generated impact to stakeholders, strengthening accountability.
- Identify strategic intervention areas to maximise social and economic impact.

Moreover, integration of three pillars—environmental, managerial, and social—demonstrates that social impact cannot be analysed in isolation but requires a holistic vision that considers interdependence among areas, aiming to simplify complexity and generate "social utility."

Despite promising results, study presents some limitations: methodology was tested on a single case study, limiting generalizability of results; lack of greater integration with external stakeholder feedback may reduce ability to capture full spectrum of generated impact.

This study opens interesting perspectives for future research:

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1. Model Expansion: Testing GII on a larger number of social cooperatives to verify its adaptability and robustness.
2. Stakeholder Involvement: Including a more in-depth evaluation of impact perceived by external beneficiaries, public administrations, and strategic partners.
3. Application in Public Administration: model could be used to assess effectiveness of public policies and create operational synergies between social cooperatives and institutions.

Global Impact Index emerges as an innovative and replicable tool that can not only evaluate impact produced by a social cooperative but also guide its future strategies. Arcobaleno's experience confirms that social impact is not limited to numbers or financial metrics but is rooted in ability to create tangible and intangible value for people, communities, and territories. This model represents a new frontier for third sector, demonstrating that sustainability and social inclusion are not distinct objectives but two sides of same coin.

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