





DELIVERABLE 5.1.3

Joint approbation of best practices in the local/regional area

In the framework of project "Supporting Social Enterprises in combating poverty and social exclusion" with the acronym "SOCIAL PLATE" in the framework of the European Territorial Cooperation Program INTERREG V-A Greece - Bulgaria 2014-2020

https://www.socialplate.eu/en/

"The contents of this deliverable are sole responsibility of the Central Market of Thessaloniki SA and can in no way be taken to reflect the views of the European Union, the participating countries the Managing Authority and the Joint Secretariat"

The Central Market of Thessaloniki SA participates in the project "Supporting Social Enterprises in combating poverty and social exclusion" with the acronym "Social Plate", which is implemented within the framework of the INTERREG V-A Greece-Bulgaria Territorial Cooperation Program 2014-2020 and co-funded by the European Union and National Funds of the participating countries







Contents

| Σφάλμα! Δεν έχει οριστεί σελιδοδείκτης | |
|---|--------|
| 1. Introduction | 3 |
| 1.1 Executive summary in English | 4 |
| 2. Models and experiences of social entrepreneurship in Greece and Bulgaria - | |
| Description of the initiative | 5 |
| 3. Models and experiences of social entrepreneurship in Europe | 17 |
| 4. Social entrepreneurship in Greece and Europe 2020 | 22 |
| 5. Social entrepreneurship for a new sustainable economy | 25 |
| 6. Social entrepreneurship and education | 28 |
| 7. Good social entrepreneurship practices in Greece and Bulgaria | 37 |
| 8. Good business practices in Europe | 47 |
| 9. Assess of Social Entrepreneurship Course in Greece | 53 |
| 10. Evaluation of Social Entrepreneurship field - difficulties and challenges | 56 |
| 11. Lessons from the field of social entrepreneurship | 63 |
| 12. Results and social impact of the social entrepreneurship sector | 68 |
| 13. Conclusions and proposals for the transfer and implementation of good practic | ces in |
| the Greece-Bulgaria cross-border region | 73 |
| Bibliography | 80 |









1. Introduction

The project "Supporting Social Enterprises in combating poverty and social exclusion" with the acronym "SOCIAL PLATE", was submitted on 22.04.2016 to priority axis 4 - 'A Crossborder Area without Social Exclusion' and in particular:

- In Thematic Goal: 09 'Promoting social cohesion, combating poverty and discrimination'
- In investment priority: 9c 'Providing support to social enterprises'
- In Specific Objective: 9 'Expanding social entrepreneurship in the crossborder area'

The duration of the project in the stage following its formal approval was from 01/08/2017 to 31/07/2019 and after an extension request is from 28/09/2017 to 27/09/2019 and is of a duration 24 months in total.

The financing contract was signed on September 28, 2017 and has the number B2.9c.03, while the partnership agreement was signed respectively by the representatives of the partners participating in the partnership on August 29, 2017.

The Central Market of Thessaloniki SA is the Lead Beneficiary in the project entitled "Supporting Social Enterprises in Combating Poverty and Social Exclusion" and under the acronym "SOCIAL PLATE", which is 85% co-financed by Community funds and 15% national Funding, in framework of the European Cross-Border Cooperation Program Greece - Bulgaria 2014 - 2020 (INTERREG V-A).

In the corporate form of this project, as submitted and approved, TECHNOPOLIS - INTERNATIONAL EDUCATIONAL INSTITUTE (126.040,00 €), Municipality of Borino (106,009,40 €) and Active Youths (100,980,00 €) also participate. The total approved budget of the project "SOCIAL PLATE" is € 551.779.40, while the budget of the Central Market of





Thessaloniki SA for the implementation of the actions to be undertaken as the Project's Lead Beneficiary amounts to 218.750,00€.

1.1 Executive summary in English

The present report entitled "Best Practices of Social Entrepreneurship" was drawn up in the context of the project "Supporting Social Enterprises in combating poverty and social exclusion" with the acronym "SOCIAL PLATE" within the framework of the European Territorial Cooperation Program INTERREG V-A Greece - Bulgaria 2014-2020.

The existing models and experiences of social entrepreneurship in Europe, Greece and Bulgaria are presented in order to have a general idea of the social entrepreneurship in the cross-border area between Greece and Bulgaria and simultaneously, in the European ensemble.

The social entrepreneurship in Greece and Europe towards 2020 is approached through the presentation of key priorities of the Europe 2020 strategy launched by European Commission in order to achieve a sustainable recovery through the active and decisive use of all the forces and capabilities of society. Hence, the contribution of the social entrepreneurship for a new sustainable economy is examined.

SCE practices of social entrepreneurship in Europe, Greece and Bulgaria are also presented in order to have a better picture of the social entrepreneurship in the cross-border area between Greece and Bulgaria and simultaneously, in the European ensemble.

The role of education to the existing social entrepreneurship success stories is outlined.

The social entrepreneurship evolution, the lessons learned, the difficulties and challenges in Greece are evaluated.







Finally, the results of the social entrepreneurship sector, as well as, its social impact are discussed.

The present report is concluded by the presentation of conclusions and proposals for the transfer and implementation of social entrepreneurship SCE practices in the cross-border area between Greece and Bulgaria.

2. Models and experiences of social entrepreneurship in Greece and Bulgaria - Description of the initiative

Models and experiences of social entrepreneurship in Greece

Law 4430/2016 "Social and Solidarity Economy and the Development of its Institutions and Other Provisions" is intended to create a legislative framework for social and solidarity economics (CSE), as an alternative form of organization to as much as possible the widest possible range of economic activities, with particular emphasis on productive ventures supported by the above law.

The law defines - inter alia - the field of social and solidarity economics, identifies the organizations that make it up, and introduces criteria for the recognition of a collective as a CA. In particular, social cooperatives (CSEs), limited liability social cooperatives (CSEs) and employee cooperatives are automatically considered to be CSEs. For other non-sole legal entities there are certain conditions that must be fulfilled in order to acquire the status of CA. These conditions are "the collective and social benefit, the information and participation of the members of the body, the democratic one-member-based democratic decision-making system, the restrictions on the distribution of profits, the convergence system on labor pay, horizontal and non-discriminatory networking with other SCE entities, as well as the fact that the entity has not been established or managed directly or indirectly by law first or second degree or other legal entity of the wider public sector. "







These criteria reflect some of the key characteristics of social enterprises, such as the involvement of members in decision-making and the restrictions on profit distribution, but there is no absolute match between the concept of social enterprise and the status of CA. That is why we should not restrict social enterprise to legal forms automatically recognized as SCE entities or that meet the relevant requirements, but we must instead look at all possible legal forms that may take on the characteristics of a social enterprise which fall into the following three categories:

- (a) The legal forms which develop the characteristics of social enterprises in practice
- (b) In those legal forms where there is no but absolute identification with the basic characteristics of social enterprises (such as cooperatives)
- (c) Those legal forms which are predominantly offered for the creation of social enterprises

(a) Social enterprises in practice

Individual enterprises and capital companies are excluded from the social economy as defined in the above law. They are one-sided legal entities and their primary purpose is to make a profit. However, it is not excluded that interested parties choose one of the above legal forms for their venture, which can in practice works as a quasi-social enterprise by adopting its essential features, such as the equal participation of members in decision-making.

Where this does not imply a circumvention of the purpose and characteristics of a particular type of corporation, which are enforced by law, it is not excluded that it is permissible by law but not desirable.







In particular, participants in such a venture (whether visible or invisible members) have a status of insecurity regarding their rights and obligations with respect to their business / company, since they are not based on law but between themselves informally agreed.

In addition, each type of company has a clear purpose and thus the business people with this type of company are able to know in advance how it works and how it is organized. Consequently, when a venture pursues a social purpose by choosing a legal form that does not promote it then the question arises as to how it will be able to communicate it in its dealings with third parties and how to ensure that a different purpose than that provided for in the law will not be temporary but it will be permanent and permanent.

At the same time, the non-recognition of the project as a SCE entity it implies that this is excluded from the supportive measures introduced by Law 4430/2016 for SCE entities.

The choice of such a legal form also has an impact on the social economy in general, as the legal forms that are inextricably linked to the SCE site are not used, thus making the mapping of the site and its clustering secondarily difficult, as in the associations of SCE carriers such legal schemes will not be able to participate.

On the other hand, there are some advantages to these forms, such as the older and well-known legal forms in which public services are accustomed to avoid creating significant bottlenecks in the form and operation of procedural issues. In any case, however, the non-use of other legal forms preserves the above situation and does not contribute to its overthrow.

b) The cooperatives

The cooperatives, although bearing many of the characteristics of social enterprises, are not identical to them, as they are oriented towards serving the needs of their members, and not necessarily those of the community or other groups of third parties in the partnership.





Under Greek law, cooperatives are not subject to a single institutional framework but, on the contrary, specific legislative acts have been adopted governing their various categories. A fundamental distinction between cooperatives based on their field of activity is between rural and urban cooperatives.

The agricultural cooperatives that are governed by Law 4384/2016 are active in the field of agricultural economy. Forest cooperative organizations have now become independent from the upper class and are governed by their own law, Law 4423/2016.

On the other hand, urban cooperatives are governed by Law 1667/1986, which lays down general provisions for all cooperatives operating in any sector of the economy other than the agricultural sector (such as producers, consumers, suppliers, credit, shipping and tourism).

Law 4513/2018 was recently introduced, which regulates energy communities, that is, the creation of energy cooperatives, which encourage the participation of citizens, local businesses and local authorities.

The cooperative is offered as an appropriate legal form for interested parties who wish to set up a democratically run, co-owned enterprise with the primary purpose of meeting (with this joint venture) their needs, which relate either to their business or home economy. If interested parties wish to be active in the agricultural, energy or forestry sector, then they shall refer to these respective specific categories of agricultural cooperatives, energy communities, forest cooperatives. However, if the activity in which the parties are concerned wish to undertake does not belong to these areas, they may consider establishing urban cooperatives, the provisions of which apply to all other categories of cooperatives.

In particular, urban cooperatives are a legal form offered for the creation of ventures with a significant number of founding members, which is changing, as is their capital. This legal scheme is of interest to those parties wishing their business to be governed democratically by its own members on the principle of 1 member-1 vote, who also elect their governing entities. Their capital consists of co-operative shares, with which each member participates







in the capital, and optional shares, which do not correspond to votes but to certain privileges. This legal form allows interested parties to participate conditional on the distribution of surplus-profits, as well as to choose the extent of their liability, that is, whether it will be indefinite or limited to the debts of the cooperative against third parties.

On the other hand, urban cooperatives are not automatically recognized as SCE entities. Consequently, in order to enjoy the supportive measures of the new law, they have to change their statutes according to the criteria set by Art. 3.1 d of Law 4430/2016, in particular as to their intended purpose and the manner in which their profits are distributed.

By choosing the form of urban cooperative, members may be confronted with a cautious attitude of third parties due to a negative public image created in previous years for cooperatives in terms of their political neutrality and their financial viability, and is still maintained to some degree today. However, this should not, significantly deter stakeholders, as only new ventures can reverse this stereotypical perception.

(c) Social enterprises in particular

This third category includes those legal forms which are considered most suitable for the creation of social enterprises. Stakeholders turn to the legal forms that fall into this category when their primary priority is the pursuit of social benefits, that is, the economic activity they undertake will serve other social groups or needs of the community that are not necessarily identical and not limited to those of the members.

This category includes - among other things — SCE (social cooperative enterprises), COLPs (socially owned limited partnerships) and the UNPCs (urban non-profit corporations) because of their main characteristic is the pursuit of a social purpose.

Of these, Commonwealth Ltd. Inclusion of Vulnerable Groups, SCE and UNPCs have very specific goals, which, for the is the SCE integration into the economic and social life of people belonging to Vulnerable Social Groups and Special Populations, respectively, and for UNPCs the socio-economic integration and occupational integration of people with severe





psychosocial problems. If the above specific objectives do not coincide with those of the parties concerned, then these parties are invited to consider other legal schemes, such as the SCE and societal benefits and those of the SCE whose statutory purpose is not strictly defined but defined in general terms.

In particular, SCE is committed to create ventures with a small number of founding members who can operate in any financial sector, undertaking multiple economic activities and pursuing not only collective but also social benefits, that is, with the products and services offered by the venture not only the needs of its members are met but at the same time other social groups are served or the needs of the wider community are met.

Choosing the legal form of the Commonwealth Games Stakeholders are committed to making democratic decisions based on the principle of 1 member-1 vote, accepting that the venture will have a variable number of members of capital, and that profits can only be distributed to the venture's employees. At the same time, each member is responsible for the debts of the Commonwealth is limited and does not exceed the amount of the cooperative share, the value of which is at least 100 euros.

On the other hand, the UNPC is recommended when the founding group has a very small number of members, whose composition will remain stable and have as a primary priority the pursuit of public benefit, without excluding the exercise and the financial purpose for their more effective implementation. The members of an UNPC agree that they will be indefinitely liable for their debts to third parties with all their property, while any positive financial results (profits) will not be distributed among them. In terms of how it is administered, members are not required to make democratic decisions.

Models and experiences of social entrepreneurship in Bulgaria

The concept of social entrepreneurship is relatively small both in theory and practice in Bulgaria. There is no doubt that there is a misunderstanding of this concept, not only by society, but also by the principles of taxation and regulation. There is a subjective perception







in the public that social entrepreneurship is a type of social adjustment of vulnerable groups to commercial enterprises.

From a legislative point of view, the legislation on non-profit organizations, while allowing for the conduct of business by NGOs (non-governmental organizations), is not sufficient to encourage such initiatives. The lack of explicit mention of the category of social enterprises leads to a situation in which existing social enterprises are often not regarded as such.

Despite the rapid growth of the social economy sector in the European Union and the increasing role of social enterprises in the fight against poverty and social exclusion, social entrepreneurship is almost imperceptible in Bulgaria. Although social enterprises in Bulgaria are still moderate in scale, the so-called "welfare state" is reluctant to change their attitude and allow the mobilization of additional resources in the social sector through the development of entrepreneurial potential and innovation.

A variety of social enterprises are located in Bulgaria:

- Private commercial companies that hire people at risk and / or offer products or services for such people.
- Specialized businesses for the disabled who employ these vulnerable groups.
- Non-governmental organizations that do business within the legal scope of doing so or recommending companies to develop such an activity, providing jobs for people from vulnerable groups.
- Social enterprises in municipalities that employ people from vulnerable groups (especially people with disabilities).
- Social enterprises in the form of public-private partnerships with municipalities.
- Day care centers for people with disabilities who are looking for business opportunities to socialize and adapt.







• The social enterprises of the large industrial holding companies created for the professional rehabilitation of injured workers while working in the factory.

In terms of job definition, they can be grouped into two main groups: businesses created as a result of a business initiative and operating on a market (called "business") or businesses dominated by social cause and profit being in the background.

Business Type:

- 1. Specialized businesses for people with disabilities the most common, sustainable businesses created under the law on the integration of people with disabilities.
- 2. Private companies that have started with their own resources many cases resulting from a genuine business idea. They have proved viable precisely because they do not rely on outside help.
- 3. Municipal specialized businesses for people with disabilities this is an intermediate type between single specialized businesses and municipal social enterprises. They remain profitoriented and in fact work on a competitive basis, but in serious financial situations they can rely on the support of municipalities and in some cases on important clients.

With a dominant social cause:

1. Municipal social enterprises (or public-private partnerships involving the municipality) - the difference with the above formula (locally owned companies) is that they are oriented towards social causes (eg improved living and social status of individuals from vulnerable groups - most often people with disabilities). They do not have the right to separate businesses, the income from their activities is insufficient for their financing, that is to say they are mainly supported by the municipal budget and will not be able to continue their activities if funding is stopped. One such case might be the one of a company in a large industrial giant that created it with the aim of retraining workers who were injured while







working in the factory. The specific is that the services of a social enterprise are valued, but in practice they cannot be outsourced and generate revenue.

- 2. Non-profit organizations several large SCE have their own companies that offer products on the market and cover their core social activities from profits. From a legal point of view, they can act as separate business entities.
- 3. Social services for vulnerable groups seeking further or sustained funding through entrepreneurship, along with employment and socialization usually day care centers for people with disabilities who work for their integration through participation in various activities (souvenirs) sculptures and more).

Another applicable typology is based on the form of assistance to vulnerable groups.

From this point of view, one can distinguish four basic groups of enterprises:

- Businesses that create employment / involve people from vulnerable groups to participate in the production process / service, that is, they are not passive receivers social enterprises in Bulgaria mainly concentrate on this group, which is largely due to the dissemination of specialized businesses for Disabled
- Businesses that offer a standard product / service, but with a social influence such as patient assistants, bakery in the Roma neighborhood and others. This group is less common than the first.
- Innovative products themselves are related to social assistance or innovative social products a classic example is computers for the poor in India, an example of such products in Bulgaria being devices that help people with disabilities to drive, enter and drive establish social enterprises.
- Businesses offering free products / services or supporting financially disadvantaged groups
- the first historically established form of assistance, this possibility remains hypothetical. At





present, this form of assistance is rather typical of the regional areas of social entrepreneurship - corporate social responsibility and charity.

Although the companies in the first group are dominant, it should be noted that in some cases there is a combination of more than one form of support described above. This is mainly the case for new businesses by business type.

In terms of the development phase:

Social enterprises, which are still in the "original design" that need funding and support. Social enterprises at the beginning of their development. Social enterprises in the development phase. Well established, stable functioning social enterprises. Completed pilot projects that have concluded and established social enterprises and are in the process of being completed or are no longer operational.

This diversity can be seen from different angles that could help to understand the current situation in the country.

The challenges facing social enterprises in Bulgaria:

- 1. Lack of legal framework for the definition of social enterprises for sound policy guidance there is not yet a legal definition of social enterprise in Bulgaria, but it has a set of characteristics (in the national sense of social economy) for the recognition of social enterprise.
- 2. The majority of social enterprises in Bulgaria aim to provide different types of services (passive) while social entrepreneurship needs to be developed in order to actively involve target groups in the process.
- 3. Problems encountered during the operation of social enterprises: facilities, administration, staff and equipment.
- 4. Lack of sufficient incentives to offer products of social enterprises.







- 5. Interact with other companies, organizations, administrations.
- 6. The need to train and motivate people who work in social enterprises and those who wish to work there.

Social entrepreneurship is one of the most innovative ways to achieve better quality of life, independence and social inclusion of vulnerable groups.

For the successful development of social enterprises, there is a need for major legislative changes and measures to be put in strategical and political national framework in order to create real mechanisms to support social entrepreneurship in Bulgaria.

Sustainable relationships are needed between social entities and the public sector - relationships in which each of these entities recognizes its role in achieving socially important goals and is willing to invest resources in it.

Description of the initiative

The cross-border area contains some of the most remote and isolated areas of both countries as they are characterized by increasing levels of poverty and high unemployment rates especially for women and young people. Social entrepreneurship has been able to face such problems in various parts of Europe but in the cross-border area it has not developed sufficiently. Social entrepreneurship may face problems of declined service provision to specific populations subject to or threatened by social exclusion and at the same time providing them access to the labor market. This deteriorating social-economic context has aroused the interest of partners for creation and operation of social enterprises in Greece and Bulgaria that offer (a) an additional opportunity to enter the labor market for the professionally and financially vulnerable groups and (b) to search new and sustainable resources to achieve social goals for public's benefit.

The idea of the project was developed as a solution to unemployment issues, poverty and social exclusion. Specifically, the project aims to promote regional cohesion through the







creation and promotion of social enterprises in Greece and Bulgaria, not only by providing labor to long-term unemployed people and marginalized people but also feeding people from vulnerable social groups. In addition, through training seminars, the project seeks to increase the skills of the unemployed and people already working in other social enterprises lacking in marketing, business planning, etc. capabilities.

The purpose of the project is to support the establishment of a social enterprise in Greece (Central Macedonia) and to promote it in Bulgaria through social franchising, that is, the cross-border transfer of the social enterprise from one country to another. The purpose of the social enterprise will be to distribute long-term products that otherwise would be wasted, promoting an ecological approach while employing people from economically and professionally disputed groups to ensure the day-to-day operations of the entity.

Expected results

The project is a solution to the longterm problems of poverty and marginalization of socially vulnerable groups such as women and young unemployed. The Social Plate project will create jobs for the people mentioned above, helping them contribute to the local economy but also help themselves: two NGO staff will be employed as volunteers. Volunteering is promoted after it has been shown that through socialization and community participation, people can overcome marginalization. Using surplus food that would otherwise end up in the trash bin suggests an innovative and environmental friendly approach.

The fact that public, regional and local entities are involved in the partnership ensures the project's broader contribution to the development and support of social entrepreneurship. Educational institutions and other public entities will also be involved in raising awareness of opportunities and conditions for the development of social entrepreneurship through the organization of joint forums / discussions. There will also be joint seminars / events of SSE practice aimed at a wider audience of people with financial and social problems, providing them with guidance in business planning, marketing strategies etc. By providing guidance and support in the creation of new NGOs, the project "Social Plate" becomes one of the few







organized efforts to promote social entrepreneurship locally and nationally in the crossborder area, thereby enhancing the development of local economies.

3. Models and experiences of social entrepreneurship in Europe

Social entrepreneurship and in particular cooperatives in Europe are an important part of cooperative activities on the planet.

Global:

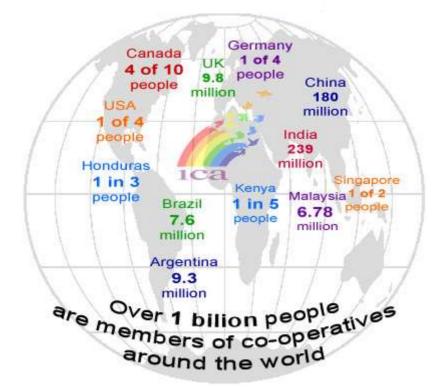
- More than 1 billion people are members of cooperatives
- Co-operatives have created over than 100 million jobs, that is, 20% more than those created by multinationals cooperations.
- They support over than 270 million jobs (mainly of independent producers)
- Over than 3 billion people, half of the world's population, are socially insured through cooperatives.







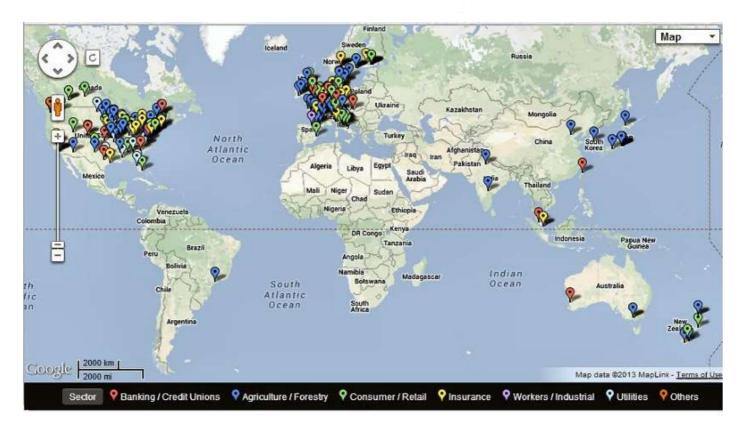












The 300 biggest cooperations in the world

In Europe:

- Over than 160 million people are members of 2 million cooperative enterprises.
- They make up 10% of all European businesses.
- Provide employment to more than 15.5 million people.

The European social economy provides:

- Over than 13.6 million paid jobs in Europe,
- Equivalent to about 6.3% of the EU 28 active population,
- Employment of over than 19.1 million people, including paid and not paid,







- Over than 82.8 million volunteers, equivalent to 5.5 million full-time workers,
- More than 232 million members of cooperatives, mutual funds and related entities,
- Over than 2.8 million operators and businesses.
- Over than 82.8 million volunteers, equivalent to 5.5 million full-time workers,
- More than 232 million members of cooperatives, mutual funds and related bodies,
- Over than 2.8 million operators and businesses.



The Social Solidarity Economy in Europe

The general picture varies among EU countries. While employment in social economy represents between 9% and 10% of the working population in countries such as Belgium, Italy, Luxembourg, France and the Netherlands, in its new Member States of EU such as Slovenia, Romania, Malta, Lithuania, Croatia, Cyprus and Slovakia, the social economy remains a small, emerging sector with less than 2% of the working population.





Concerning the evolution of the social economy's workforce during the economic crisis: The social economy's workforce has been resilient to the economic crisis, as it has declined from 6.5% to 6.3% of the total European remunerated workforce, and from 14.1 million jobs to 13.6 million, which can partly be explained by the quality of the available statistics. The reduction in remunerated workforce is greater in cooperatives and related forms than in associations, foundations and other related forms.

Finally, when they are measured in terms of employment, since there is no other economic impact measurements readily available such as the contribution to GDP, ,the associations, institutions and other related forms remain the main 'family' of the social economy, including most social entities/ businesses and about 66% of employment in this social sector.

SCE in Greece:

- More than 1,200 SCE operators in Greece are members of the SCE Registry
- More than 160 SCE entities are in the Region of Central Macedonia
- More than 120 SCE entities are in the Regional Unit of Thessaloniki.

Distribution of SCE entities per region in Greece

These activities are presented as:

- Cooperatives
- Mutual benefit associations
- Social enterprises
- Associations of people
- Savings groups





Community businesses

That produce products or offer services and obtain surpluses in a sustainable way.

4. Social entrepreneurship in Greece and Europe 2020

During the first half of 2010, the European Commission launched the Europe 2020 strategy to achieve sustainable recovery through the active and decisive exploitation of all the forces and opportunities of society.

The 2020 strategy identifies three key priorities:

- smart growth (development of an economy based on knowledge and innovation),
- sustainable development (promoting a more ecological and competitive economy with more efficient use of resources) and
- growth without exclusions (promoting an economy with high employment rates that will bring economic, social and territorial cohesion).

Five specific targets were set as indicators of these priorities: increase the employment rate from 69% to 75%, investment 3% of GDP for research and development, reduction of the greenhouse phenomenon, development of renewable energy sources and increase energy efficiency, reduction of the rate of early school leaving and a 25% reduction of the number of people living in poverty.

Two years later, in middle of 2012, the accomplishment of these goals was longer than it was in 2010. Poverty and unemployment in the European Union have increased (25 million







unemployed), with no progress in social and economic development and territorial cohesion. In addition, government policies aimed at balancing the budget at all costs reduce the transfer of funds for social purposes and the redistribution of income and seriously threaten the welfare state. Of course, they also make it difficult to return to the path of smart, sustainable development.

What role can the social economy play in achieving the goals of the Europe 2020 strategy?

The most recent studies and surveys, as well as empirical evidence, demonstrate the potential of the social economy to achieve these goals. The organizational structure of social economy enterprises and their value system explain the fact that their objective functions are a multilateral basis that integrates economic and social goals and makes them compatible with each other, and as a result producing all social economy enterprises important macroeconomic and social benefits to society.

With regard to smart growth, it has been shown that the social economy contributes to the development of an economy based on knowledge and innovation. The potential of the social economy is evident in all forms of organization and its economic activities. There are many examples of organizational or social innovation from cooperatives and other related businesses in the fields of industry, agriculture, services as well as in the financial sector. In financial sector, ethical banks and microcredit have multiplied with an extremely positive social impact.

There are remarkable innovation systems linked to specific geographical areas and powering the innovation chains of these areas, as in case with Italian cooperatives, agri-nutritional cooperative chains in several European countries, or the well-known example of the Mondrón cooperative group in Spain. The innovative governance model - more participatory and democratic - and greatest employee involvement as a result of shared ownership have proven that they create competitive advantages in the market by helping it to resist the financial crisis.







In terms of sustainable development, businesses in the social economy have value systems that are translated into solidarity to their surroundings, internalizing social costs and creating positive externalities. In the case of cooperatives which are collecting indivisible assets and applying the "open door" principle, solidarity is also shown over the years, as these funds provide future generations with productive wealth that allows them to pursue sustainable development. The Mondragón group is a prime example. Unlike the capital companies who relocate their production often, plunging the fleeing areas into poverty, in the last four years Mondragón cooperatives, which have been internationalized using multipoint production strategies, have seen a 10% increase in their net employment rate in the area of Mondragón itself.

With regard to employment objectives, empirical evidence shows that the social economy effectively contributes to combating unemployment, job insecurity and the exclusion of vulnerable groups from society and employment. For example, in Spain, the European country with the highest unemployment rate, co-operative employment declined by 9% between 2008 and 2012, while wage employment in the private sector declined by 19%, more than double. In other countries, such as Italy, labor unions have maintained high levels of employment, well above than traditional private companies in the recent years of the crisis.

In particular, in the area of combating poverty and social exclusion, there has been a remarkable increase in social enterprises, not only in northern and southern Europe, but also in the new EU Member States in central and Eastern Europe.

We must not forget, however, that it is not only social enterprises but all social economy enterprises, regardless of their field of business, that contribute effectively to inclusive growth. The social utility of social economy enterprises does not derive from their particular sector of production but from their organizational system and values, in the sense that the rights of the individual outweigh those of the capital and that mechanisms exist to ensure fair distribution of income and of the wealth they produce.







It is clear that the role of the social economy as a whole is indispensable in building Europe and can contribute to the priorities of smart, sustainable and inclusive growth. However, the measures taken so far by the European Commission to strengthen it are focused on individual areas and are confined to social enterprises. Ignoring the enormous potential of the social economy as a whole, they exclude most SSE businesses from formal initiatives to promote collective entrepreneurship that are a hallmark of this sector.

5. Social entrepreneurship for a new sustainable economy

The Social and Economic Area of Social Solidarity Economy (SCE) presents a dynamic evolution on a global and national scale.

The development of innovative venture partnerships for Greece in Thessaloniki with significant social impacts locally, nationally and internationally is interesting.

The potential that can emerge for SCE through international collaborations and especially in the cross-border area shows interest as well.

The social-economic context of SCE's emergence is determined by the failure of the so-called neoliberal economic policies to promote equitable growth, especially in a framework of resource scarcity and a changing climate, so there is a need for an alternative theory of







social development that ensures that the poor have access to economic benefits and enjoy a more sustainable and equitable future.

In this case, there is a need for a serious alternative economic theory that goes beyond the critique of neoliberalism and offers an alternative world where social and economic arrangements can achieve ecological sustainability and social equality and harmony.

The Social Solidarity Economy (SCE) has gained prominence in recent years as an alternative theory and practice of growth, challenging today's examples of economic growth that remove ordinary people from controlling resources, from the means of production and even from the fair share of their work.

The SCE, more specifically defined by the International Labor Organization (ILO), includes companies and organizations:

- Cooperatives
- Mutual benefit companies
- Compounds
- Institutions
- Social enterprises

Which in particular produce SCEs, services and knowledge, pursuing economic and social goals and enhancing solidarity.

At SCE, ordinary people take control to shape their economic, social, cultural, political and environmental future by participating in fair production, financing, distribution, exchange, and consumption and governance systems.

SCE is an alternative solution to a new sustainable economy.

SCE has been there for decades, though it may not have been officially named so.







Experience shows that the aforementioned cooperative entities in the framework of SCE, can create participatory growth, diversify a country's economic system, reduce transaction costs and enhance the ability of communities to face poverty and inequality.

SCE evaluates the work over the capital. Its purpose is to meet the needs of individuals and communities rather than trying to maximize profits or financial benefits. Solidarity-based entities are based on a democratic decision-making model and a participatory and transparent management system that seeks to ensure collective ownership and responsibility for the results of economic activities, as well as continuous mobilization and contribution to ensure their success.

SCE can help meet the needs of people who are ignored or not adequately addressed by the private or public sector, creating a strong, sustainable, prosperous and inclusive society.

A major challenge is the social viability of SCE actors.

Social Sustainability within SCE is the ability of collaborative ventures to develop processes and structures that not only meet the needs of their current members, but support the ability of future generations to maintain a healthy community. It also means creating sustainable spaces with an emphasis on social infrastructure that encourages citizens' participation and allows the development of their personality.

A very interesting model for the continual evaluation of the social viability of a SCE collaborative project called the "Sustainable Development Plan" (e.g. a cooperative) was recently developed under a European program and can be used as a guide, advisory material or even a business plan by SCE entities. It is based on indicators of 6 core units: Democracy, Cooperation, Quality of Work, Environment, Relationships and Emotions, Cohesion.

Perhaps the biggest challenge for cooperatives, SCE entities and young social entrepreneurs is their often high degree of dependence on public subsidies. The lack of sustainability, not only economic but also social, environmental, labor and political, often makes these entities more vulnerable and prone to various kinds of pressure.







In addition, the SCE plays a valuable role in sustainable local, national and international development, notably through the creation of permanent jobs, the development of new services, the enhancement of living standards, the contribution to gender equality, environmental protection and wealth creation under ethical conditions.

The SCE takes into account the social and moral dimension in all its economic activities. Thus, it aims to produce, exchange and consume SCEs and services that meet the economic and social needs of local and international communities.

Based on the principle of solidarity, SCE is a compatible approach in sharing knowledge, experience and SCE practices and to support capacity development, technology transfer, mobilization of resources and the creation of local, national and international production and consumption networks.

The cross-border co-operation on socially oriented economic practices is an important and expanding scope of SCE with existing SCE practices as well as support structures for existing and co-operative ventures, which will further enhance social and economic impetus at the SCE field.

6. Social entrepreneurship and education

EU educational systems can achieve an important project to promote entrepreneurship and the democratization of the economy through training programs that stimulate business initiatives based on the values that characterize SCE.







On the other hand, the development of new products and innovative processes by SCEs enterprises requires the promotion of the cooperation of these companies with university centers that produce and impart knowledge. Research networks and information exchange networks between these centers and SCE professionals can, as in the recent past, contribute to the extension of the necessary specific SCE knowledge bases and the dissemination of this knowledge throughout Europe.

Education, training and information are critical to the development of the Social and Solidarity Economy, as they contribute to:

- cultivating the skills of up-to-date SCE citizens and participatory communities
- developing SCE entities so that they can use the powerful benefits of sustainability, job creation, democratization and local development
- To familiarize the public sector and its services with the area of SCE.

Moving in this direction, it is important to note that the SCE Special Secretariat of the Ministry of Labor, Social Security and Social Solidarity has launched a number of educational and training activities, which are summarized below.

<u>Education and training of SSE bodies, which will function as Support Centers for SCE field actors.</u>

In the framework of the European Commission's technical support program entitled "Technical Assistance for the Development of Social and Solidarity Economy in Greece", managed by the British Council and funded by the Ministry of Labor, Social Security and Social Solidarity, This material an educational material has created, addressed for SCE Agencies, which will operate as SSE Venture Support Centers. This educational material contains the following 13 thematic units:

Introduction to Social Economy and Social Entrepreneurship





- Legislative framework for SSE Laws and Regulations
- Funding sources
- Choice of Legal Form
- Selection of the sector where the Social Enterprise will be active
- Insurance Issues
- Social Impact Measurement
- The structure of the founding team
- Social Marketing
- Feasibility study
- Strategic planning
- Taxes related issues

Social Business Plan

The purpose of this training material is to cultivate and develop the knowledge and skills of the SCE bodies, who will undertake to support the SCE bodies, whether it's about new projects or existing ones of SCE bodies

<u>Training of Public Administration executives on issues related to the institution of SCE</u>

The Special Secretariat of SCE in collaboration with the Institute of Lifelong Training of the National Center for Public Administration and Administration, has launched series of training seminars, which will be addressed to public administration executives to be informed about the institution of SCE and its development at national, European and international level, as for the new institutional framework, which is in force and concerns the establishment and operation of Social Enterprises and Workers' Associations.







<u>Cooperation with the educational institutions of the country.</u>

The Ministry of Labor, Social Security and Social Solidarity aims to establish a Hellenic University Network in collaboration with the country's largest educational institutions, which have integrated Social and Solidarity Economics, either in undergraduate or postgraduate fields. The purpose of this network will be to support the Social and Solidarity Economy.

In this context, the Cooperation Agreement of the Ministry of Labor, Social Security and Social Solidarity with the Hellenic Open University is being launched, with the aim of further supporting and developing the institution of SCE. It is noted that in the Hellenic Open University for the first time a postgraduate course in Social and Solidarity Economics.

It is worth noting that in June 2018 a seminar was organized, co-organized by the Special Secretariat of SCE with the aim of highlighting the role of formal and informal education in supporting and enhancing the institution of SCE, the opportunities that exist and the challenges involved. During the workshop, the audience had the opportunity to attend presentations at both theoretical and empirical level and to participate in an open discussion with stakeholders of the SCE ecosystem.

Study on education and training in SCE

The Special Secretariat of SCE Report - Study on education and training in the Social and Solidarity Economy, carried out under the responsibility of the British Council and supported by the EU through the SRSS, as part of the technical assistance mentioned above.

The Study Report includes:

- Proposals for the development of an integrated design of education, training and education through partnerships and knowledge and certification systems for SCE.
- Training programs and support provided by business support structures, focusing on training, business development, mentoring and networking





- Presentation of educational approaches for SCE in primary and secondary education
- a proposal for a framework of competences and learning outcomes that could be used to support the integration of teaching and learning in the field of SCE (i.e. across the whole range of training and business support structures). This proposal outlines the appropriate skills and abilities needed by students and social entrepreneurs at different levels. This provides a reference guide for facilitating communication between different stakeholders on how education and business support related to SCE could be. Stakeholders could also use this framework, according to the Study Report, to assess their public knowledge and knowhow and provide appropriate training and support.
- the development of three separate educational programs that lead to the development of the knowledge and abilities considered necessary in the field of SCE. According to the Study, these programs could be used throughout the higher education and vocational training and business support structures that provide training to SCE bodies. The three programs cover events, principles, values, processes and general concepts in the field of SCE, such as setting up and managing a SCE body, where social values are created through the conversion of ideas in practice, as well as the growth and escalation of SCE actors, where the social value that is created is used to achieve a significant impact. Each module affects specific learning outcomes from the skill set presented above.

Cooperation with other State entities.

The Special Secretariat of SCE plans a cooperation with the Ministry of Education, Research and Religions in order to implement educational programs to raise awareness, information and familiarization of Primary and Secondary Education students with concepts, values and actions related to Social and Solidarity. Creating a culture that embraces principles such as participation, democracy, solidarity, etc., from an early age, could significantly contribute to the development and empowerment of SCE.

A SUCCESSFUL STORY IN EDUCATION-TRAINING FIELD IN SCE.







The common denominator of collaborative venture success is collaborative education-training. In this field, the social nonprofit cooperative "UnivSSE Coop" has been active since 2013 with a significant social outreach to the dissemination and support of SCE through seminars, workshops, broadcasts, audiovisual material of free access and participation in European programs.

It's identity:

The Popular University of Social Solidarity Economics was established in Thessaloniki in February 2013 by Partnership Initiative for Social and Solidarity Economy and until 2017 it functioned as an informal cooperative collective, relatively autonomous from Partnership Initiative for Social and Solidarity Economy.

On April 25, 2017, the founding convention was held, which created the social non-profit cooperative "Popular University of Social Solidarity Economics" with the distinctive title "UnivSSE Coop".

The purpose of the Cooperative is to carry out education, training, information, popularization, research, studies, programs, publications, consulting services, development of educational and social networks in the areas of social and solidarity economy (SCE), self-governance, self-management, , the common, aiming at collective and social benefit and social innovation.

It is addressed to the citizens, who are involved in all kinds of social solidarity economies, but also to any other interested citizen.

It is based on the dual nature of cooperatives: Social - Economic and consequently the dual nature of cooperative education: Ideological - Economical.

UnivSSE's teaching methodology is based on the principles of adult learning.

Its cornerstone is the constant interaction of theory and practice because "it is not enough for the thought to tend, it must also for reality to tend".







SCE dissemination and support actions:

Seminar lectures, attended by over 400 people, which are videotaped and posted on the UnivSSE Coop channel on YouTube.

Broadcasts continue on the Thessaloniki Municipal Volunteer Radio (every Tuesday from 6.00-7.00pm on FM 100.6 and online at http://www.fm100.gr/live/fm1006), which are recorded and posted on his channel. UnivSSE Coop on Mixcloud. So far a total of 90 shows have been made.

The UnivSSE website provides free access to:

- audiovisual material (125 files) with:
- general and specific theoretical issues SCE
- common goods and SCE
- SCE Networking
- SCE practices of SCE players
- bibliographic material (145 files)
- informative posts (370 files).

The audiovisual material is constantly being heard (from all over the Greece), which have exceeded 21,000 in total.

Participation in European and national programs:

- Trainers/Experts for Capacity Building activities in the field of Social & Solidarity
 Economy
- A Place for Youth in Mediterranean EEA: Resilient and Sharing Economies for NEETs YOUTHShare







- Enhancement of social entrepreneurship through the establishment of support structures in the cross border area GROWING SOCIAL
- Supporting Social Enterprises in combating poverty and social exclusion SOCIAL
 PLATE
 - SCE "Everything RE" Body Consortium for SCE Body Operation of a Recycling, Education and Screening Center in Thessaloniki in Thessaloniki
 - Support and counseling to vulnerable social groups and other stakeholders
- Introductory seminar at SCE at the Second Opportunity School of Prisoners of Passage: Possibilities of forming cooperatives by participating prisoners after their release.

Version program:

The SCE People's University has started a program of publishing basic texts on SCE topics and common themes, based on the priorities and needs arising from the development of related projects in Greece. The first issue was made with the book: "Water as a Common Good, Beyond Corporations and the State", 2017.

In this context, a book on basic concepts and vocabulary of collaboration and SCE is underway. (including Greek-English and English-Greek dictionary), as well as the publication of four e-books on the subject: 1) General and specific theoretical issues SCE, 2) Common goods and SCE, 3) SCE NETWORKS, 4) Examples - SCE practices of good agents.

Networking:

- Co-organization by the Greek Network of SCE (2016)
- Participation in a Consortium of SCE Agents for Integrated, Decentralized and Social
 Waste Management in Thessaloniki (2018)







- Co-organizing networking of 54 SCE entities for collaborative water management of Thessaloniki and cooperation with Local Authorities (2018)
- Co-organized by the 4th European Conference of SCE, Athens (2017)
- Co-organized by the 2nd International Forum on Cooperative Law, Athens (2018)

Cooperations with other entities:

The UnivSSE Coop has a permanent cooperation for the development of joint programs, seminars and training and dissemination material in SCE with:

- The Interdisciplinary Postgraduate Program "Education for Sustainability Education Sciences" of the Aristotle University of Thessaloniki
- The Specialization Program in Counseling and Guidance of Higher School of Pedagogy and Technological Education
- The Balkan Botanical Garden of Kruseia of the Institute of Genetic Improvement and Plant Genetic Resources of the Hellenic Agricultural Organization "Dimitra" ELGO DIMITRA.







7. Good social entrepreneurship practices in Greece and Bulgaria

Good social entrepreneurship practices in Greece

The cooperative agri-nutritional sector in Europe is the most economically and socially dynamic. Of the 13 million farmers in the EU, 6.2 million are involved in 22,000 agricultural cooperatives, which process and market 40% of total production. Not only were they not damaged during the crisis, but they continued to grow.

The agri-nutritional sector in Greece is one of the largest productive sectors with a share of Greek GDP and employment more than twice that of the EU-27. Although it has great growth prospects, the comparative advantage of its co-operative organization has not yet been fully exploited.







Expanding the collaborative organization of the agri-nutricional sector with collective action and innovation will dramatically improve its efficiency, its size, product value added and employment.

The cross-border co-operation on socially oriented economic practices is an important and ever-expanding scope of SCE with existing good practices as well as support structures for existing and co-operative ventures, which will further enhance social and economic impetus in the field of SCE.

Of particular interest (especially for the cross-border region of Greece - Bulgaria) is the development of innovative co-operative ventures for Greece with significant local, national and international scope. In this context, the following five success stories of the agri-food sector are illustrated below.

Female farm cooperative St. Antoniou (Thessaloniki)

Founded in 1999 and it is the first female cooperative of Prefecture of Thessaloniki.

How they got involved:

- The steady decline of the agricultural income has led women to attend seminars aimed at supporting the female population in less developed areas.
- Attended entrepreneurship, marketing, and production of local traditional heritage related products.
- During the seminars, an important market research was conducted to determine the needs of Thessaloniki residents for handmade, traditional, local products.
- The results of the market research were particularly encouraging, so women went on to form a cooperative.
- To meet their increased needs, the village's rural cooperative gave them a building that they have been living in until now.







What it produces:

- The cooperative produces more than 30 traditional high quality handmade products with recipes that reflect the cultural heritage of the place.
- Perek with handmade pie leaves baked in the fireplace with Pontian wood products such as syrup, ivory, pasta noodles, savory jams and spoon sweets of freshly seasoned fruit.

Agricultural Cooperative of Metangitsi (Chalkidiki)

Founded in 1924 in Metangitsi village of the municipality of Sithonia in the Prefecture of Halkidiki and it is one of the oldest cooperations in Greece.

To meet the needs of the Greek domestic and international market, it focused on the production and standardization of organic and conventional (integrated management) olive oil and olives.

Certification:

- Its member producers are integrated into organic programs or fulfilled management and certify their production by bioHellas and Qways and TUV Hellas.
- The products of member producers are distributed through the Agricultural Cooperative of Metangitsi, Halkidiki, which is certified by bioHellas and is responsible for the promotion, standardization and distribution of high quality products with respect to its member producers and consumers.

They are among the strongest on the market:

• The activities of the agricultural cooperative are expanded by organizing seminars and workshops for its member producers, so that they are fully informed and at the same time trained on their crops and products, as a result, an improvement of the final product that reaches to the consumer.







- It is considered one of the strongest in the market, presenting the exquisite extra virgin olive oil "Galano Metangitsi".
- Its operations opened mainly in overseas markets in Germany, England, Bulgaria, America, Australia and China.

Agricultural livestock cooperative of Livadia "O Voskos" (Elassona, Larisa)

Founded in 2007 by a group of young people whose main occupation is the livestock.

The village is at 1200 m altitude and hosts 60,000 sheep and goats.

The aim of the cooperative members is quality based on their own raw materials and mainly on their milk, but also on their Vlach tradition.

What it produces:

Butter, Yogurt, Graviera, Goat Cheese, Kefalotiri, Myzithra, Xinotiri, Feta Cheese (PDO), Feta (for salad).

The secret of cooperation success:

- It started with an infrastructure of 350 animals and slowly reached 800 sheep and 50 freerange cows.
- Currently 80% of the means of production come from the fields themselves (fields, feed, livestock, and cooperative owned cheese), with the prospect of complete self-sufficiency in the near future.
- From milk production 40% is converted into dairy products and the rest is sold as raw material to dairies and other cheese makers.
- The secret to success: the method of work and the quality of the products produced.
- Their aim is to maintain their quality and affordability unchanged





• They are not willing to sacrifice product quality for the sake of competition.

Social Consumer Cooperative of Thessaloniki "Vios Coop"

The cooperative was founded in 2012 and the grocery started operating at the end of 2013 with a central slogan: "We take our food into our own hands!"

It currently has over than 420 members.

A continuous quality control and evaluation (over than 3,000 codes, from 450 suppliers) has been preceded and continued, so as not to contain prohibited chemical additives, microbiological load, mutated, expired, unsuitable and unsafe substances for health and the environment. Aiming at low and fair prices:

- To achieve low prices for consumers and fair for producers, they avoid wholesalers and intermediaries as much as possible
- Supply as much as possible products produced by local and quality agricultural cooperatives, small production units and individual producers
- Their goal is sustainable agriculture, for the dignified living of producers, workers and consumers.

The basket of 100 commodities consists of 95% of products without intermediaries.

The geographical distribution of the producer-suppliers is characterized by the fact that 67% comes from Central Macedonia.

Regarding the financial characteristics of members and friends, their distribution is: 56% with monthly family income below 1,000 € and 90% with monthly family income below 1.500 €

People's University of Social Solidarity Economics "UnivSSE Coop"







The common and "outrageous" denominator of success of the aforementioned agrinutritional fields is cooperative education-training. In this field, the social non-profit cooperative "UnivSSE Coop" has been active since 2013 with a significant social outreach to the dissemination and support of SCE through seminars, workshops, broadcasts, audiovisual material of free access and participation in European programs.

A more detailed presentation of this cooperative has already been made in Chapter 6 (Social Entrepreneurship and Education) of this report.

Good Social Entrepreneurship Practices in Bulgaria

The awareness and recognition of social enterprises among governments, businesses and local actors in Bulgaria has been improved in recent years, mainly due to the development of the concept of national social economy in 2011. In general, social enterprises in Bulgaria are defined as businesses that produce market economy goods and services and allocate part of their resources to attain social and economic goals.

The policy framework for social enterprises is included in the concept of the national social economy. This is accompanied by the Social Economy Action Plan 2014-2015 which supports the implementation of the National Social Economy Concept and sets out a few priority actions aimed at facilitating the development of the social economy (including social enterprises) in Bulgaria.

The traditional form of social enterprise - cooperatives that focus on integrating people with disabilities into work - is still prevalent, but social enterprises are increasingly being created by associations and foundations.

Legal framework for social enterprises

There is no exclusive legal form for social enterprise in Bulgaria. Consequently, social enterprises adopt a variety of legal forms, the three most common being:

• Non-profit legal entities (NPLEs) such as associations and foundations.





- Cooperatives for people with disabilities and
- Specialized businesses for the disabled.

The Non-Profit Law allows non-profit organizations to exert economic activity under certain conditions:

- Economic activity should be complementary to the main non-profit activity.
- Economic activity must related to the entity's non-profit goals.
- The scope of economic activity must be explicitly stated in Statute.
- Economic activity should not be restricted to this legal form by another legal act.
- Income from economic activity must be reinvested to achieve the non-profit goals of
 NPLE and cannot be distributed in any way.

There are few tax motivations for social enterprises that use legal forms that differ from cooperatives for people with disabilities or specialized companies for people with disabilities.

NPLEs, such as associations and foundations, benefit from certain tax motivations but are not exempt from the tax on dividends received by NPLEs, as a shareholder in a commercial company. This is true regardless that NPLEs are required to use this income to promote their purpose, which is often social.

Current laws and regulations often fail to examine the characteristics of a social enterprise, which often act as a practical obstacle to the development of social enterprise.

For example, there are sensitive public policy areas, such as education, health and social care, where the state either has no right to conclude the delivery of services to individuals or, if it so permits, the state often decides to directly deliver the services. The only exception





is social contracting - outsourcing of social services to individuals (over 20% of all community-based services that currently are outsourced).

Another major obstacle is that the term social enterprise does not have legal recognition in Bulgarian law, which makes it difficult to envisage legislation that could provide motivations for employment and development of skills of vulnerable groups (e.g. tax incentives).

Mapping business activity in Bulgaria

Social enterprises in Bulgaria are usually one of the following types:

- Non-profit legal entities (associations and institutions) with activities which create incomes.
- Cooperatives pursuing a social mission, including cooperatives for people with disabilities.
- Specialized businesses for people with disabilities.
- Social enterprises created by municipalities, and
- Other social enterprises (e.g. cultural centers, etc.).

The main companies that emphasize a social mission in their business models are not well developed in Bulgaria of the present.

Non-Profit Legal Entities (NPLE)

The Law on Non-Profit Legal Entities came into force at the beginning of 2002. It defines two types of non-profit legal entities: associations and institutions. The Law on Non-Profit Legal Entities allows NPLEs to perform financial activities/ activities of incomes' creation, under certain conditions (as mentioned above).

Because of their access to project funding (eg. grants they receive from donors, donations, etc.), most of NPLE activities which produce incomes are ad hoc only.

Cooperatives







The law on cooperatives regulates the activities of cooperatives in country.

A cooperative, as defined in Article 19 (4) of the Bulgarian Constitution, is a form of association of citizens and legal entities seeking economic and social prosperity.

Recently, Article 1 of the Co-operative Law, approved in 1999, defines co-operatives as associations of individuals that are legal entities with variable capital and number of members who, with mutual assistance and co-operation, pursue economic activities for the pursuit economic actions for economic of economic, social and economic interests and their cultural interests. Under the law on cooperatives, cooperatives, regional cooperatives and cooperatives are organized into four national cooperative associations:

- The Central Cooperative Union consists of consumer cooperatives and represents 155,000 cooperative members and 10,300 employees, members and employees in 808 cooperatives and 34 regional cooperative associations.
- The National Union of Agricultural Cooperatives consists of 903 agricultural production and service cooperatives created in 1992-1994: 240,000 members provide 16,000 permanent jobs.
- The National Union of Workers 'Producers' Cooperatives consists of small and mediumsized cooperatives producing industrial goods and providing services with over 20,000 cooperative members. It employs about 15,000 people, including 11,000 disabled workers.
- The National Association of People with Disabilities unifies cooperatives of people with disabilities.

Cooperatives generally serve the mutual interests of their members.

Only cooperatives of people with disabilities can be considered as pursuing a social mission. The last ones make a social impact through the people they work with - mainly for people with disabilities.





Specialized businesses for people with disabilities

According to the Law on the Integration of People with Disabilities, specialized businesses and cooperatives for people with disabilities are those who:

- are registered in the Commercial or Cooperative Law and in the register of the Organization for People with Disabilities.
- Produce goods or provide services.
- Have a relative share of people with disabilities as follows:

Specialized businesses and cooperatives for the blind - not less than 20% of the total staff.

Specialized businesses and cooperatives for the deaf - not less than 30% of the total staff.

Specialized businesses and cooperatives for people with other disabilities - not less than 50% of the total staff.

In addition to the above, the Law on Public Procurement stipulates that the total staff in specialist businesses and cooperatives for people with disabilities shall not be less than 10 people.

This law seems stricter (than the law on the integration of people with disabilities) and sets the minimum number of people with disabilities in these businesses and cooperatives to 50% of the total staff.

Other social enterprises

Measurements of social enterprises

As mentioned earlier, in the case of Bulgaria, the national definition in the sense of the national social economy seems to be quite close to the EU operational definition, with the exception of the governance dimension in some cases. Therefore, the existing statistics should provide an adequate idea of the size of the sector in the country.







Evaluation from different sources are presented below:

- There is official statistics on the scale of social enterprises in Bulgaria. The results are expected to be published later. Unofficially, about 5,000 businesses identify themselves as social enterprises.
- According to the Ministry of Economy and Energy, following the definition of social economy for social enterprises, there are over 2,000 social enterprises (cooperatives) in Bulgaria employing over 500,000 people.
- In 2012, the number of NGOs in Bulgaria was estimated by a USAID report of 35,000.
- According to another report, about 85 social enterprises have been set up by NGOs in the country.
- In 2012 the number of skilled businesses and cooperatives for people with disabilities was 131.

Such businesses employed about 1,200 people, including 30 people with disabilities.

However, the Agency's online register for people with disabilities includes 125 specialist businesses and cooperatives for people with disabilities.

As mentioned above, 808 consumer cooperatives are members of the Central Cooperative Union, with a total number of employees of 10,300.

According to the website of the National Union of Workers 'Producers' Associations, 15,000 people are employed by productive cooperatives, 251 cooperatives are members of the Union, including 30 specialized businesses for the disabled.

8. Good business practices in Europe

This section illustrates five successful stories of social entrepreneurship from Europe that can trigger similar practices in Greece and Bulgaria.







Cooperatives in Saint-Étienne - Auvergne-Rhône-Alpes Region (France)

Basic features of the area:

- Rhône-Alpes French region: about 6.5 million inhabitants
- Saint-Étienne Metropolitan Area: over 500,000 inhabitants
- The city of Saint-Etienne: 175,000 inhabitants
- About 500 cooperatives exist in the French region of Rhône-Alpes and 30-50 new ones are created each year. The Regional Union of Cooperatives contributes decisively to this.

The Regional Union of Cooperative Enterprises: SCOP and SCIC:

- They look like worker cooperatives and SCE, respectively, but they are not identical.
- They do not distribute "profits" to their members despite that their legislation allows it.
- In France, when cooperatives invest in employment or in general solidarity their surpluses, then the tax on them is extremely low compared to other companies.
- It is up to each cooperative to have non-cooperative employees (the law allows it without restriction). At a small percentage, but unfortunately existing one, there are also non-member employees with a cooperative work relationship.

In the metropolitan area of Saint-Etienne, 25% of the economy is covered by SCE cooperatives.

This did not happen by accident. It was the workers of the approximately 200 mines in the region who set up the first historically cooperative mutual aid project (long before the public social security system was in place) to meet social welfare needs by their own. When the mines were closed and mass of unemployment occurred, it was again the workers who







mainly created cooperative ventures in various sectors to face unemployment. So today the SCE is considered as the only safe and with human dignity way out. Saint-Étienne was a very important industrial city with a very organized and conscious working class.

Social cooperative Progetto Quid (Italy)

QUID means "something more" (in Latin). It was chosen to show the way that it offers more than others: to express the stable commitment in combating the social inclusion problem.

Progetto Quid offers something more to the community, its customers and partners.

What it produces:

- Employs women from vulnerable social groups in clothing and accessories production
- These products are made from high quality fabrics, which are provided free of charge by some of Italy's leading fashion companies.
- It was established to enable disadvantaged categories of female workers who would otherwise be excluded to enter the world of work.
- As a social enterprise, Quid tries to be a transformer, providing a safe environment for every employee to grow and develop professionally and personally.
 - Started by 5 friends and has 111 employees:
- Progetto Quid was founded in 2012 by five friends who are interested not only in fashion but also in social matters.
- Initially this group of friends formed an association for social progress, and a year later, in March 2013, they joined a group of emerging young creators and the social partnership Progetto Quid was born.





- In summer and fall of 2014, Progetto Quid opened two stores, one in Forte dei Marmi (Tuscany) and the other in Verona.
- Currently, it employs 111 people (mostly women) from 17 countries, with 5 stores and many partnerships with various businesses.

Sewing cooperative Sewing Coop (Italy)

How it started:

- A 35-year-old American woman was inspired to open a Sewing Cooperative while she was a volunteer at refugee centers, where she met many people who had worked as tailors in their home countries.
- A strong motivation was to challenge misconceptions about the resettlement of refugees in Europe, helping skilled refugees find jobs and establish contact with locals.

How it operates:

- A tailor-made cooperative was created around immigrant tailors, an example of initiatives cultivated in Italy to help new arrivals get assimilated and live while waiting for decisions on their demands.
- The cooperative works with five immigrants, mainly from West Africa, to make clothes for customers.
- They mainly use colorful fabrics and create clothing according to their customers' requirements

Energy cooperative EnerCoop (France)

2004 - The first working group of about 20 entities from renewable energy sources, citizens' associations and social solidarity meet to come up with a new energy model.







2005 - Birth of the cooperative

2006 - Approved as a solidarity undertaking

2007 - Opening of the market to individuals. During the first month, Enercoop receives contracts from 433 activists. They choose to become members and enter the Enercoop chapter.

2009 - Birth of the first decentralized cooperative Enercoop Ardennes. This was the first step in the project to decentralize Enercoop's activities.

2010 - Chefresne becomes Enercoop's first customer community, a city of just over 300 people, located in the Manche Basse-Normandie area. The same year Enercoop Rhône-Alpes was born.

2011 - Enercoop now has three regional cooperatives and exceeds 10,000 customers

2013 - Six regional cooperatives

2014 - 20,000 customers

2015 - 10 years, 10 cooperatives, 100 producers

More than 110 GWh of renewable energy is generated for 25,000 consumers in 2015.

Federation of cooperatives Mondragon (Basque Country, Spain)

What is it:

- Mondragon Corporation is a federation of workers' associations based in the Basque region of Spain.
- Founded in Mondragon in 1956 by graduates of a local technical college.
- Their first product was paraffin heaters.





• It is the tenth largest Spanish company in terms of turnover and the main business group in the Basque Country.

Brief history:

• In 1941 a young Catholic priest, José María Arizmendiarrieta, settled in Mondragón, a

city of 7,000 inhabitants that had not yet recovered from poverty, hunger, exile and

the intensity of the Spanish Civil War.

• In 1943, he established a technical training school for local businesses and mainly for

cooperatives.

• In 1955, he selected five young people to form the first start-up partnership of

Mondragon Corporation.

• During the first 15 years many cooperatives were established. Caja Laboral (1959),

Lagun Aro (1966), and Eroski (1969) established welfare by merging ten small local

consumer cooperatives.

• The knowledge sector has a dual orientation: education-training and innovation,

which are both essential elements for business development. It is mainly linked to

the dynamism of Mondragon University and the activity of the Otalora Center for

Management and Collaborative Development dedicated to the training and

dissemination of cooperatives.

Financial data:

• Incomes € 12,11 billion (2015)

• Total assets: 24,73 billion € (2014)

• Number of employees: 74.335 (2015)

• Areas of activity: Finance, Industry, Retail, Knowledge





Scope: International

9. Assess of Social Entrepreneurship Course in Greece

The main and most important trend observed in the recent evolution of the social economy is its consolidation in European society as a social benefit pole between the capitalist and the public sector, consisting of a multitude of actors: co-operatives, mutual companies, associations, institutions and other similar businesses and organizations.

The social movement of civil society organizations has grown to a great extent by promoting business solidarity initiatives aimed at the production and distribution of value and social goods.

The ever-expanding cooperation between civil society organizations and the cooperative movement to develop many of their projects and activities is also noticeable, as in case of social enterprises. The capacity of these initiatives to meet the new social needs that have emerged in recent decades reaffirms the importance of SCE.

SCE has not only confirmed its ability to contribute effectively in solving new social problems, but has also strengthened its position in traditional sectors such as agriculture, industry, services, retail, banking and mutual insurance. In other words, SCE is also







presented as one of the necessary institutions for sustainable economic development, fairer income and more equitable distribution of wealth, because it combines services and needs, increases the value of economic activities at the service of social needs and corrects imbalances of the labor market and deepens and strengthens economic democracy.

The new SCE is forming as an emerging sector that is becoming increasingly necessary in order to face the new challenges of globalized economy and society. These challenges are at the heart of the growing interest in the role that the new SCE can play in the welfare society.

The sector of social and solidarity economy, although it has its roots and foundations in the past, is young and with great potential for development and expansion of its impact.

SCE entities in Greece pursue to face some of the country's most important challenges, in particular poverty and unemployment, but also try to promote and present an alternative economic model.

A mapping study published by the European Commission in 2014 revealed a young and emerging field with a little sense of collective identity.

The SCE sector has a dynamic that can be seen in many of the recently established SCE entities, and in their ambition to develop their turnover and workforce. They also appear diversity, not only in their form, but also in their social goals and fields in which they operate.

Their economic and social contribution is wide and deep. This is fascinating in the sense that there is a potential that extends across the whole of Greek society, but it is also a challenge.

There are many similarities, but each track and category also has different priorities, networking ways, needs and obstacles that need to be overcome.

Many of SCE's stakeholders are small and newly established, and are facing extremely adverse economic conditions in which they are required to start their business, become sustainable and grow.







This adverse economic and social landscape is considered by SCE stakeholders as a reason for which a stronger SCE is needed - to create new opportunities, face high levels of unemployment, and introduce new models and ways of working in areas where conventional have failed.

However, this adverse landscape is also an obstacle to this progress.

There is a growing ecosystem, but there is also a lack of specialized support, networks in individual geographical areas, and a national network that could help in creation of a stronger and more effective representation of SCE.

There are specific weaknesses in the ecosystem regarding to social value (and its measurement) and appropriate forms of funding for stakeholders at different stages of their project and activity. And these represent investment opportunities.

SCE can be greatly expanded in next years. It is also clear that the players in SCE field have some tangible ideas on how this can be made possible, facilitated and supported by the government and a number of other actors, either through skill development, alternative funding methods, simplified and more flexible legislation, either through the defense of the sector against third parties.







10. Evaluation of Social Entrepreneurship field - difficulties and challenges

A challenge that SCE has to face immediately is the institutional obscurity.

This obscurity is explained not only by the emerging character of SCE as a new sector in the economic system, but also by the lack of conceptual identity, namely that there is no clear and strict definition of the characteristics which are common to the various types of businesses and organizations that make up the SCE, nor the special traits that distinguish it from the others.







It should be noted that in recent years there has been a gradual process of conceptualizing SCE, based both on its own entities, through their representative organizations as on various scientific and political entities.

The following is a concept of social economy developed according to the criteria that set out in the Handbook on the preparation of satellite accounts of social economy enterprises of European Commission, which agrees with the definitions in the recent economic bibliography and with the definitions of the social economy organizations themselves.

The conceptual definition of the social economy will make it possible to face the challenge of defining it in the legal systems of the EU and its Member States.

Although the social economy and some of its constituent elements are recognized in several European legal texts, as at the EU itself, it is still necessary to proceed with the statutory definition of the scope of social economy and requirements that must be met by its particulars in order to avoid overly vague definition of its own characteristics and to avoid losing its public interest.

The legal status of the social economy needs to be defined and effective legal barriers to market entry be introduced so that no non-social economy organization can benefit financially by adopting its legal form or organization or by exploiting public policies in favor of the social economy.

It is noted the growing size of the social economy which directly provides more than 11 million jobs, i.e. 6% of the total employment rate in the EU. However, it does not appear in national accounts, which is another major challenge.

The current national accounting rules developed at the time of mixed financial systems do not recognize social economy as a diversified institutional sector, thus making it difficult to produce regular, accurate and reliable financial statistics on the constituent factors.







In international level, the heterogeneity of the criteria used for the compilation of statistics precludes comparative analyzes and undermines the validity of approaches that highlight the obvious contribution of the social economy to the achievement of important economic policy goals.

The social economy in Europe is called upon to face a double challenge in this area.

On the one hand, organizations representing the social economy must make their presence felt in the European Commission and in each Member State separately, in order to ensure that the handbook proposals are implemented. In particular, each EU Member State should be persuaded to create a Statistical Social Enterprise Business Register based on the criteria set out in the manual, in order to enable satellite accounts covering the businesses of these registers.

On the other hand, they must promote initiatives to enable reliable and harmonized statistics on the wider sector of the social economy not covered by the European Commission's handbook. This section is comprised mostly of associations and institutions covered by the Handbook on Non-Profit Institutions in the System of United Nations (guide to Non-Profit Institutions in the National Accounts System).

This guide includes many non-profit organizations that do not fall within the scope of the social economy, but it would not be difficult to distinguish between statistics related to non-profit organizations that meet the criteria for determining the social economy and statistics on non-profit areas compiled according to the guide.

Because of its pluralism and diversity the social economy needs strong organizations to represent the various groups of companies and organizations that make it up.

However, given the common identity and the core of the common benefits that connect the entities of the social economy, it is appropriate and necessary to make efforts to ensure the coordination of the entire social economy, both nationally and internationally at European level. Because, as the collective image of the social economy becomes more prominent, the







opportunities for effective action and development of each group of actors constituting the social economy sector increase.

Another important challenge is the recognition of the social economy as a special interlocutor in the context of social dialogue.

The social economy has become one of the most important institutions of civil society contributing significantly to the organization of its cooperative constitution and to the development of participatory democracy.

At the same time, however, SCE is a strong economic and social factor with particular characteristics that are not in line with the classic employer / employee shape and require the explicit recognition of the social economy as a social partner.

In the second half of the 20th century, when mixed financial systems were at their peak, the key players at the bargaining table for public policy (and especially income policy) decisions were governments, employers' organizations and trade unions.

Nowadays, however, the economy has become more pluralistic, requiring direct participation in the social dialogue of all sectors involved: employers' federations, trade unions, governments as well as the other large group of social and economic entities, entrepreneurs and employers constitute the new social economy and play an increasingly important role in the developed world.

With classic collective bargaining, social dialogue involving social economy actors should also be established, which is more in line with the new economic reality of the early part of our century.

For more than two decades, the European institutions (Parliament, the Commission and the European Economic and Social Committee) have recognized the capacity of the social economy to intervene in important social and economic imbalances and to help achieve various goals of general interest.







The European Parliament has recently characterized the social economy as a pillar and cornerstone of the European social model (clé de voûte du modèle social européen).

Therefore, Member States and the European Commission must, more than ever, make specific commitments to make the social economy not only an effective tool for achieving the specific goals set by public policies in the general interest, but also so that through the movement for the creation of cooperatives, mutual companies and associations and through the initiatives of general interest promoted by civil society, the same goal is necessary for the establishment of importance of a developed society and the consolidation of values involving the European social model.

In this regard, organizations representing the social economy must play an important role by submitting proposals and initiatives to EU institutions, political parties, trade unions, universities and other organizations representing civil society.

The recent and future evolution of the social economy in Europe has been and will be strongly influenced by the changes in the environment in which it operates, in particular markets, which are increasingly globalized and characterized by strong competition, decentralization and relocation of production, but also by changes in the way governments operate, with a clear tendency to gradually deregulate and privatize public services.

Along with the emergence of new social problems (such as aging, mass migration, etc.), these changes provide opportunities for the development of the social economy, but are also a challenge and threat to some of its spheres of activity.

Different businesses and organizations in the social economy face the challenge of integrating effective production processes and social welfare goals into their activities.

Social economy operators need to develop strategies without delay in order to agree with the new demands of increasingly competitive markets, so as to become a useful tool in providing welfare to their members and strengthening social consistency.







Penetration into business networks and coalitions, the creation of new ways of financing businesses, innovative products and processes and the promotion of policies for the development of training and knowledge should be key elements of their competing policies.

The EU places emphasis on the goals of consolidating an integrated European area, in which economic and social inequalities between the EU 15 and the 12 new Member States of Eastern and Southern Europe will be reduced and eliminated as soon as possible.

In addition to these effects, these inequalities have caused significant migration flows from east to west within the EU.

Along with ensuring stronger social cohesion in the EU, another challenge is the promotion of an integrated Euro-Mediterranean area that will become a region of prosperity and stability. To this purpose, all Mediterranean countries need to establish strong democratic states, while the countries of the southern Mediterranean need to strengthen the productive fabric of civil society.

In these countries, the high rate of population growth and other structural factors are an obstacle to economic growth that ensures a higher level of living for the majority of the population and this is why the Euro-Mediterranean region and the EU have become one of the highest migration flows areas, in size and intensity.

The phenomenon is further aggravated by the migration of large population groups from Latin America, Sub-Saharan Africa and Southeast Asia.

Because of their characteristics, social economy entities can play a major role in integrating migrant populations and developing trade flows within the EU and between Europe and the countries of the southern Mediterranean.

EU education systems can do important work to promote entrepreneurship and the democratization of the economy through training programs that stimulate business initiatives based on the values that characterize the social economy.







On the other hand, the development of new products and innovative processes by social economy enterprises requires the co-operation of these enterprises with university centers that produce and transmit knowledge.

Research networks and information exchange networks between these centers and social economy practitioners will, as in the recent past, contribute to the expansion of the necessary specific knowledge base of social economy and the dissemination of this knowledge throughout Europe.

The new social economy in the EU acquires a form of social benefit within a pluralistic economic system, alongside the public sector and the speculative private sector.

The challenge that the social economy must face is to avoid the risk of diminishing and magnifying the decisive features of its physiognomy, which are precisely those which ensure its particular social utility.

To this end, SCE bodies must deeply realize the values that constitute their common point of reference, make use of all the social and cultural leverage that aligns with these values in order to consolidate their institutional profile and ensure a multiplier effect in terms of their economic and social potential.

The above mentioned challenges and trends are not a definitive list but a proposal for discussion, a starting point for reflection on the new phase that Europe is undergoing after the recent EU enlargements.

In this new phase and with the new social economy, the very responsibility of defining the specific characteristics and strategic objectives that the social economy must adopt to play a leading role in building Europe is fairly borne by its stakeholders of social economy.







11. Lessons from the field of social entrepreneurship

Beyond the non-financial nature of SCE 's business (other than the possible divergence of any speculative subsidiaries that do not follow the principles governing the establishment and governance of SCE), SCE could be considered an appropriate means of exiting the financial crisis based on a new plan - between the individual and society, autonomy and interdependence and individual and collective responsibility - which is characteristic of a higher level of knowledge and innovation, sometimes referred to as its quadratic domain of economy.

It is a knowledge economy because of the emphasis on collective learning and skills, as well as on the internalization of lifelong learning in economic activity (beyond formal training).

It is a service economy based on developing relationships due to the co-production of services between producers and users, the mobilization of stakeholders and the importance attached to trade relations.

This is a functional economy, because of the 'open door' policy, which is favored by its collective ownership along with access to individual ownership, of not focusing on the product but on the function (housing, transport, food, etc.), the greater added value of the goods from the services ('solutions package') and the transversal nature of its approach.

This is a circular economy. SCE has been a forerunner in the recycling and reuse of goods (paper, cardboard, fabrics, etc.) and is increasingly investing in energy saving, renewable







energy sources (e.g. cooperative wind farms in Denmark, Enercoop in France), ecological construction and rehabilitation following a decentralized production perspective.

Therefore, it is obvious that SCE plays an anti-cyclical and innovative role in the current period of economic and social upheavals.

It also seems likely to play an active role in a new, more cooperative form of social-economic regulation (along with administrative regulations and competition rules) if authorities recognize its specific features that combine economic with social development rather than face them hierarchically (regarding social development as a by-product of economics).

The most obvious manifestation of the social value-added of the social economy is probably the regulation that results in numerous labor market imbalances.

It is no coincidence that European governments' labor and social affairs ministers are usually responsible for promoting the social economy.

Historically, the social economy has helped to create and maintain jobs in sectors and businesses in crisis and / or at risk of closing, increasing job stability, shifting jobs from the black economy to the formal economy, maintaining skills (e.g. handicrafts), exploring new professions (e.g. social trainer), and establishing ways to integrate into work, especially for disadvantaged groups and socially excluded people.

In recent decades, statistics have shown that it is a sector that generates many jobs in Europe, which is more sensitive to employment than other sectors of the economy.

The social economy helps in correction of three major imbalances in the labor market: unemployment, job insecurity and joblessness, as in excluding the unemployed from society and the labor market.

Traditionally, workers' cooperatives and other companies under the control or ownership of workers have played a more active role in this area.







In times of crisis, countless groups of workers, faced with the serious financial situation of the industrial enterprises in which they were working, have chosen to turn them into cooperatives or re-start them in this form in order to maintain their jobs. During these times, in the context of widespread job losses, employee-managed enterprises increased direct employment.

It has been underlined that employment in the framework of social economy is much less vulnerable to fluctuations in performance and demand at the global and sectoral levels (what economists call income-elasticity of employment) than the speculative sector during the economic downturns cycle and stages of product maturity.

However, the social economy has also generated significantly in higher rates of direct employment compared to the rest of the economy during periods of economic recovery, such as in the second half of the 1990s.

New social economy organizations, such as social cooperatives and other voluntary organizations active in the so-called new areas of employment, e.g. health services, social, educational, cultural and research services play a very dynamic role as job-creating bodies in Europe.

These organizations demonstrate significant creative skills in the labor market, providing ways to move from voluntary work to paid labor, organizing working hours, exploring new services and ensuring that they are regulated in terms of employment (e.g. by recognizing new professions, initiating the negotiation of collective bargaining agreements, etc.) and creating new direct jobs.

Equally important is the role of the social economy - in particular so-called integration firms, special employment centers and social cooperatives - in the integration of groups facing particular employment difficulties, such as physical or mental or "social" disabilities, excluded from the job market for long periods and are trapped in a vicious circle of social inclusion and integration into their workplace, often leading to marginalization and poverty.







Finally, SCE has also contributed to the emergence of a strong service sector and to the establishment of gender equality in the European labor market.

The impact of the crisis on employment in Europe has generally been less pronounced in the social economy than in traditional private companies, although there are large differences between countries and sectors.

In general, employment in the framework of social economy faced the first stage of the crisis (2008-2010) better than traditional private sector employment, although later due to the depth of the recession, job losses also occurred in its businesses of social economy.

In an international context of increasing globalization and territorial vulnerability, the ability to mobilize endogenous economic potential, attraction of foreign companies, stabilization of the business fabric and collectively the creation of new synergies for general rejuvenation at local level is of strategic importance.

In these circumstances, the various types of cooperatives (such as agricultural, labor, credit and membership cooperatives), associations and other social enterprises have proved to be crucial.

In fact, as many studies show, the social economy has great potential to stimulate the endogenous development of rural areas, the remodeling of abandoned industrial areas, and the rehabilitation and revitalization of degraded urban areas.

In short, it has the potential to contribute to endogenous economic growth, to restore competitiveness in large areas, to facilitate their integration at national and international level and the correction of major territorial imbalances.

Equally important is the role of the social economy in the processes of changing European society. This direct contact of the social sector with its society gives it the special ability to identify new needs, to bring them into line with the principles and traditions of traditional for-profit private enterprises and, where appropriate, to develop creative responses.







Recently, innovative initiatives have emerged under the definition which has been named "new social economy".

For example, as a result of the employment crisis in Europe, integration firms in their many legal forms (such as the Italian social cooperatives) have imaginatively responded to the labor market integration problems faced by large groups of workers before active public policies for employment. Citizens' economic initiatives have been undertaken to remedy the unequal conditions governing international trade between rich and poor countries, such as organizations specializing in fair trade. However, the potential of the social economy for innovation is not exhausted.

In the field of technological innovation, especially in situations where structured innovation systems in the social economy exist, the creation and dissemination of new and innovative ideas has had a higher success rate.

A key element of these systems is the constant co-operation between the various actors of a region involved in the promotion of the social economy, such as the authorities responsible for the area, universities, associations, and even the business sector of the social economy itself. Some examples are Quebec, Mondragon Cooperative Corporation and the CEPES-Andalusia system in southern Spain.

In short, the social economy can develop various types of innovation: innovation in products, processes, markets and organization - in particular, the last one is also known as 'social innovation'.







12. Results and social impact of the social entrepreneurship sector

Based on the annual reports submitted by the entities in the relevant SCE Registry in Greece and reviewed by the SCE entities Monitoring and Control Department of the Directorate of Social and Solidarity Economy (of the Special Secretariat for Social and Solidarity Economy, Ministry of Labor, Social Security and Social Solidarity), there is a continuous increase in the number of active entities.

A new, modern dynamic of the SCE sector is recorded. - although the wider social and solidarity economy has deep roots and history in our country - with great potential for





growth, social capital enhancement and the social, cultural and environmental impact it produces.

The agencies of SCE in Greece try to contribute vigorously to face some of the country's most important challenges, such as poverty and unemployment, but also to highlight and promote an alternative economic model.

Among the important findings are also the variety not only in form, but also in social goals and fields in which SCE entities operate. In addition to their common characteristics and similarities, SCE organizations differ in their priorities and ways of networking, their needs and barriers, and their suggestions for facing them. The view of SCE operators is that there is no specialized support, the networks are absent in individual geographical areas and a national network is missing, which could help to create a stronger and more effective representation of SCE.

Stakeholders also identify specific weaknesses in the ecosystem that relate to social value (and its measurement) and appropriate forms of funding for stakeholders at different stages of their project and activity.

SCE entities have a strong belief that SCE can expand significantly in the coming years. These agencies have specific ideas on how this can be done: to facilitate and support the state, either through skills development, alternative funding and simplified and more flexible legislation, or through advocacy field of SCE against third parties.

Facing the challenges and recommendations for the development of the SCE sector in Greece can be done by creating an efficient and favorable environment, SCE entities believe.

They focus on four key areas:

- awareness and promotion,
- financing,





- training, education and skills; and
- law and regulations.

'Social impact' is the process by which an organization provides evidence that its services or products deliver real and tangible benefits to people, the environment, the local community, the society .

For a SCE, social impact is the "social outcome", the changes that occur in people's lives, and the collective and / or social benefits, in the long and short term, that are achieved for the target population, as a result of the undertaken activity.

An important element of measuring social impact is that the impact of both positive and negative changes must be measured.

It is pointed out that the Law on SCE defines as a "collective benefit" the joint service of the members' needs of the Social and Solidarity Economy through the formation of equal production relationships, the creation of stable and decent jobs, the reconciliation of personal and family professional life.

While "social benefit" is defined to serve social needs of a local or wider nature by exploiting social innovation, through "sustainable development" activities or the provision of "social services of general interest" or social inclusion.

"Social Impact Measurement" was designed to measure the social outcomes and changes resulting from specific activities of social and solidarity entities.

The purpose of this method is to make the 'invisible' values created by the action of social enterprises, visible both to the SSEs themselves, to citizens and to public authorities.

It should be made clear that it is not a tool for measuring the entities themselves, although the structures of the entities themselves and the processes they follow can contribute to social value creation.







Measuring social impact is not a one-off process, but it should be an integral part of the day-to-day activities of SCEs, since it is primarily a strategic planning tool.

Through the process of collecting data on the impact of its action on people's lives, a SCE can gain deeper insights and plan better how to use its resources to achieve the best results in its action.

Something that is often overlooked in measuring social impact is that it is a tool for enhancing the democratic dimension of SSEs as well and their accountability to civil society itself, to people in the community in which they exist.

This is because the gathered data takes into account the views of all stakeholders and especially the beneficiaries themselves. Consequently, they take into account judgments and decisions about what the real consequences of the entities' action are and are not what they consider to be successful.

In addition, processes for measuring social impact constitute a method of enhancing the collaborative structure of the SCE. For the process of measuring social impact to be meaningful, it must involve all stakeholders, let alone all members of the SCE. Therefore, to complete this process it requires the contribution, the experience, the passion of each of the members.

The more collaborative the operation of a SCE entities is, the more it can respond to any "obligations", because all members sit together, thinking and discussing what it is, what they want to achieve, how they will succeed do so, with what resources, the results of their action.

Lastly, "social impact measurement" is a tool for the sustainability of the organization, because it can show what it is doing right and what is wrong, if it is wasting resources on goals that are at a premium in his job, how he should to better organize its work to increase its efficiency and effectiveness, which actions are best for the best results. Information obtained through social impact measurement can also be used to evaluate, report and plan







the actions of the body. Thus, the organization manages to improve its activities, to be better managed and to express in more operational terms its assumptions and expectations. In addition, "social impact measurement" allows a SCE entity to communicate the value of the social results of its action to itself, to the staff at its disposal, to its beneficiaries.

It can also communicate the social value it creates to investors, funders (e.g. institutions) or public services. It therefore demonstrates the value of its actions to all those affected or interested in it by this method. The social impact measurement tool can be found on the website of the Special Secretariat for Social and Solidarity Economics at https://SSE.gov.gr. The tool also includes a User Guide, and each step provides useful information on what it contains. A key finding of the above is that the ultimate goal of 'social impact measurement' is that we measure to maximize our body's social impact.

The process of finding indicators and measuring methods should be understood as a journey. Each stop on this journey offers us a deeper understanding of our vision, our goals, people we want to help, or the environmental problem we want to address, to think more fully about the resources we have and how we will have greater efficiency and effectiveness in using these resources.

Measuring social impact requires investing resources, listening to what others have to say. It requires accountability, it takes courage to accept our mistakes, but also to take the necessary risks to bring about social change.

But it is also a necessary tool, because beyond what has been mentioned above, without the demonstration and publicity of the work of social and solidarity entrepreneurship, there is a risk of losing knowledge of why something is successful or why it fails, resulting in the repetition of the same errors and creating the wrong impression for the field.







13. Conclusions and proposals for the transfer and implementation of good practices in the Greece-Bulgaria cross-border region

The 'SOCIAL PLATE' project, to support social enterprises in the fight against poverty and social exclusion and promote social cohesion through the expansion of social entrepreneurship in the Greece-Bulgaria cross-border region, is being developed in the European framework of the 2020 strategy three key priorities:

- Smart growth (developing an economy based on knowledge and innovation),
- Sustainable development (promoting a more ecological and competitive economy with more efficient use of resources) and
- Inclusive growth (promoting an economy with high employment rates that will bring about economic, social and territorial cohesion).

In particular, in the area of combating poverty and social exclusion, there has been a remarkable increase in social enterprises, not only in northern and southern Europe, but also in the new EU Member States in central and Eastern Europe.

It is not only social enterprises but all social economy enterprises, regardless of their field of business, that contribute effectively to inclusive growth.

The social utility of social economy enterprises does not derive from their particular sector of production but from their organizational system and values, in the sense that the rights of the individual outweigh those of the capital and that there are mechanisms in place to ensure equitable distribution of income and of the wealth they produce.

It is extremely important to emphasize that the main and most important trend observed in the recent evolution of the social economy is its consolidation in European society as a center of social benefit between the private and public sectors, comprised of a multitude of actors: co-operatives, mutual companies, associations, and other similar businesses and organizations.





The ever-expanding cooperation between civil society organizations and the cooperative movement to develop many of their projects and activities is also noticeable, as in the case of social enterprises. The capacity of these initiatives to meet the new social needs that have emerged in recent decades reaffirms the importance of the Social Solidarity Economy (SSE).

The new SSE is formed as an emerging sector that is becoming increasingly necessary in order to face the new challenges of globalized economy and society. These challenges lie at the heart of the growing interest in the role that the new SSE can play in the welfare society.

There is a growing ecosystem, but there is also a lack of specialized support, networks in individual geographical areas, which could help to create a stronger and more effective representation of SSE.

However, given the common identity and the core of the common interests that connect the entities of the social economy, it is appropriate and necessary to make efforts to ensure the coordination of the entire social economy, both nationally and internationally at European level. Because, as the collective image of the social economy becomes more prominent, the opportunities for effective action and development of each group of actors constituting the social economy sector increase.

Another important challenge is the recognition of the social economy as a special interlocutor in the context of social dialogue.

SSE is a strong economic and social factor with particular characteristics that are not in line with the classic employer / employee shape and require the explicit recognition of the social economy as a social partner.

Penetration into business networks and coalitions, the creation of new ways of financing businesses, innovative products and processes and the promotion of policies for the development of training and knowledge should be essential elements of social enterprise policies.





Education systems can do important work to promote entrepreneurship and the democratization of the economy through training programs that stimulate business initiatives based on the values that characterize the social economy.

Research networks and information exchange networks between training centers and social economy practitioners will, as in the recent past, contribute to the expansion of the necessary specific knowledge bases of social economy and the dissemination of such knowledge.

The challenge that the social economy must face is to avoid the risk of diminishing and magnifying the decisive features of its physiognomy, which are precisely those which ensure its particular social utility.

SSE bodies must deeply realize the values that constitute their common point of reference, make use of all the social and cultural leverage that aligns with these values in order to consolidate their institutional profile and ensure a multiplier effect. in terms of their economic and social potential.

SSE plays a valuable role in sustainable local, national and international development, mainly through the creation of permanent jobs, the development of new services, the enhancement of living standards, the contribution to gender equality, environmental protection and wealth creation under the ethical conditions.

SSE takes into account the social and moral dimension in all its economic activities. Thus, it aims at producing, exchanging and consuming goods and services that meet the economic and social needs of local and international communities.

Based on the principle of solidarity, SSE is a compatible approach in sharing knowledge, experience and good practice and to support capacity building, technology transfer, resource mobilization and the creation of local, national and international production and consumption networks.





The Cross-border co-operation on socially oriented economic practices is an important and constantly evolving scope of SSE with existing good practices as support structures for existing and co-operative ventures, which will further enhance social and economic impetus to the SSE field.

As many studies show, the social economy has great potential to stimulate the endogenous development of rural areas, the remodeling of abandoned industrial areas, and the rehabilitation and revitalization of degraded urban areas.

In short, it has the potential to contribute to endogenous economic growth, to restore competitiveness in large areas, to facilitate their integration at national and international level and to fix major territorial imbalances.

The cooperative agri-nutritional sector in Europe is the strongest economically and socially. Not only were they not damaged during the crisis, but they continued to be developed. The agri-nutritional sector in Greece is one of the largest productive sectors and is a key to nutritional self-sufficiency, employment and crisis relief. Although it has great growth prospects, the comparative advantage of its co-operative organization has not yet been fully exploited. Expanding the collaborative organization of the agri-nutritional sector with collective action and innovation will dramatically improve its efficiency, its size, product value added and employment.

Social entrepreneurship can address issues of reduced service provision to specific populations in the cross-border area that are at risk of social exclusion and at the same time give them access to the labor market.

In addition, through training seminars, the skills of the unemployed as of those who already are working in other social enterprises lacking in marketing, business planning, etc. can be increased.







Teachers and other stakeholders can help inform and raise awareness about opportunities and conditions for the development of social entrepreneurship, through the organization of joint forums, discussions, seminars, good practice events, etc.

It is a favorable condition that the awareness and recognition of social enterprises among governments, businesses and local authorities in Bulgaria has improved in recent years, mainly due to the development of the concept of a national social economy in 2011.

The policy framework for social enterprises is included in the concept of the national social economy. This is accompanied by the Social Economy Action Plan, which supports the implementation of the National Social Economy Concept and sets out a number of priority actions aimed at facilitating the development of the social economy (including social enterprises) in Bulgaria.

The traditional form of social enterprise - cooperatives focusing on the integration of people with disabilities into work - is still prevalent in Bulgaria, but social enterprises are increasingly being created by associations and foundations.

The first priority is to create a common understanding of what constitutes social economy organizations and businesses in the cross-border area.

The principles and characteristics of the social economy, as its main legal forms, will serve to promote a common operational understanding of the social economy that will improve visibility at national, regional and local levels, as well as at international level.

Public policies are important to improve mutual recognition and remove existing barriers that interfere the ability of social economy enterprises to take full advantage.

A priority is also to improve the visibility of businesses and entities in the social economy and their values and characteristics.

Strategic communication is needed to improve the visibility of the social economy, including actions such as:





- Encouraging entrepreneurship in the social economy
- Supporting the promotion of social, technological and environmental innovation, in partnership with social economy actors and through European programs, aimed at raising young people's awareness of the use of new technologies in the creation of social economy enterprises and in new areas where they can start a new business.
- Involvement of the social economy in plans for exchanges of practices in new fields and technological, social and environmental challenges that will shape the future of the labor market.
- Cooperation projects to promote innovative social economy business plans in emerging sectors.

Providing a favorable ecosystem for the development of business and social economy operators, their support for access to funding and their further escalation, and the establishment of the necessary legal framework to enable them to operate fully and on a transnational level, another priority.

In this regard, they can contribute:

- The elimination of legal and administrative obstacles for businesses and operators of the social economy.
- The necessary legislative reforms to increase the number of cooperatives.
- Implementation of pilot projects to enhance cross-border co-operation between businesses and social economy operators.
- Access to finance must be an essential element of any public policy aimed at strengthening the social economy.
- Adaption of existing financial instruments to the diversity of social economy forms.







- Promotion of the creation of high quality jobs by businesses and social economy operators.
- Creation of support services at national, regional and local level for businesses and social economy operators and for social economy entrepreneurs.
- Improving and enhancing the digital skills of the social economy and fostering its growth in emerging sectors.

Education, training and information for the development of the Social and Solidarity Economy are priority from the outside, as they contribute to:

- cultivating the skills of up-to-date SSE citizens and participatory communities
- developing SSE stakeholders so that they can reap the powerful benefits of sustainability, job creation, democratization and local development
- to familiarize the public sector and its services with the area of SSE.

Finally, international co-operation - especially in the cross-border area - is a priority, which can and should be developed through actions - actions such as:

- the exchange of information on policies and programs that have proven effective in creating jobs and earning income from members of social enterprises
- assisting and promoting the relations between national and international co-operative entities involved in the development of social enterprises, in order to facilitate:
- exchanges of staff and ideas, training material and training material and methodology as
 well as other relevant material
- the creation and use of research material as well as other data on social enterprises and their development







- the organization of transnational partnerships and joint ventures between social enterprises
- the promotion and protection of cooperative values and principles (rules)
- the organization of trade relations between social enterprises
- access for social enterprises to national and international data such as information,
 legislation, methods and techniques of training, technology and product certification
- developing, where necessary, regional and international regulations and laws, in cooperation with the social enterprises concerned.

Bibliography

CICOPA (International Organization of Industrial Cooperatives and Cooperatives for the Provision of Services and Crafts), Cooperatives and Social Economy for Greece), ILO (International Labour Organization), 2013

Co-operative News, www.thenews.coop, 2019

Douvitsa I., Kassavetis D., The Greek co-operative movement during the fiscal crisis, www.thenews.coop, 24.3.2015

European Economic and Social Committee, Social Impact Measurement, Opinion, 2013.







ICA - Euricse, World Co-operative Monitor. Exploring the Co-operative Economy, Report 2016

ICA - International Co-operative Alliance, www.ica.coop/coop/statistics, 2019

ICA - International Co-operative Alliance, Interpretive Guidelines for Cooperative Authorities, 2015

ICF Consulting Services, A map of social enterprises and their eco-systems in Europe - Country Report: Bulgaria, European Union, 2014

ILO, ILO Recommendation No. 193 on the Promotion of Cooperatives, 90th Session of the ILO, 3.6.2002, International Labor Organization, Social Economy, 3, 2015

ILO, Social and solidarity economy and the future of work, Geneva, 2017

ILO, The social and solidarity economy, Geneva, 2014

International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC), The Social Economy in the European Union, European Economic and Social Committee, 2012

Nikolaou K., Cooperatives, Challenges and Business Opportunities within the Collaborative Economy, 3rd International Summit of Cooperatives, International Co-operative Alliance (ICA) and Desjardins Group Canada, Québec, Canada, 11-13 October 2016

Nikolaou K., Cooperatives, innovation, sustainability: The case of Bios Coop in a dynamic process of economic evolution, International Conference "Co-ops for you: Bringing people together", Cooperative Central Bank, Limassol, Cyprus, 7 July 2015

Nikolaou K., Social innovation as a key aspect in social and solidarity economy, (Un)Conference of Innovation Ecosystem of Thessaloniki (OKThess) – Coho - Aristotle University of Thessaloniki - CERTH, Thessaloniki, 8 June 2017





Nikolaou K., Social solidarity economy initiatives in Thessaloniki, International Conference – Round Table: Social Economy and Solidarity: exchanges on the Greek and French experiences, IFRIS (Institut Francilien Recherche, Innovation et Société) - Université Paris-Est Marne-la-Vallée, Athens, 7 June 2016

Terziev V., Bencheva N., Arabska E., Stoeva T., Tepavicharova M., Nichev N., Facts and figures on social enterprises in Bulgaria, "The teacher of the future" Ninth International Scientific Conference, 17-19.6.2016, Durres, Albania

Terziev V., Kanev D., Madanski V., Social entrepreneurship in Bulgaria, International E-Journal of Advances in Social Sciences, III(9), 913-917, 2017

United Nations Statistical Division, Handbook of National Accounting: Handbook on Non-Profit Institutions in the System of National Accounts, 2003

International Center for Research and Information on Public, Social and Cooperative Economy, Recent Developments in the Social Economy in the European Union, European Economic and Social Committee, 2017

Special Secretariat for Social and Solidarity Economy, Annual Report 2018, Ministry of Labor, Social Security and Social Solidarity, Athens, 2018

EKKE, Guide to Measuring the Social Performance of CSEs, Athens, 2015

European Commission - Directorate-General for Employment, Social Affairs and Social Inclusion (2013). Social economy and social entrepreneurship: A guide to social Europe. Issue 4.

European Commission, (2010), Social Markets: A Guide for Incorporating Social Aspects into Public Procurement, Luxembourg.







European Commission, (2011). Social entrepreneurship initiative. Building an ecosystem to promote social enterprise at the heart of social economy and social innovation, COM / 2011/0682.

Nikolaos K., 10 Successful Collaborative Stories from Greece and Europe, Growing Social Workshop "Success Stories", Panorama, Thessaloniki, 31.1.2019. Also at: Dialectics, www.dialektika.gr, 22.2.2019

Nikolaou K., Life Coop: Building a Socially and Economically Solid Future ", 3rd Pan-Hellenic Business Conference - Module: Social Entrepreneurship, Thessaloniki, May 27, 2016

Nikolaou K., The Necessity of Developing Collaboration through Environmental Education, Proceedings of the 6th Panhellenic Conference on Environmental Education, PEEKPE, Thessaloniki, November 30 - December 2, 2012

Nikolaou K., The Dynamics of Social Solidarity Economy (SSE) in the Cross-border Area, Opening Conference of the Growing Social project "Social Entrepreneurship in the Cross-Border Area of Greece-Bulgaria", ICT Technopolis Business Park, Thessaloniki, 5.9.2018

Nikolaos K., The dynamics of agri-food co-operation, Nation, 2.3.2019

Nikolaou K., The impact of high quality products on the effectiveness of alternative socioeconomic structures. The Example of Life Coop, Proceedings of the 1st Panhellenic Conference on Organic Agriculture and Livestock, EABVE, Paranesti Drama, November 22-24, 2015

Nikolaou K., Evolution, Forms and Dynamics of the Social Co-operative Movement, Conference on Social Economy and Social Entrepreneurship, Thermi - Thessaloniki, June 5, 2015







Nikolaou K., The Possibilities of Contributing Social Solidarity Economy (SSE) to Tourism Sustainability, 2nd Symposium on Sustainable Tourism Development, Center for Sustainable Tourism Development of Amfipoli-West Pangaio area, "Odie Amfipoleon", 6-7 TEI

Nikolaou K., Delimitations of Solidarity Social Economy, 5th Seminar: Education and Solidarity Social Economy - A First Approach - Theory and Practice, Laboratory for the Conservation and Exploitation of the Conservation and Exploitation of Native and Floricultural Products ELGO Dimitanos Viksikos Ionianos, Balkan 8, Balkanikos

Nikolaou K., Papafilippou A., Learning and Information on Social Solidarity Economics, Proceedings of the 1st Pan-Hellenic Scientific Conference on Lifelong Learning, University of Macedonia, Thessaloniki, 27-28 June 2015

Law 1667/1986, Urban cooperatives and other provisions, Government Gazette 196 / A / 6-12-1986

Law 2716/1999, article 12, Social Cooperatives Limited, Government Gazette A96, 17.5.1999

Law 4384/2016, Agricultural Cooperatives, forms of collective organization of the rural area and other provisions. Government Gazette 78 / A / 26-4-2016

Law 4423/2016, Forestry Cooperative Organizations and other provisions, Government Gazette A182, 27.9.2016

Law 4430/2016, Social and Solidarity Economy and Development of its Institutions and other provisions, Government Gazette 205, 31.10.2016

Law 4513/2018, Energy Communities and other provisions, Government Gazette 9 / A / 23.01.2018

Ministry of Labor, Social Security and Social Solidarity, Report on the Social and Solidarity Economy in Greece, Athens, 2017.