



Inter-Agency Task Force on
Social and Solidarity Economy

The Undelivered Potential of the Greek, Economic Crisis Born, Social and Solidarity Economy for People-Centred Local Sustainable Development

The Case of Greek Social Cooperative Enterprises

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**Implementing the Sustainable Development Goals:
What Role for Social and Solidarity Economy?**

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Abstract

The current paper focuses on the Greek Social and Solidarity Economy (GSSE) and its undelivered promise for transformative local sustainable development. Our argument is that the GSSE is at an infant stage regarding the cultivation of its identity and its social impacts which deprives its potential to be a robust social economy paradigm able to address local development issues. Emphasis is placed on the role of Social Enterprises (SEs), and particularly on Social Cooperative Enterprises (SCEs/KOINSEPs in Greek) introduced by Law 4019/2011. Based on our analysis, factors traced in the macro, meso and micro environment could be considered responsible for KOINSEPs' fragility and low contribution to the implementation of SDGs at local level. Firstly, an examination of KOINSEPs' characteristics points to weaknesses that these entities exhibit in the Greek case. Secondly, an analysis is presented as to why these weaknesses are aggravated by the parameters at macro level such as the continuously altered legal/institutional environment and the unfulfilled "promises" regarding the creation of a favourable ecosystem. Thirdly, at meso level there is lack of local governance's and other local actors' support, low trust towards SSE organizations and poor local social capital. Fourthly, at micro (internal) level, the absence of strategic orientation and a clear vision, as well as the limited resources and the characteristics of the social entrepreneurs are underlined. Finally, directions for actions are discussed.

Keywords

Greek Social and Solidarity Economy, Social Cooperative Enterprises, Greece

Bio

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Introduction

Sustainable development (through SDGs implementation) cannot be achieved at the global or even national level without mobilizing localities (Budd 2003). Social Enterprises (SEs), as localized agents emerge from local communities and undertake activities to benefit them. Their presence results in mobilizing resources to generate a number of values: economic, social, environmental, and cultural in response to social or market disequilibrium within the community or place (Kim and Lim 2017). Thus, SEs are probably the nodal actor of the Social and Solidarity Economy (SSE) in localizing the SDGs and promoting local sustainable development, defined 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-centred, inclusive and sustainable way (UNRISD 2017). Moreover, SEs activate and exploit social forces in a creative way, have stability, durability, great resilience to external shocks and the potential to create economic environments that bring multiple benefits to all involved.

Furthermore, what is important to realize is that there is a beneficial and synergistic relationship between local and SEs’ sustainable development, on the one hand, and reaching SDGs at the local level on the other hand (UNRISD 2017; Glaveli and Geormas 2017; Geormas 2014). Boosting SEs promotes local sustainable development and vice versa (Glaveli and Geormas 2017), whilst SDGs represent a concrete ground on which SEs can build and enhance their own identity.

However, the contribution of SEs in the implementation of SDGs at local level is not axiomatic (Budd 2003). Their effectiveness depends on factors in their ecosystem traced at the macro, meso and micro level. So, this paper attempts to enlighten the reader on the following issues: First, provide a quick overview of the Greek Social and Solidarity Economy (GSSE) and, especially, Greek Social Cooperative Enterprises (KOINSEPs) and their connection to SDGs. Second, give an insightful look at the impact of Greek KOINSEPs to local sustainable development and the implementation of SDGs at the local level. Third, broaden our understanding regarding the factors and tensions that may stimulate or inhibit the potential of SEs to contribute to the localization of SDGs in the Greek context. For this purpose three levels of analysis will be considered: macro, meso and micro. The macro level refers to aspects related to public policy issues and national level ecosystem (i.e. national level policies), the meso level relates to the local community characteristics and actors (i.e. local social capital, local authorities) and the micro to the SEs internal environment. Finally, the current paper concludes by providing some directions of action in order to strengthen the role of KOINSEPs as means of implementing the SDGs at local level and achieving sustainable local development.

Social cooperative enterprises and local sustainable development

Greek social cooperative enterprises

Legal framework/types and connection to SDGs

In the Greek case, KOISPE¹ was the first form of SE that was introduced by Law (Law 2716/1999). However, the first legislative action introducing the concept of social economy was Law 4019/2011 on "Social Economy and Social Entrepreneurship". Law 4019 provided for the

¹KOISPE: Social Cooperatives of Limited Liability (KOISPE) which target at the social inclusion and employment of people with psycho-social disabilities.

emergence of a new form of SE, the "Social Cooperative Enterprise" (KOINSEP) and distinguished (Art 2) three (3) types of KOINSEPs:

- i) *Inclusion KOINSEPs*², for the integration of vulnerable population groups (e.g. people with disabilities, drug addicts, rehabilitated drug addicts, HIV-positive people, prisoners, released prisoners, juvenile offenders) in the economic and social life of communities. As such *they have the potential to mainly contribute to the implementation of SDG 10 (reduced inequalities), SDG8 (decent work and economic growth) and SDG1 (no poverty) at local level.*
- ii) *Social Care KOINSEPs*, which focus on the production and provision of social care services/products to vulnerable social groups such as the elderly, infants, disabled and chronically ill. So, it could be supported that through their operations these KOINSEPs *have the potential to mainly contribute to the implementation of SDG3 (good health and wellbeing) at local level.*
- iii) *Collective and Productive purpose KOINSEPs*, which focus on the production of products and the provision of services (related to: *culture, environment, ecology/recycling, promoting local products* etc) with the aim to serve local and collective interests and *promote employment, social cohesion and local/regional development. Analyzing their purpose, it could be suggested that they would be expected to mainly contribute to the implementation of SDG1 (no poverty), SDG12 (responsible production and consumption) and the SDGs (13;14;15) related to the preservation of environment .*

Five years later, Law 4030/2016 on "Social and Solidarity Economy" was introduced, attempting to address problems arising from the implementation of Law 4019/2011 while broadening up the scope of SSE initiatives so as to: i) include other legal entities fulfilling certain criteria (such as: civil cooperatives, agricultural cooperatives), ii) introduce a new legal entity, the *workers' cooperative*, iii) *reduce the KOINSEP types to two* (Inclusion KOINSEPs for the integration of vulnerable and special groups and Collective and Social Benefit KOINSEPs which in fact integrates the KOINSEPs of Social Care with the KOINSEPs of Collective and Productive purpose) and iv) *more closely relate SEs functioning to local sustainable development and the provision of services of general interest.*

Characteristics and development

KOINSEPs (as a type of SE) are actors of the SSE, that are quite different from the traditional non-profit organizations (Dess 1998). A set of key economic and social elements defines and differentiates them (Defourny and Nyssens 2008). They possess entrepreneurial capacity by Law, so they have the statutory right to engage in the continuous production and/or sale of goods and services, seek a high degree of autonomy, involve a significant level of economic risk and employ (at least) a minimum number of paid workers. Also, they prioritize people over capital (are people-centred offering decent work conditions), operate under the principle of sustainable development and utilize profits primarily for achieving its social mission and secondarily for any eventual restricted profit distribution (balance among social, environmental and economic values). In detail, profits are not to be distributed to members, whilst 60% of profits should be invested in new jobs creation and in promoting the KOINSEP's activities in general. KOINSEP members can be individuals or juridical entities and participate with one vote regardless of the cooperative shares they own (democratic decision making and equal opportunities for all; *SDG10*).

² KOISPE are, ipso jure, KOINSEP of inclusion.

Also, KOINSEPs are launched by a group of citizens³ engaging people belonging to a community or to a group that shares a certain need or aim, *are participatory in nature* which means that those affected by the activities are represented and take part in the management of the SE and *pursue a clear goal to benefit the community or a specific group of people in the community*. Thus, they directly and indirectly, promote a sense of social responsibility at local level.

Based on the above characteristics, it could be supported that SEs represent an alternative to the flaws of the market-centred development model by reducing the inequalities of power and knowledge that exist in goods and labour markets (Hope and Martelli 2017).

Nevertheless, a main difference between the Greek and the European experience is that Greek social enterprises seem to fit more to the model of “necessity entrepreneurship” (Poschke 2010), rather than to an innovative and meeting local social needs model (Geormas 2016; Nasioulas and Mavroeidis 2013), resulting to low expectations of development, limited resources and low capital mobilized for their entrepreneurial activity. Some other characteristics that point to the “necessity entrepreneurship” categorization are the age of the members and the levels of employment that characterize Greek SEs. According to a research conducted by Adam (2014), 50% of the members were above 40 years of age, that is, the age group mainly affected by the economic crisis.

One interesting feature of Greek KOINSEPs is the *wild fluctuation regarding* their numbers. Data (from Social and Solidarity Registry) show that in Greece there is a case of a “skyrocketing” registration of new entities, motivated by the Law and promises for economic subsidies. Thus, four years after the introduction of Law 4019/2011, and just before the introduction of the new Law (4430/2016⁴), the number of the registered KOINSEPs *reached 1.205*. Law 4430/2016 provided that KOINSEPs should apply in order to re-register to the new Social and Solidarity Registry. From the total (1025), only 586 (around 48%) were the entities that did apply (and 541 were finally re-registered), suggesting that, most probably, the rest of them were inactive. The same “skyrocketing” phenomenon holds after the introduction of Law 4430/2016. In the two years period, after this Law was introduced, the number of the registered SEs had reached 1.138⁵. In fact, since 2016, their number has been doubled (from 541 to 1.138).

There are a number of reasons explaining this “booming” (Nasioulas and Mavroeidis 2013). First, in Greece, amidst the crisis a KOINSEP is the easiest and cheapest form of enterprise to establish. Second, a motive behind setting up a social enterprise is the *prospect of subsidies* from programs financed by the European structural funds. A third reason is the *preferential treatment* regarding the relations with local authorities. Whilst, a fourth reason is the fact that *the field is not regulated*, because the Social Economy Registry is severely understaffed and, in addition, it seems that there is not a political will to actually regulate the field.

Nevertheless, it seems that the “*active*”⁶ *entities of the Registry represent a much smaller number*. The Special’s Secretariat Yearly Report 2018 provides the following table:

³The minimum number of members required to establish a KOINSEP is five or seven in the case of Inclusion type.

⁴ Law 4430/2016 was introduced in 31.10.2016.

⁵ Data as of August 2018. All data are from Social and Solidarity Economy Registry.

⁶ The Ministerial Decrees regarding the implementation of law 4019/2011 and law 4430/2016 maintain the provision that KOINSEPs are obliged to submit every year a report of their economic/social activities in order to maintain the status of the social enterprise, the “member certificate” [Ministerial Decree 61621/D5.2643/18.01.2017]. So, active/per year refers to the number of SEs that have actually submitted the relevant report (in the following year) and got the “member certificate”.

Table 1: The “active” entities of the Social and Solidarity Registry between 2012-2016

2012	2013	2014	2015	2016
2	44	214	335	374

In 2017, when on paper, more than a thousand entities were registered, only 332 got approved for the “member certificate”⁷. And in 2018, with a similar number of registered entities, only 464 of them submitted the necessary documents in order to obtain the “member certificate”.

Contribution to local development and SDGs’ localization

Regarding employment, in 2016 when there were 1205 entities registered- the employment reached 1200 persons (of which 386 belonged to vulnerable groups). That means that a mean average was one employee per social enterprise (KOINSEP, KOISPE and worker cooperatives). Conducive to this low number of employment is the fact that although after the Law 4430/2016 was introduced, and there have been at least 15 programs subsidizing employment, KOINSEPs applied for only 209 employees⁸. Moreover, if we consider that the 25 KOISPE are the ones which bear the burden of employment numbers –as well as of a decent turnover– then the contribution of the KOINSEPs is really meager.

Capital mobilization and consequently, resources mobilization at the local level, is very low. According to the registry’s data the picture is as follows:

Table 2: The turnover of KOINSEPs’ in 2018

Total number of entities with outturn data	Turnover <10.000€	Turnover 10.000€-24.000€	Turnover 24.000€ - 50.000€	Turnover >50.000€
518	310	73	56	79

Source: Special Secretariat of SSE, Yearly Report 2018, Ministry of Labour, Social Insurance and Social Solidarity, Athens, 2018.

The aforementioned should not cloud the fact that social entrepreneurship in Greece is a vehicle for some really robust interventions in local development, as well as in social inclusion. KOISPE, again, constitute the more durable example. Many of them have a turnover above 300.000€, with the most successful reaching 1million €.

In addition, it seems that social entrepreneurship is a handy tool for small agricultural initiatives throughout Greece. In many of them, membership is comprised by women (*SDG5 – gender equality*), reproducing thus in another scale an older successful example of Women’s Cooperatives (Andreopoulou 2016, CICOPA-ILO 2013). It is also of interest that these initiatives take place in the periphery, like the one in Gennissea⁹ (Thrace) and in the remote island of Kalymnos.

Some inclusion KOINSEPs are a tool for entrepreneurial activities of well-established associations that deal with the problems of handicapped people. Through social

⁷ Data come from the Social and Solidarity Economy Registry.

⁸ The programmes were addressing all entrepreneurial activities and not specifically social enterprises.

⁹ See www.zaxarokalamo.gr

entrepreneurship, they promoted artifacts and products made by the handicapped people, creating thus an income and empowerment for the people themselves (SDG 10 and SDG1).

In addition, lately we are witnessing two phenomena. A number of local initiatives that are transformed in KOINSEP in order to broaden their activities, as well as many young people entering the field affected by the cooperative spirit. It is characteristic though, of the low capabilities of Greek civil society, that an initiative that emerged the first years of the crisis, “choris mesazontes” (without intermediaries), which tried to address the problem of the expensive agricultural products due to the fact of intermediaries between farmers and consumers (ethical trade), didn’t manage to be transformed in a network of groceries and farmers’ cooperatives. Only one such example exists¹⁰ which suggests that probably the food sector is the most active in terms of networking in the field of SSE in Greece¹¹.

This double picture and the fact that social entrepreneurship in Greece is at the crossroad is depicted by two recent articles. The first talks about the “social enterprise in Greece as a myth” (Nasioulas 2018), the second refers to “a young and optimistic social economy in Greece” (Pybus 2018). The fact that social entrepreneurship is still nascent is emphasized in a recent report by the British Council in Greece (British Council 2017).

Another crucial issue regarding Greek social entrepreneurship is the fields in which it is active. According to an older survey conducted by Tsoutsoura (2015, 39-41), the category of Inclusion KOINSEPs were the 4,5% of the total registered entities, while that of Social Care the 9,7%, and the rest fell under the category of Collective and Productive Purpose. As Tsoursoura points out the Inclusion category is very small, given the fact of the broad social exclusion problems that the country faced during the same period. The same holds true for the social care category. This means, that Greek SEs are active in fields dissimilar to those of their European counterparts. According to a European survey the main sectors of activity in EU are: social and economic integration of disadvantage persons, social services of general interest, other community services, social care and so on (European Commission 2014a, 3; European Commission 2014b).

Conducive to this argument is the presentation of the current situation. According to the data presented by the Special Secretariat’s of SSE Yearly Report (2018), the picture is delineated in table 3¹².

Table 3: Major fields of SEs activities

Sector of economic activity	Number of active entities	% of entities
Services for providing food and drinks	41	11
Education	38	10
Organizational support	30	8
Retail sale	28	7
Services in art, leisure etc	21	6
Wholesale trade	21	6
Services for organization of scientific and cultural activities	18	5
Source: Special Secretariat of Social and Solidarity Economy, Yearly Report 2018, Ministry of Labour, Social Insurance and Social Solidarity		

¹⁰ <https://www.facebook.com/tokoskino/>

¹¹ Also IT is very active, yet the number of the SCEs in this sector is still small.

¹² Note that data refer to social enterprises registered to the Social and Solidarity Economy Registry.

However, the picture is bleaker if we take into account the detailed breakdown of the different sectors. Thus, in the services for providing food and drinks, the main activity is restaurants. In education, the issue is not providing education for disadvantaged people, but is mainly a reproduction of the whole para-educational system of private coaching schools. It is not accidental that both activities have faced heavy taxation in the years of the crisis. In addition, it is impressive that the activities of social inclusion and social care are totally absent in the first seven more common activities of social entrepreneurship. As a result of this situation, it is understandable that their potential to contribute to local sustainable development and the implementation of SDGs at local level remained rather un-fulfilled.

The weakness of social entrepreneurship in Greece, and consequently its low social, economic and environmental impact, is clearly stated in a research conducted by PWC on behalf of the EIB (European Investment Bank). The research was presented in the Special Secretariat of Social and Solidarity Economy, and it was referring to the financing needs of the SSEOs in Greece. Questionnaires were sent to 980 KOINSEPs and the responses were 164. According to their estimations around 400 KOINSEPs were active at the period of the research, and the majority of them -57%- were at an early stage. Moreover, during the three previous years only 17% of them pursued a financial instrument –other than subsidy. Whilst, 16% o stated that they will need a financial instrument in order to develop their activities and only 6,1% that they need financing! The aforementioned relates to the fact that 30% had zero turnover, which suggests that they had been waiting for a subsidy programme in order to start their activities.

Factors affecting the contribution of KOINSEPs to local sustainable development

The formerly presented facts and figures imply that Greek SEs have a rather weak contribution to sustainable local development and the implementation of the SDGs, particularly of SDGs 1,3,5,10 and 12 that they had (mainly) the potential to promote. Below, based on an extensive review of secondary data (relevant literature, research, legislation and practice), we identify factors located at the macro, meso and micro (internal) level of SEs environment that put impediments to their development and the strengthening of GSSE in general and hinder their potential to contribute to sustainable local development.

Macro level

Top down approach to SSE

The Greek case is a characteristic case of the precautionary note that “unless Laws and policies are accompanied by enablers such as financial resources, training and spaces for meaningful stakeholder dialogue, SSE will likely remain an extremely fragile form of economy” (Steinman 2011).

The top down approach that characterizes the Greek case is not only a contemporary phenomenon. The fact that the multiplication of agents of social economy are an outcome of state’s initiatives in the sector, characterizes and other instances of social economy entities such as the cooperatives. It is well documented, back in 1915, the initiative of the (then) General Secretary of the relevant ministry, to introduce a cooperative Law. Thus, cooperatives in Greece emerged not as a mature demand of a farmers’ movement, but as an expression of the government’s desire to create new means for facilitating implementation of agricultural policies. Even the fact that the Law was happily perceived by the farmers was not, simply, due to a

“cooperative” spirit. One, among many, factors was that this specific form of organization provided a handy mean for loans (Patronis 2004; Kappogianis 1999).

This top-down approach has had many implications on the development of cooperatives. From 1915 to 1970 there have been 945 amendments of the cooperative Law 602/1915. During the 1980s and 90s and the first decade of the 21st century the interventions reached the number of 230! (Iliopoulos 2012). As CICOPA report states, the interference exercised by political forces could help explain the hurdles met by Greek cooperatives in the establishment of an independent and effective cooperative movement (CICOPA-ILO 2013, 10).

Similar patterns can be detected in the case of the development of social entrepreneurship. The difference here is that the initiative is not so much a top-down governmental approach but rather as a European inspired and motivated action (Ketsetzopoulou 2010; Geormas 2018).

The first form of SE presented in Greece, KOISPE, was a result of a pan-European initiative for the deinstitutionalization of the mental patients. These social cooperatives aimed exclusively at the socio-economic re-integration of persons with mental health disabilities.

The second form, KOINSEP, was the result of a proposal by the European initiative Equal. Nevertheless, KOINSEPs did not manage to develop to an archetype of a SE and the outcome of this initiative was mainly a considerable number of research projects funded by it, as well as a proposal for a legislative initiative. Thus, as already mentioned earlier, in 2011 the first Law on social entrepreneurship (Law 4019) - that introduced the notion of social economy and social entrepreneurship in the Greek ecosystem- was inaugurated. And as it is pointed out by CICOPA, the new legislation was a government initiative, reminding the case of the Law on cooperatives (CICOPA-ILO 2013).

Weak and underdeveloped SSE and poor social national capital

A common theme that pervades the literature on the Greek social entrepreneurship is that it is weak and undeveloped (Balourdos and Geormas 2012). A number of reasons have been provided to explain this point. First, the undeveloped welfare state in Greece (Ziomas, Ketsetzopoulou and Bouzas 2001). Secondly, the fact that voluntary work (Ziomas 2002), as well as the nature of Greek civil society are weak (Sakellaropoulos 2007; Geormas 2013; Tsobanoglou 2012). As Sotiropoulos (2014) has pointed out in the recent context of crisis, one should understand the emergence of social solidarity networks and groups, as an exceptional situation. Such groups and networks have attracted wide publicity and have supported the newly impoverished Greeks, but have certainly not lifted Greece’s rising poor population out of poverty, nor have they signalled a large scale shift in Greece’s frail model of voluntarism. Moreover, the undeveloped legislative environment, as well as the inexistence of state policies regarding local development are also crucial factors (Sakellaropoulos 2007).

In addition, one should take into consideration the Greek state characteristic related to a cartel party system (Katz and Mair 1995) which does not favour the emergence of an independent, citizen-oriented, with democratic decision making and accountability SSE. That is the reason why networking between entities of social economy is not promoted and state interference through legislative acts is frequent. To these elements we should add the weak civil society that does not seem to have at its disposal the appropriate means to build up the necessary networks and gather the needed resources for a vibrant and viable SSE able to contribute to localizing the SDGs.

Moreover, the economic crisis has deprived social economy from much needed resources, as well as the fact that due to the crisis, the most active young educated people migrate to central and north Europe. The latest deprives SSE from the skills that are necessary to achieve its role in local development as well as fulfilling its role in general.

Undelivered promises for a favourable ecosystem

At the macro level, there are also a number of challenges related to government policies, or rather, non-implemented policies. Thus, the introduction of the Law 4019/2011 foresaw a number of crucial parameters related to the creation of an enabling ecosystem. Three were the most crucial of these parameters. First, the creation of the Social Economy Registry. Secondly the foundation of the Social Economy Fund. Thirdly, the public contracts of social reference, for which an inter-ministerial committee was envisaged in the Law. In addition to the Law, an experts' steering committee was set up with the aim of setting up a strategy and priorities of action for the development of social economy in Greece (Ministry of Labour 2013).

It goes without saying, that all four initiatives were hardly implemented. Regarding the Social Economy Registry, it was severely understaffed given the fact that it had to serve the entire country and also had undertaken the role of a support-counselling unit (Geormas 2014).

The foundation of the Social Economy Fund never took place. Although a version of an inter-ministerial decree regarding its establishment was prepared, it never went ahead, due to changes in the political personnel and politicians' incapacity to comprehend its role. It has to be stressed the fact that a social economy fund is badly needed in the Greek case, for the social enterprises that do need funding in order to scale up their activities or in order to start them, don't have access to the commercial banking system. This system is very hesitant in funding SEs to the extent that very few KOINSEPs managed to get a loan. It has to be added here that KOINSEPs have faced the same treatment from cooperative banks. According to our knowledge only two KOINSEPs managed to get loans from cooperative banks.

Politician incapacity to comprehend the whereabouts of social economy was the reason that the inter-ministerial committee for public contracts of social reference was never formed. That is why a letter from the minister of labour, social insurance and social solidarity addressed to the other ministries in order to appoint members for the committee never received a response.

The Steering Committee had the same fate. Although it produced a step by step and well detailed action strategy (CICOPA-ILO 2013; Geormas and Graikioti 2013), it never assumed the role that it was envisaged for it. A couple of actions mentioned in the document, especially the ones for support centres for social entrepreneurship started being implemented in November 2018. Whereas the support programmes for social enterprises, with resources reserved through the European Social Fund from 2007 (!), are still, today, in the designing phase. It is worth mentioning that the fact that no specific programme for SEs had been implemented was pointed out in the relevant European Commission's report (European Commission 2014).

Thus, challenges that social entrepreneurship faces in the Greek context, such as "the lack of appropriate and accessible support services provided to Social Enterprises, the lack of specialized programmes of subsidizing the start-up stage of Social Enterprises, the adverse financial environment for the development of financial instruments, various complex administrative issues relevant to the development of Social Entrepreneurship and the small visibility of the new legal entity of Social Enterprises as well as of the value of social entrepreneurship" (Geormas and Graikioti 2013, 1) were never addressed effectively.

In addition to these problems, new legislation was introduced in 2016. As Münkner (2005) points out organization Law needs to be stable, reliable and lasting. Contrary to this and taking into account that Law 4019/2011 started been implemented in 2012, it took only four years for a new Law on SSE to be introduced creating thus a new wave of uncertainty regarding the new model of SCE.

Although it is beyond our scope to discuss the pros and cons of the new Law (see: Nasioulas 2016; Adam, Kornilakis, and Kavoulakos 2018; Geormas 2018), it is of interest to point out that

crucial provisions such as the establishment of the Social Economy Fund, as well as of the two committees envisaged in the Law, the National Committee on Social and Solidarity Economy and the Coordinative Committee on Social and Solidarity Economy have not been formed yet.

Concluding, it could be supported that the absence of policy enablers accompanied by a system of thorough monitoring and evaluation is one of the central issues for the weak and deformed development of social entrepreneurship in Greece.

Meso level

Local governance

In Greece, despite the recent attempt for the transformation of local governance (Kallikratis reform in 2010) through administrative and fiscal decentralization, the outcome of the implementation could be characterized as a rather moderate “success” story (Kalimeri 2018). Amongst the reasons that could be held responsible for this result, are that the reform coincided with the beginning of the severe economic crisis, arose from external pressures and was put into place quite fast without the necessary consultation at the local and regional levels (Koinoniko Polykentro ADEDY 2014). Moreover, the distribution of power and responsibilities remained unclear among the state administration, regions and municipalities. Thus, local entities lack the statutory power to regulate local affairs and the regulatory power to be self-organised entities and operate as independent tax authorities. The latest, inhibits local authorities’ independence from state funds (which were cut by 60%) and limits their power to deal with local issues (Kalimeri 2018).

As a result, local authorities face a number of competing pressures and demands for economic efficiency/effectiveness, equitable decision making through the empowerment and democratic participation of citizens and successful local development outcomes, without actually having neither the power nor the funding to be effective in strategically (through consultation) planning for local sustainable development. However, most local authorities have taken initiatives to coordinate actions of volunteer groups (i.e. social markets, health and welfare services) and other actions in the interest of the citizens (Triantafyllopoulou 2017).

The case regarding their relation with SEs is somewhat different. Regarding KOINSEPs, limited support has been provided, mainly in the form of procurement contacts (Glaveli and Vairami 2015). Not an easy task though due to contradictions found in the legal framework. Law 4019/2011 provided for a direct procurement to KOINSEPs. Yet, the Court of Auditors, in one of its verdicts maintained that this was against European Law. The outcome was mixed, since some municipalities followed the ruling, but others ignored it. Law 4430/2016 didn’t clarify the situation, and although an article was devoted to direct contracts between KOINSEPs and public authorities, no public authority or municipality has used it till now due to its vagueness.

The entire notion of social contracts has been misused. It seems that due to municipalities’ budgets cuts, as well as the prohibition to hire new employees, municipal authorities have used KOINSEPs in order to fill the gaps in municipal services. Thus, KOINSEPs were mainly used as subcontractors for public spaces maintenance, the provision of health or childcare services, running ski resorts and beach cafes, municipal auditoriums, stay dog shelters etc. In other words, KOINSEPs operated as staffing companies or as a means to mayors to provide jobs for their clientele.

The case of an island is emblematic in that perspective. The mayor there formed fourteen KOINSEPs, and he funded them through direct contracts and subsidies. The activities that these SEs undertook were related to running the municipal movie theater, a coffee shop at town

center, the municipal childcare facility, the municipal slaughterhouse, a company for municipal studies and so on. Four years later, when a new mayor was elected, most of these contracts were sent to court and nowadays only two of these KOINSEPs are still operating.

As stated above, local authorities' support towards KOINSEPs in Greece was rather limited, due to the medium level of success of the decentralisation reform and inconsistencies in the legal framework. Thus, an opportunity for co-production of economic, social, environmental and cultural value and local sustainable development that promotes the successful implementation of the SDGs was wasted. It is also worth mentioning, that although both SSE Laws (4019/2011 and 4430/2016) permitted the participation of municipalities as members in Inclusion KOINSEPs, no municipality took advantage of this provision.

Trust and local level of social capital

The strength of social capital, particularly at the local community level, is also a factor to be considered. According to Christoforou (2005), Demertzis (2006) and Jones et al. (2009) Greece has a weak level of social capital and social trust which have produced a low level of civic sense and inhibited the emergence of citizen-led, anti-hierarchical, horizontal networks that create alternatives to the current democratic and economic model. Nevertheless, the economic crisis seems to have boosted a bottom-up approach of citizens' organization (Pantazidou 2013).

Local authorities are called to direct community development strategies towards interventions that will help (re)build social capital. Sustaining, social enterprises is definitely a strategy. Social enterprises have the ability to generate social capital in their area, mostly by using social capital (Kay 2005). However, social capital alone cannot build the social economy and develop communities. It has to be used in conjunction with the other forms of capital – financial, human, environmental and cultural. Adding to social capital within a local area is not a substitute for other forms of capital and will not be able to grow the social economy on its own.

Networking of SCEs at local, regional and national level

The emergence of SEs in countries where networks are weak, or almost non-existent, has been much slower and more complex than in countries where strong networks -that accomplish their fundamental role to provide access to knowledge, information and resources- exist (Johannisson 2000). In Greece, KOINSEPs were not successful in developing synergies with each other to a point that would foster their sustainability and autonomy vis-à-vis the state and/or the conventional market. Recently, there has been an interest in developing networks. However, these initiatives were mostly driven by the need to fulfil a European call for subsidising regional support centres. It is characteristic that in Attiki, exist three, rather competitive, networks with no will to cooperate.

Micro (internal environment) level

Necessity – not a choice out of passion

Glaveli and Vairami (2015) in their research indicate that the members of KOINSEPs are well-educated individuals between the age of 30-50 who decided to establish a KOINSEP mainly out of necessity (unemployment due to economic crisis; 52%) and the need to combine their competences (51%). So, individual motives rather than collective value production were the main reason behind the establishment of most KOINSEPs. Whilst, the choice of a KOINSEP, as we have already mentioned, may have been affected by the fact that they are cheap to establish,

subsidies oriented and targeting public demand due to the diminishing role of the state (Nasioulas and Mavroeidis 2013). The previously mentioned facts seem to have undermined their social mission and consequently KOINSEPs' effectiveness in promoting sustainable local development (Glaveli and Geormas 2017).

Lack of entrepreneurial orientation and clear vision

Besides the development of practices to accelerate the growth of the social enterprise ecosystem (Urban and Kujinga 2017), it is also important for SEs to operate as entrepreneurial organizations and adopt strategic behaviours which will help them develop comparative advantage, compete (even) on equal terms with private for-profit organizations and grow, preserving however their social character. For example, as Glaveli and Geormas (2017) indicate the adoption of strategic/market orientation (SO/MO) behaviour and a clear social vision articulated and clearly understood by the KOINSEPs' members and employees, enables them to adapt to their environment and subsequently channel their resources appropriately to design goods and services (product/ technology orientation) of superior value that better satisfy their customers' needs reaching thus more effectively their commercial goals (commercial effectiveness, e.g. higher level of sales and market share, positive customer attitudes; Liu, Takeda and Ko 2012). Moreover, SO/MO behaviour permits a SE to better understand its customers/users of services (often also the beneficiaries and/or users of the provided service or product) and be more efficient in identifying emerging needs and in developing innovative/bottom-up responses to meet social needs that the public entities or for-profit organizations overlook, ignore or unsuccessfully address (Elkington and Hartigan 2008; Kerlin 2009).

Limited financial and other resources

The data illustrated earlier related to the level of the value of SEs share and income generation ability, coupled with the lack of financing alternatives and the heavy dependence on public contacts, impose serious resource constraints on them. Based on research evidence from Greek social enterprises financial resources scarcity is the main internal development obstacle (Glaveli, and Vairami 2015). Others issues such as: lack of competences and expertise, inability to deliver innovative products, difficulties in co-operation, speed of decision making, usually traced in the co-operatives' research were not considered as obstacles. Probably, this is the case because most social entrepreneurs, members of the KOINSEPs, are well-educated individuals with knowledge and expertise. In fact, resource constraints have pushed some social entrepreneurs into finding innovative ways of using existing resources and acquiring new resources in order to achieve both financial sustainability and generate social outcomes.

Conclusions and suggestions

Social and solidarity development in Greece is at a crossroad. Till today, steps that are taken are fragile and precarious. As Ziomas (2014) points out "There is a need for reorientation of the course of social economy in Greece, based on the promotion of its collective and solidarity character". This reorientation has to take into account the challenges that were pointed out in this paper. Moreover, we have to agree with Hadzi-Miceva and Bullain (2007, 215) who stress that the social economy experience in Central and Eastern Europe "Social economy organizations still need guidance and capacity building to strengthen their internal governance structures and perform their activities in a professional and responsible manner"

In order for the above to be achieved there are certain policies that have to be implemented. First, and foremost the strengthening of the identity of the Social Cooperative Enterprises. That needs a strict enforcement of the obligations that accrue out of the membership in the Social and Solidarity Registry. Moreover, every state policy regarding subsidies or financing must take into account the social impact of KOINSEP's activity.

Secondly, formation of support centers. These centers will provide start up support, as well as business planning, consultation, coaching and other needed services in order for KOINSEPs to become viable and increase their social impact. Yet, one crucial element is education, so as to augment the cooperative spirit and develop the cooperative values in every stakeholder in Greek social economy.

Thirdly, designing and implementation of local development plans, in which SEs will comprise a crucial and active element. We do believe that an implementation of a strategic plan like the one of the City of Barcelona (City of Barcelona 2016), with full and equal participation of every stakeholder, is a prerequisite so as the social economy in Greece to deliver its promises.

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