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REFLECTIONS ON THE GREEK APPROACH TO SOCIAL ENTREPRENEURSHIP

Costas GEORMAS

ORGANIZATION OF WELFARE BENEFITS AND SOCIAL SOLIDARITY

Niki GLAVELI

UNIVERSITY OF THE AEGEAN

ABSTRACT

The aim of the present paper is to reflect on the European Union’s initiatives on Social Entrepreneurship (SEn) and their influence on the Greek context focusing on the last 25 years and so. Furthermore, the actual developments that took place in Greece will be critically presented and discussed through the analysis of the legal developments in the field of SEn to point out facilitators, as well as inhibitory factors for the sustainable development of SEn in the country. The study underlines the “Europeanization” of internal SEn strategy/policies and legal framework and yet a weak and fragile development of the Greek SE sector. Being developed amidst a severe economic crisis, SE initiatives were triggered from a top-down process of governmental initiative, a misunderstanding of the concept of SEn and necessity rather than a genuine belief regarding the value of Social Enterprises (SEs). Also, the national legal frameworks (Law 4019/2011 and Law 4430/2016) and policies and the implementation gap created barriers to the development of SEn particularly in terms of sectors of activity, levels and types of employment, financing, scalability/profitability and the development of a genuine social vision, a clear corporate identity, and visibility. The future calls for structural barriers be removed and a comprehensive program for the Social and Solidarity Economy be designed, which will combine support policies with diversified intervention programs.

Keywords Greece, Social Enterprises, Legislation, Law 4019/2011, Law 4430/2016

Introduction

Social Enterprises (SEs) are agents of place recognized as “the process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives” (Roseland 2000) through a democratic, people-centered, inclusive, and sustainable way (United Nations Research Institute for Social Development 2017). SEs generally enhance social capital and deliver (based on resources beyond the state budget) public goods and goods of general interest in response to social or market disequilibrium within the community or place. Thus, they contribute significantly to the creation of new jobs and income, particularly for people from disadvantaged groups (such as: the elderly, young people, or people with disabilities) that is hard to find a job in profit-driven industries (Kim and Lim 2017).

Is not then of surprise that the EU has increasingly -from the mid-1990s-promoted initiatives to encourage SEs as a new business model which has a role to play in sustaining its strategic goals that relate to employment (predominantly of the most vulnerable groups), social inclusion, provision of services to those in need, fight against poverty and the creation of a new mentality in public opinion about entrepreneurship. Nevertheless, although the concept of SE has gained recognition in all European countries and its practice is in fact developing almost everywhere, the pace and magnitude of its development differs.

Focusing on the Greek context the aim of this work is threefold. First, provide an overview of the major EU initiatives that have influenced SEs eco-system developments in Greece. Second, critically reflect on the Greek legal framework on Social Economy and Social Cooperative Enterprise (SCE) and its impact on the sector's size and development. Third, underline facilitators as well as inhibitory factors for the sustainable development of SE in Greece in the future.

The European initiatives on SE

European reference to the role of SEs and, more generally, of Social Economy has a long standing. Focusing on the 1990s onwards, the European Commission's White Paper published in 1994, parallel to the other major policies that were proposed, was amongst the first to suggest the need to examine

“ways in which the social economy can be encouraged, through tax exemptions, public/private partnerships, and part work and part income support models, to engage unemployed people, voluntarily, in actions which close the gap between people wishing to work and unmet social needs” (European Commission 1994, p. 150).

Later, in 1997, at the instigation of the European Parliament, a new pilot action, “Third System and Employment” (TSEP), was launched by the European Commission in order to explore and promote the *employment potential* of the “Third System”. The main result of this pilot action relates to *the development of SEs* in the fields of *childcare, household services, multi-ethnic catering and environmental management/ecologically sound services* which provided *important sources of jobs*. In many cases, the development of national policies, particularly in welfare and environmental services, has favored experimentation with the supply-side, partly to improve efficiency, and partly to address crises in meeting needs through the public budget (Campbell 2000).

Also, in the same year (1997), Social Economy was integrated in the *European Employment Strategy* which stressed “*the significant potential for job creation at local level and within the social economy*” and highlighted that “*these new sources of employment need to be exploited much more decisively, particularly as regards services to people and to local communities, and the not-for-profit sector*” (Extraordinary European Council 1997). Whilst the Employment Guidelines of 1999 (Guideline Number 12) refer to the promotion of measures to exploit fully the possibilities offered by job creation and local level and in the social economy, *especially in new activities linked to needs not yet satisfied by the market*.

At the beginning of the 21st century, the *EQUAL Community Initiative* - financed by the European Social Fund (ESF) and co-funded by the EU Member States within the period of 2000-2006- was crucial, at least for the Greek case, for promoting SEn, with a focus on improving the quality of jobs through its promotion. In addition, the Single Market Act I, adopted in April 2011 put forward 12 projects to deepen the single market. The aim was to re-launch Europe's growth and social progress by promoting free movement for the benefit of businesses, citizens, consumers, and workers. One of the projects was the promotion of Social Economy. It also announced the Social Business Initiative (SBI), which was adopted by the Commission later that year. The SBI proposed three priority measures: improving the access of social businesses to funding, improving their visibility, and simplifying their regulatory environment. Also, the need for enhancing networking and mutual support systems was highlighted.

More recently, in the Communication “*A Strong Social Europe for Just Transitions*” (European Commission, 2020) Social Economy was amongst the priorities for the next decade, especially as a tool to confront upcoming social risks that relate to sustainable development issues such as: climate change and environmental degradation, adjustment to and social protection and integration of employees in the digitalization era, ageing, integration of people with disabilities.

Finally, in the Action Plan on Social Economy, announced in December 2021, European Union (EU) reconfirmed its interest in promoting Social Economy. Three axis of interventions are described in the Plan: creating the right conditions for the Social Economy to thrive, opening up opportunities for Social Economy organizations and making sure that Social Economy’s potential is recognized (European Commission 2021)

The previously described initiatives seem to have paid off. Despite the challenging task of estimating the number, as well as the employment and economic dimensions of SEs in Europe, based on a wide range survey conducted by European Commission in 2015, SEs in Europe were estimated¹ between 169.962– 471.337 whilst in the similar report of 2020 estimations are more precise and refer to approximately 433.000 SEs. Also, according to the 2020 report SEs are generally micro- and small organizations with high proportions of female workers and they are active on a broad spectrum of activities. Nevertheless, the 2015 study pointed out four main branches of activities: employment integration and training (especially integration of people with disabilities and unemployed), personal services (like health, medical care, vocational training, childcare, care for the elderly, personal services for vulnerable people), local development of disadvantaged areas (remote rural areas, neighborhood development, neighborhood renovation, development aid) and environment and culture (recycling, cultural heritage maintenance, environmental protection, culture, arts, leisure research and innovation, customer protection). The 2020 report refers to three main axes of activities: health and social services, work integration of disadvantaged persons and tackling of other societal challenges.

Concluding, during the last 25 years or so, EU has realized the importance of the third sector and of SEs as political instruments for achieving its strategic goals of sustainable development (i.e., social inclusion, fight poverty and unemployment

¹ Is an approximation of the number enterprises that fulfill the EU operational definition of SEs

of marginalized groups, environmental protection, cultural heritage protection, effective governance through decentralization and civil society participation) and tried to create and finance a supportive eco-system.

The parallel developments in the Greek context

The concept of SE has developed in Greece over the past two decades. In particular, the Greek government formally recognized the Social Economy in 2011, and introduced the form of social cooperative enterprises, despite the presence of various social economy organization forms since the foundation of the modern Greek state in 1830 (Klimis, 1985). Three major phases can be identified in the legal evolution of Greek Social (Cooperative) Enterprises (European Commission, 2019):

First phase: Law 2716/1999

The basic characteristics of the first phase include the fragmentation of respective legislation and the absence of any explicit reference to the concepts of Social Enterprise, Social Economy and Social and Solidarity Economy (SSE) (Vetsopoulos, 2018). Nevertheless, in line with the developments in the EU setting, the first model of SE was introduced in the Greek setting under Law 2716/1999 *"Development and modernization of mental health services"* due to the program for the deinstitutionalization of psychiatric patients funded by the ESF. More precisely, Article 12 introduced a typical form of a SE: The Limited Liability Social Cooperative (KOISPE in Greek). The objective of KOISPE was defined as the socio-economic and vocational integration of people with severe mental and social problems and contribution to the healing of the mental patients and, as much as possible, to their economic self-sufficiency.

Second phase: Law 4019/2011

Later, in the *National Strategy report for Social Inclusion* of 2006 it was clearly stated as an action *"the development of the role of Social Economy and in particular of Social Enterprises and cooperatives which could play a crucial part in increasing employment, especially of vulnerable groups (i.e., long term unemployed of older age, unemployed women of low educational attainment and older age, persons with disability) and the enhancement of social cohesion, complement main policies of economic development and employment and supporting social policy as well as social welfare policies"*. In parallel, the Equal initiative (2000-2006) was also a major contributor to the establishment of SEN. A significant point was the presentation of the results of the Equal initiative in

Greece, and especially the axis related to SEN. In the relevant report a full-scale legislative initiative was presented. Many of the suggestions of this initiative were later incorporated in the Law 4019/2011.

Another crucial event regarding the development of SEN in Greece was the incorporation of a SEN initiative in the *Operational Program Human Resources Development 2007-2013*: the systematic intervention “*Drawing up of a legislative, regulative, administrative and financial framework in order to promote social economy and easing the setting up and operation of Social Enterprises*”. It should be mentioned that the intervention was supposed to produce criteria for defining SEs, development of financial tools, methods for SEs’ networking, as well as ways of promoting public contracts with SEs. Finally, audit to determine the true nature of SEs, was mentioned.

All the above were culminated in the first Social Economy and SCEs legislative framework in 2011 with Law 4019 "Social Economy and Social Entrepreneurship". According to Law 4019/2011, Social Economy is defined as "*all economic, business, production and social activities undertaken by legal entities or associations whose statutory purpose is pursuing collective benefits and serving the general interests of society*". In the explanatory memorandum of the Law 4019/2011 it is clearly stated as main objectives for the introduction of Social Economy and SEN in Greece as: a) creation of employment and social inclusion of vulnerable groups, b) the covering of needs mainly through the enhancement of social and solidarity economy, c) enhancement of local development and social cohesion, d) fight against poverty, discrimination and social exclusion, e) strengthening social solidarity and innovation f) provision of quality, modern and innovative social services and goods and g) introduction of statutory restrictions so as to function as safeguards to the entities of SSE from potential profiteering usurpation of them. These objectives were depicted in Law 4019/2011 which defined three categories of SCE (KoinSEP in Greek). Table 1 presents the logic of the legislator.

Moreover, the explanatory memorandum stated that one aim of the Law was to institutionalize the Social Economy sector, and that this would be the role of the Social Economy Registry. Strict criteria would be adopted to evaluate whether an entity is entitled to be included in the registry. To assure accountability and transparency registered SEs were obliged to publicize on the internet their program of action.

It should be stressed, that contrary to the unsubstantiated critique to the Law, it is clearly pointed out that a basic precondition for an entity to belong to the Social

Economy sector was to provide services or goods to the community, and not to seek profit. Whilst the role of the state was to provide “*the initial push, the institutional framework, and the motives... the state activates, enables, it doesn’t supersede*” (Ministry of Labour 2011, p. 2).

Table 1: Types of SCEs (KoinSEPs) and objectives/focus

Type of KoinSEPs	Objective/focus
KoinSEPs of integration	Failure of the labor market to provide adequate integration to vulnerable social groups Focus on integration of individuals belonging to Vulnerable Population Groups ¹⁰ into the economic and social life; this provision also covers Limited Liability Social Cooperatives of the Law 2716/1999. They are compulsory staffed - at a minimum percentage of 40% - by persons belonging in Vulnerable Population Groups
KoinSEPs of care	Failure of the existing welfare structures to provide adequate goods and services of personal and domestic care to certain vulnerable population groups Focus on production and provision of goods and services of social-care character, towards certain population groups such as the elderly, infants, children, disabled and chronically ill. Failure to provide adequate collective social goods and to promote local society initiatives. In remote areas of the country such phenomena lead to economic desertification
KoinSEPs of collective and productive purpose	Failure of local economic development, local cohesion Focus on the production of products and the provision of services to meet the needs of collectivity (culture, environment, ecology, education, social benefit services, promoting local products, reserving traditional activities and crafts etc) which also promote local and collective interest, the development of employment, the enhancement of social cohesion and the strengthening of local or regional development.

Source: Balourdos and Geormas (2012)

The government’s will notwithstanding, what followed the introduction of the new Law was somehow in a different direction. Indeed, in a survey of the

registered KoinSEPs for the year 2015, the picture was as depicted in Table 2. It is obvious that the main objectives of the Law as inclusion of vulnerable groups and provision of social services were not implemented. Or, rather, were implemented but only to a minimum degree. Civil society was motivated but the sectors in which it was activated were far from what the Law envisaged. Hence, the experience from the implementation of Law 4019/2011 is multiple. It should be underlined that its implementation took place during a severe financial crisis in Greece, with many people seen their income to decrease by 40%, as well as other negative impacts, for instance in the banking system and the provision of loans.

Table 2: Number of active KoinSEPs per activity and annual turnover in 2015

Area of activity	Number of active KoinSEPs	Annual turnover
Education	36	1.116.543 €
Restaurant, drinks, food services	30	1.362.311€
Organization's activities	26	429.756 €
Wholesale trade	21	269.234 €
Retail trade	18	275.003 €
Administrative and support service activities	15	207.265 €
Services to the public sector	14	219.328 €
Social care	14	124.263 €
Creative, arts and entertainment activities	12	334.446 €
Cleaning services	9	481.348 €
Health services	8	102.140 €
Food processing	5	32.294 €
Waste management	5	14.016 €
Information technologies	5	69.575 €
Construction activities	4	144.515 €
Publishing	4	25.495 €
IT	4	42.314 €
Other	43	1.128.279 €
Total	282	6.855.279 €

Source: Special Secretariat for Social and Solidarity Economy (2017), p. 382

² In 2015 the registered entities were 973, the 282 were the ones who submitted the Yearly Review of Activities and Forward Planning, which is submitted to the Social Economy Registry the first year of KOINSEP's operation and every year thereafter.

Taking a rather critical stance, Nasioulas and Mavroeidis (2013) indicated that the main reasons behind the fact that the number of KoinSEPs skyrocketed were that they are cheap to be founded, are subsidy oriented, and that there was public demand and need for outsourcing state's services. Moreover, Geormas and Glaveli (2017) suggested that a main difference between the Greek and the European experience is that Greek SEs seem to fit more to the model of "necessity entrepreneurship", agreeing thus, from a different though perspective, with the points mentioned above by Nasioulas and Mavroeidis (2013).

It is of interest here the differentiated path followed for the multiplication of SEs in Greece in comparison with other countries, such as Italy for example. In the last case, "the progressive recognition of voluntary organisations and social cooperatives and the growth and diversification of needs arising in society have increasingly attracted public resources. As a result, over the years, such initiatives have grown dramatically in number, stimulating a collective debate as to the most suitable organisational arrangement for both guaranteeing a sufficient supply of welfare services and exploiting the contributions of civil society" (European Commission 2020, 10). In Greece, the relation of SEs with the welfare state is very weak and this has affected their growth potential.

Yet, the above points do not depict the entire picture. Some other crucial developments in the field of SE must be presented to paint a fair picture of the field. One of them is the persistency of some initiatives, initiatives of which the social role and impact is unquestionable. The case of Myrtilo, for instance, a social inclusion KoinSEP that targets the employability of people with disabilities is a case in point. There have been numerous other cases throughout Greece which, without having any subsidy, managed to survive and maintain their social orientation.

It needs to be mentioned that the most successful of these SEs are the ones that are strongly embedded in the local social fabric. For instance, Muses Pierion, the KoinSEP number 1 in the Social Economy Registry, a KoinSEP that was set up by unemployed women, is still active today. As it is the KoinSEP Gennisea, a KoinSEP set up again by a local women's association. Many local KoinSEPs dealing with processing of agricultural products are also of point here.

An interesting point is also the relation of KoinSEPs and Municipalities since a substantial number of KoinSEPs provided services to the later. Yet, besides the fact that the legal framework that was used was rather vague, these services were of urgent need for local societies. The kind of services ranged. It comprised services of childcare facilities, maintenance of public gardens, municipal cultural

activities such as choirs and music schools, provision of health services at the local level.

In the overall it could be stated that the Greek Law of 2011 was a spark that contributed decisively to the development of discourse on SE in Greece. The Law provided a handy tool for Social Entrepreneurs-to-be, and this is a reason why the registered number of SEs increased in a geometrical rate. With this view agrees also a report by CICOPA which concludes that *“Although not ideal, the current Greek cooperative legislation already makes it possible to establish all kinds of worker cooperatives, social cooperatives, artisans’, and small enterprise cooperatives, as well as agricultural cooperatives and other forms of producers’ cooperatives in rural environments, namely the types of cooperatives which the Greek Ministry of Labor has expressed interest to develop in the short-middle term”* (CICOPA-ILO 2013, p. 18).

Moreover, basic notions of Social Economy were widely discussed throughout Greece, and hundreds of seminars, conferences, and municipal meetings took place. Thus, the Law had a crucial role in increasing the visibility and the recognizability of Social Entrepreneurship. In addition, it provided the opportunity for many public agencies to become familiar with the reality and the needs of SEs. It suffices to say that tax agencies, in the first years of the implementation of the law, didn’t have the knowledge of how to register SEs, something that holds true even today as there is not a special category for them and they are registered as nonprofit enterprises.

Therefore, barriers notwithstanding, the developments on the ground have been spectacular. Thus, before the introduction of the new Law 4430/2016 for the Social and Solidarity Economy, the number of registered KoinSEPs were as presented in Table 3.

Nonetheless, the developments that took place after the introduction of Law 4019/2011 were not without constraints. As a country report mentioned *“By far the greatest barrier faced by Greek Social Enterprises both in starting-up and in terms of being able to grow and scale up activities, is undoubtedly lack of access to finance. It is nearly impossible for Social Enterprises to secure financing in Greece, the only available possibilities are project-based funding, securing financing from abroad”*³.

³ European Commission, A map of social enterprises and their eco-systems in Europe. Country Report: Greece, 2014, p. 6.

This is related with the fact that the Social Economy Fund which was specified in Law 4019/2011 was never implemented due to a change in the political leadership of the Ministry of Labor. It is documented that, as Mendell and Béatrice (2013, p. 2) point out, “*Government commitment [to social economy] is also contingent. It may vary depending on governing parties in power*”. In the Greek case, this holds true even for the reshufflings of ministers of the same government, as the changing of the Minister of Labor had as a result the freezing of the formation of the Social Economy Fund although the relevant draft ministerial decree was ready. Being part of the team that had already coordinated the different public agencies involved as well as preparing the legal text for the setting up of the fund, we had the unfortunate experience of the canceling of a crucial tool for SEs development.

Table 3: Number of registered KoinSEPs in Social Economy Registry 2012-2016

Year	Registrations		Striking offs		Operational at the end of year
	Yearly	Cumulative	Yearly	Cumulative	
2012	116	116	0	0	116
2013	272	388	17	17	371
2014	326	714	114	131	583
2015	259	973	135	266	707
2016	252	1.225	61	327	905

Source: Special Secretariat for Social and Solidarity Economy (2020), p. 54

It has also to be stressed that the resources and programs which were reserved from ESF for programs in support of SEs were never implemented. The KoinSEPs that were set up in the first years of the implementation of Law 4019/2011 were not permitted to apply even for general programs designed for small enterprises, for the agency that managed these programs didn’t recognize them as eligible enterprises.

Another crucial barrier for the development of SE in Greece was, and has been, the “*lack of specialist support structures, such as incubators, mentoring, counseling in relation to setting up a business plan etc.*”⁴. This is related to the fact that the first SEs, were characterized by lack of skills and know-how for starting up and running a SE. Also, Law 4019/2011 didn’t define social value

⁴ *ibid*

and social benefit in a proper way, leaving scope for misinterpretation by potential Social Entrepreneurs as regards to the nature and the purpose of SCEs.

A further development that could have contributed to the development of SEs in Greece was the formation of a group of experts by the Greek State. This took place in the aftermath of the introduction of the Law. The group gathered experts from Greece as well as other European member states and its main mandate was to formulate an “*Outline Strategy and Priorities for Action to develop the Social Economy and Social Entrepreneurship in Greece*”⁵. The action plan, strongly influenced by the European concerns of that period, proposed four main actions: setting up an eco-system for the enhancements of Social Economy, introduction of subsidies for starting up and running a SE, access to financial tools to ensure the running and growth of Social Enterprises and good governance and development of the capacities of the public sector in its dealings with SEs.

The action plan had a decisive influence in the designing of state policies in Greece as most of its recommendations influenced policies of the Greek ESF and were depicted in the action plan that was presented later in the 2017 Yearly Report of the Special Secretariat for Social and Solidarity Economy.

Concluding, the introduction of Law 4019/2011 represented an important point in the legal development of Greek Social Entrepreneurship. Social Economy and SEs were formally institutionalized for the first time. This Law, which concurred with the escalation of the Greek crisis, the rise of new social movements and successive experimentation with forms of solidarity and alternative economies (Varvarousis and Kallis 2017), despite its critics, led to: a wide discussion on the Social Sector bringing up several issues that were widely discussed in the context of the social dialogue, the multiplication of SE (Varvarousis et al. 2018), broader activities in almost all economic sectors and, consequently, the identification of legislative omissions and new needs, as well as the first initiatives to create a favorable eco-system. Hence, this phase could be termed transitional due to its short lifespan and important role in creating an experimental approach to Social Entrepreneurship’s development in Greece (European Commission 2019).

⁵ See

https://www.academia.edu/20216077/Outline_Strategy_and_Priorities_for_Action_to_Develop_the_Social_Economy_and_Social_Entrepreneurship_in_Greece

Third Phase: Law 4430/2016

Five years after the enactment of Law 4019/2011, a new Law was introducing regarding SEN. From the outset, it should be stressed that a basic problem with legal frameworks on Social Economy is that organization Law needs to be stable, reliable, and lasting (Münkner 2005). Thus, the fact that a few years after the implementation of Law 4019/2011, a new law was introduced, it is rather an indication for the political manipulation of the field of SEN, a feature that in Greece also tantalizes the agricultural cooperatives sector.

In the new Law 4430/2016 "*Social and Solidarity Economy, entities and other provisions*" (Article 2) "Social and Solidarity Economy" is defined "*as all economic activities based on an alternative way of organizing production relations, distribution, consumption and reinvestment, based on the principles of democracy, equality, solidarity, cooperation, as well as the respect for people and the environment ...*". Compared to the definition of the previous Law, we note that the new Law introduces a broader, value-oriented, definition (Douvitsa 2020) although the same principles were the ones that were mentioned for the substantiation of Law 4019/2011.

Also, KoinSEPs are classified, depending on their specific purpose, in:

- a) KoinSEPs of inclusion, which are distinguished in: i) KoinSEPs of inclusion of vulnerable groups, ii) KoinSEPs of inclusion of special groups, iii) KOISPE, which, under Article 12 of Law 2716/1999, are automatically qualified as KoinSEPs of inclusion.
- b) KoinSEPs of collective and social benefits, engaging in "sustainable development" activities, or providing "general social services".

In addition, the Law enabled any other non-single legal entities to be able to become members of Social Solidarity Economy (SSE), provided that: i) they engage in collective and social benefit activities; ii) they provide information and ensure participation of its members and implement democratic decision-making processes, in accordance to the 'one member, one vote' principle, whether or not they contribute; (iii) their statute provides for limitations in returns allocation; (iv) they implement a system of remuneration convergence; (v) they aim at enhancing economic activities and maximizing the social benefits generated through horizontal and equal networking with other SSE entities; vi) they have not been established and are not directly or indirectly governed by 1st or 2nd

degree Public Legal Entities or Local Authority Organizations or any other public-sector legal entity.

Nevertheless, Law 4430/2016 was an attempt full of contradictions. Good intentions were accompanied by rather hasty regulations. The will to clear up the sector from inappropriate use of the term SE led to such a complex legislative framework which, eventually, was characterized by many entities of the sector as a barrier. Politicization of the approach to SEN resulted in divisions within the sector. Such an instance was the formation of a network of SEs that delineated itself with ideological criteria.

Moreover, the explanatory memorandum of the Law declared that one objective of the Law was to broaden the field of implementation of the SSE beyond social services and social inclusion policies. The vision of SSE was to permeate all sectors of economic activity. We have manifested with the data from the Social Economy Registry that in Greece the problem is exactly that SEs are active in all economic fields and rather inactive in fields such as social inclusion and social services. Besides, this was mentioned and in an evaluation of the new Law by Adam et al. (2018, p. 27) where the authors underlined that in the draft Law *“included a series of definitions with heavy sententious elements and ideological tautness”*.

It needs to be stressed that there are two points on which the Law clearly indicates that the Greek government was “unaware” of the EU legislation. The first is of a rather minimal effect which associates with the definition of “social innovation”. The Law introduces a perspective of innovation that besides the fact that is rather vague, disregards the fact that this notion was introduced by the European Regulation 1296/2013.

In addition, the Law introduces the notion of “vulnerable” and “special” population groups. A similar distinction was also adopted in Law 4019/2011. In the case of Law 4430/2016, the special group category was enriched by certain population categories such as refugees, victims of intra-family violence etc. Besides the fact that it is not clear what are the benefits of a SE comprised of these different categories, it has to be mentioned that regarding public contracts the Law, again, doesn’t take into account the definitions of the Regulation 651/2014 of workers with disability and disadvantaged workers. These two definitions are crucial for they apply in the cases where a special treatment can take place regarding reserve contracts for social enterprises in instances of public procurement (Article 20 of Directive 2014/24/EU).

Finally, the rather unsystematic approach for the field is the formation of a new entity the “Worker’s Cooperative”. The introduction of a new legal entity in the Social Economy sector contradicts the fact that in the Action Plan, under the banner of “Harmonization of legislation”, it was clearly stated that an action would be “the harmonization of the existing legislation on cooperatives” for, due to the fact of the existence of 9 different legal types of cooperatives [this is] “a fact that complicates the formation and function of SSE’ entities in cooperatives” (Special Secretariat for Social and Solidarity Economy 2017, p. 120). Yet, in a move that contradicted the aforementioned provision of the Action Plan and made the legal landscape more complex, the same government, two years later, introduced a new legal form, that of the Energy Communities.

On the other hand, Law 4430/2016 tackled some crucial issues that had emerged from the implementation of Law 4019/2011. It enriched the regulatory provisions for the internal workings of SEs. Moreover, it introduced the notion of “social impact”, envisaging also a tool for its measurement. It strengthened the checks and balances and delineated penalties to maintain the social character of the registered entities. It provided regulations regarding the volunteers’ work for the social enterprise. Moreover, tax benefits for SEs were reinstated and special provisions were promoted for their participation in active labor market policies. Finally, the Law maintained the form of SCE, acknowledging implicitly yet clearly, that this was the dominant form of expression of the SEN development in Greece.

Table 4: Number of entities in the Social Entrepreneurship Registry per legal type (31/5/2020)

Legal type	Number	Percentage
KoinSEPs of collective and social benefits	1.564	93.9
KoinSEPs of inclusion of vulnerable groups	33	2.0
KOISPE	29	1.7
Worker’s cooperatives	29	1.7
KoinSEPs of inclusion of special groups	10	0.6
Total	1665	100

Source: Special Secretariat for Social and Solidarity Economy 2020 p. 58

The introduction of the electronic Registry of SSE entities, which came into operation in the beginning of February 2018, was an important step towards

simplifying and shortening the administrative procedures for the Registry of SSE (Special Secretariat for Social and Solidarity Economy 2018). Until the enactment of the new Law, the number of registered SCEs in the Social Economy Registry of the Ministry of Labor amounted to 847 (Special Secretariat for Social and Solidarity Economy 2017, p. 25) while after the application of the new Law 580 new entities (new start-ups) were registered and 558 SCEs out of 847 were re-registered (old SCEs operating under Law 4019/2011) (Special Secretariat for Social and Solidarity Economy, 2018). Whilst in May 2020 the registered entities were 1.665 (see Table 4).

The available data for the SSE entities reveal a significant momentum in the field of SSE (see Table 5). The total number of active SSE entities (415 in 2016 and 643 in 2018), combined with their total turnover and the number of employees, show a significant increase over the previous years (total turnover in 2016 was 11.646.217 while in 2018 33.805.518€). Regarding profits, 31% of the total registered entities were profitable in 2017. More precisely, in 2017 23% of the entities had profits up to 5.000 €, 5% between 5.001 and 15.000 € and 3% over 15.000€ whereas in 2018, 29 % had profits up to 5.000€, 5 % between 5.001 and 15.000€ and 2% over 15.000€. The previous data highlight the growth of the SSE sector in Greece in recent years. In addition, the presence of SSE and its actors is consolidated or strengthened in most of the country's regions while not only the number of sectors in which SSE entities operate, but also the number of entities operating in most economic sectors are increasing (Special Secretariat for Social and Solidarity Economy 2018; 2020).

Nevertheless, in the case of Law 4430/2016, results show that civil society, once more, didn't follow the developments envisioned by the law. As data from the registry illustrate (see Table 6), again the majority of the Social Enterprises were not in sectors such as welfare or environmental services.

Concluding, Law 4430/2016, which replaced former Law 4019/2011, pertains to Greece's SSE and the developments of its actors. It does not explicitly introduce the Social Enterprise as a distinct legal entity. Instead, it recognizes three different legal forms that define the country's SSE sector by default. Of these, only two fulfill the EU operational definition: KoinSEPs and KOISPEs. Subsequently, the Law introduces a set of operational elements that broaden the SSE spectrum to include additional organizations provided they fully meet given criteria. Notably, Law 4430/2016 set new ground for the development and broadening of Greek Social Enterprise fields of activity. First, the new Law attempted to unify the SSE spectrum by allowing greater flexibility when choosing the most suitable legal form based on each Social Enterprise's needs.

Table 5: Number of active entities, employment, and turnover per economic sector

Sector	Number of Active Entities			Employment			Employment of Vulnerable Groups		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
	Annual work unit (AWU)								
Primary	7	10	12	-	2	0	-	0	0
Secondary	30	58	58	-	27	23	-	8	10
Services	378	622	573	-	1.150	1.141	-	240	283
Total	415	690	643	-	1.180	1.164	-	248	292
Sector	Turnover								
	(€)			2017			2018		
Primary	173.334			39.194			47.180		
Secondary	388.548			1.145.865			1.007.089		
Services	11.084.333			33.346.923			32.751.249		
Total	11.646.215			34.531.982			33.805.518		

Source: Special Secretariat for Social and Solidarity Economy, 2020 p. 74

Table 6: Number of active KoinSEPs per area of activity and annual turnover in 2018

Area of activity	Number of active KoinSEPs	Annual turnover €
Education	65	1.062.015
Restaurant, drinks, food services	61	7.004.760
Wholesale trade	40	1.033.352
Retail trade	44	1.948.240
Organizations activities	36	
Administrative and support service activities	33	564.309
Sports and recreational activities	23	237.083
Social care	20	270.563
Creative, arts and entertainment activities	31	572.665
Cleaning and other services	17	2.622.277
Health services	40	573.091
Food processing	14	229.651
Waste management	14	162.013
Construction activities	5	162.087
Publishing	10	75.795
Other	190	17.287.617
Total	643	33.805.518

Source: Department of Social and Solidarity Economy 2020 p. 94-101

Second, it largely broadened the meaning of ‘social aim’ to include a series of activities for the general public as opposed to being exclusively focused on vulnerable and/or special social groups. Third, it introduced and operationalized terms such as ‘social innovation’ and ‘social impact’ for the first time in Greece (European Commission 2019). All in all, it has given way to a more advanced phase that seeks to stabilize and expand their presence within the Greek socioeconomic context.

Barriers and proposals for the way ahead

There have been a couple of reports identifying barriers in the development of Greek SE. The first report, which was conducted by the British Council on behalf of the Ministry of Labor in 2017, approached a limited number of entities yet the most important barrier identified by the respondents was finance. Other

barriers were government regulations, lack of awareness and lack of cash flow (British Council 2017, p. 72).

Another study it is worth mentioning for it was conducted in 2018 by European Investment Bank on behalf of the Ministry of Labor. The main results of the study were that the Greek SE sector has been developed the last years yet, the sector is dominated by small scale enterprises and most of them are at their first steps of development. Also, their access to finance is rather limited, and this results in impeding their development. Furthermore, the study pinpointed as a crucial factor for the development of the sector the lack of support services, lack of strategic vision, and the inability to develop a viable business plan. Regarding other aspects of the eco-system, the study underlines that although there are some initiatives from the state side, many more need to be done to address the needs of the sector. Moreover, incubators and special training and counseling are of crucial importance “*in order to transform successfully social entrepreneurial ideas into applicable business plans*” (p. 51).

A questionnaire that was distributed to the Support Centers in 2019, regarding impediments that SEs face in their development, had the following results: financing accompanied with sustainability problems, lack of market information and information regarding sources of funding as well as deficiencies on cooperation with public agencies. Moreover, other serious hurdles mentioned were related to networking, difficulty in setting up a business plan and internal functional issues –such as setting up the organizational group (Special Secretariat for Social and Solidarity Economy 2020 p. 39).

It is of interest here to indicate that would the experts’ group *Outline Strategy* had been implemented, all these issues would have been addressed. That said, one of the most crucial components needed for the developments of the SE in Greece is the formation of an effective, sustained and enabling eco-system. Furthermore, of crucial importance is the actual implementation of what is foreseen both in law as well as in government’s action plan. For most of the components of such an ecosystem have not been implemented, and this regardless of who was occupying the government positions. For instance, it is a rather pathetic occurrence the fact that although the resources for subsidies programs for SEs were available through ESF, only limited actions towards the promotion of such financial subsidies for SEs were implemented.

Thus, Greece has had a rather negative experience on both levels. From the government’s side, the plurality of the needed and promised components of an enabling eco-system although promised, have not been implemented. No matter

the proclamations, even from (ex) prime ministers' speeches, SEs are not (yet) part of the economic agenda for long-term structural change and economic development in Greece, and their potential for creating sustainable economic structures, strengthening social cohesion, promote employment of vulnerable groups and driving (social) innovation is undervalued and underexplored. The fact that the European influence both through the open method of coordination as well as using ESF funds has limited results in the field of Social Entrepreneurship can be explained by what Feronas (2011) has stressed in another context: *"Unwilling successive Greek governments, weak state institutions and serious problems when it comes to the implementation of planned or already institutionalized policy reforms, seem to be the main factors explaining domestic resilience. ... the Europeanization of [Greek's Government approach to social entrepreneurship (authors addition)] could be characterized as procedural, formalistic, mechanistic or, on paper"* (p. 37).

Now, on the side of the field of SEs, weak representational and organizational capacity, a low level of identity and weak networking abilities have yielded rather grim results regarding visibility, recognition as well as formation of tools for enabling their sustainability. Therefore, there is a need for certain crucial interventions so as for the development of an eco-system to take place. First and foremost, there is the need for strengthening the already existing public institutions that deal with SE. Thus, the Directorate of SSE needs to be expanded, and it should take up new and broader responsibilities, so as to improve its effectiveness. A Directorate General (DG) of Social Economy and Social Entrepreneurship should be instituted. This will constitute an effective tool to deal with issues more than the registration of Social Economy entities in a Social Economy Registry. The DG will take up responsibilities in forming the Social Economy Fund. It will be comprised by units that will provide counseling and training material for social entrepreneurs. It will coordinate the regional support centers as well as the work counselors of the Manpower Organization in their dealing with unemployed persons that are willing to form a SE. It will be responsible for the coordination of public contracts with SEs, and it will provide guidance as well as training of other public bodies in cooperation with the National School of Public Administration.

Strengthening the cooperative identity and upgrading the social impact of SEs member's number of a SE to seven, a proposal that was made by the Equal network ten years ago. Moreover, the law should introduce a clause that 10% of the profits of every organization of the SSE should go to the Social Economy Fund, to help funding of such initiatives (Geormas 2018). Such a provision will strengthen the sharing of the common identity of the sector.

Financial tools, from subsidies to loans from a Social Economy Fund, are of crucial importance. The SEF is also needed as it will be the main actor for providing microcredit, counseling, social impact analysis and other tools -in cooperation with the rest units of the DG.

Additionally, the establishment of a viable, sustainable and well trained network of support centers throughout Greece is of central importance to provide available services for the start up as well as of the running of the SEs.

Also, SSE should be recognized as one of the economic components of a strategy for economic recovery and not as an EU obligation among others. Unfortunately, the mention of Social Entrepreneurship in the Development Plan for the Greek Economy, is rather minimal and the report doesn't make the most of the potential of the social economy (Pissaridis Committee 2020 p. 233). Thus, more attention is needed regarding the economic sectors that social economy could provide a substantial economic contribution and its integration as a crucial component of local action plans.

Finally, a tool that will increase the much needed recognition of the sector is the setting up of a Committee in which both representatives of the state and of the Social Economy sector will participate. Co-construction procedures are of urgent need for various reasons. First, such committees are mentioned in the law, but as of today they have not been formed. Second, such forums provide the possibility to the government to realize the potential of the social entrepreneurship and to design more effective and tailor made programs that they will address its real needs. Moreover, such forums will promote better networking among the sectors organizations as well as the cultivation of its identity and representation of its needs.

Conclusion

EU, especially through European programs such as Equal, has had a strong impact regarding the development of Social Economy and Social Entrepreneurship in Greece. Moreover, the European influence has been of crucial importance in the formation of Law 4019/2011. The latter has functioned as a guiding tool and an incentive for the formation of hundreds of SEs, as well as a motive for spreading the discourse on Social Economy and Social Entrepreneurship in civil society, local authorities and government departments.

Later on, Law 4430/2016 expanded the spectrum of Social and Solidarity Economy by adding the category of ‘Worker’s Cooperatives’, introducing social impact measurement, as well as trying to promote networking, motivating volunteering and boosting the collective identity of social and solidarity economy.

Yet, both Laws and public initiatives have been short of: i) implementing a crucial for the development of Social Economy and SEN ecosystem and ii) forging a systemic change towards the perception of SEN at government level i.e., viewing SEN as an alternative economic model contributing to the overall development of Greek economy and society, as well as at the civil society level i.e., viewing SEN as a model for a sustained effort towards social change, social innovation and expression and fulfillment of civil society’s real needs. For this to be achieved more sustained effort is needed both from government’s authorities and civil society’s networking. The European Action Plan on Social Economy and its full implementation at the national level, the adequate and effective use of the resources from the ESF, as well as new public institutions such as the Directorate General on Social Economy and Social Entrepreneurship are of crucial importance for the development of the sector.

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