

DELIVERABLE 5.1.2 – POLICY GUIDELINES FOR THE ENHANCEMENT OF SE IN GREECE WITH SPECIAL FOCUS IN CENTRAL MACEDONIA

Project **“Supporting Social Enterprises in combating poverty and social exclusion”**

Acronym **“SOCIAL PLATE”**

The INTERREG V-A ‘Greece-Bulgaria 2014-2020’ Cooperation Programme is co-funded by the European Regional Development Fund and national funds from the countries participating in it.



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From the current report, which studies the social entrepreneurship and the construction of adequate policies for its development, the following remarks may be highlighted:

- Social entrepreneurship is perceived as a generic concept and used as an “umbrella” term, describing any type of organization, business or legal entity (the individual businessman included). On the other hand, social enterprises may be overlapping with the former concept, but it is a rather narrower concept, referring explicitly to an emerging type of business that is defined by a set of intrinsic characteristics². Social enterprises are a part of the social and solidarity economy (SSE), along with the main families of cooperatives, mutuals, associations and foundations.
- Social enterprises, specifically, demonstrate a variety in their size, range of action and in their entrepreneurial orientation. The main legal forms, under which they operate are: a) the non-profit legal form (unions, institutions, non-for-profit enterprises), b) the cooperative legal form, c) the legal form, adapted to the intrinsic traits of social enterprises, d) the legal form of stock companies.
- Creating an enabling environment for the formation and the development of social enterprises, as well as for the other SSE entities, constitutes a goal of public policies, that usually take the form of laws, programs, and tools. These supportive policies aim to: a) the promotion of social enterprising, b) the formation of an adequate legal framework, c) the provision of sustainable financial tools, d) the provision of services and the formation of support infrastructure, e) passing measures for market accessibility and f) encouraging research and education at the SSE field.
- The corporate social responsibility may not be confused with the SSE concept. The former refers to the voluntary adoption by the enterprise of practices that promote the sustainable development, either as an additional operation or as an integrated business strategy. The latter describes a wide sector of economy that bares specific characteristics that differentiate it from the public and the private for-profit sector. Some of these characteristics lead to socially responsible practices, while they constitute integral traits

of the identity of these entities. Therefore, non-complying with these traits for the SSE actors means endangering their identity, as well as abolishing what differentiates them from public or private for-profit undertakings.

- Regarding statistical records for social entrepreneurship in general, it was found that their absence constitutes a problem for many countries, Greece included. In our country this issue may be partially addressed through the formation of the General Registry of SSE Entities, as SSE, according to the law, bares specific characteristics without being completely identical with social entrepreneurship. Based on available statistical data and secondary sources, it was found that the highest employment rates of SSE actors ranges between 9% - 10% of the total workforce. This is encountered in Belgium, Italy, Luxembourg, France and Netherlands, while in Romania, Malta, Lithuania, Cyprus, Croatia, Slovenia and Slovakia the rates are under 2%. In our country this rate is 3% of the total workforce, and -as a result- it classifies Greece with the countries, where the SSE employment rate is very low, due to the fact that SSE is still an emerging field of economy. In parallel, SSE entities in many EU countries (including Greece) have been resilient during the crisis, demonstrating a very small decrease in paid positions and maintaining the vast majority of these positions despite the financial turmoil.
- Law 4430/2016 on “Social and Solidarity Economy and development of its entities and other regulations” introduces two types of SSE actors: a) the de lege recognized SSE entities (social cooperative enterprises, social cooperatives of limited liability and worker cooperatives) and b) the SSE entities that need to satisfy certain criteria to gain the SSE entity status, such is the case for agricultural cooperatives, civil cooperatives, civil law companies. Under the Greek jurisdiction, there is no law that introduces social enterprises as a distinct legal form.
- Regarding the national recognition of the SSE concept, it was found that Greece belongs to the category of countries, in which SSE enjoys a moderate level of recognition. This may be explained by the fact that major SSE actors, such as cooperative banks and institutions, cannot be recognized as SSE entities according to the existing law.
- The financial tools for the SSE development may be based on state intervention, which can be direct (e.g. awarding of grants and subsidies) or indirect (e.g. tax measures, investment incentives, socially responsible public supply contracts, promotion of

cooperative banks and financial tools from the field of SSE in the context of synergies with interested actors and local authorities). L. 4430/2016 adopts provisions for the financial support of SSE entities (e.g. creation of an SSE Fund, accessibility of SSE entities in the National Fund for Entrepreneurship and Development, inclusion in support entrepreneurship programs and in programs of Manpower Employment Organization for the promotion of employment). Additionally, direct grants for newly founded or already existing SSE entities and the funding of 89 help-desks will be provided. Apart from the above, the SSE actors have also created their own institutions and tools, such as the formation of 9 cooperative banks as well as the establishment of a non-profit legal entity aiming at addressing the needs of SSE entities in Greece with an emphasis on providing loan guarantees.

- Based on the above remarks, the current study suggests the following actions:
 1. Developing a common perception of SSE, among the broad spectrum of different SSE actors.
 2. Improving the promotion of SSE actors, along with their virtues and characteristics
 3. Measuring and further establishing the SSE impact and its efficiency in the socioeconomic growth
 4. Creating an adequate ecosystem for the development of enterprises and entities of SSE, enabling their accessibility in funding for further growth, as well as establishing an appropriate legal framework that will allow them to operate fully and in a transnational level.
 5. Further incorporation of social economy in EU funds and programs.
 6. Enhancing the role of SSE in EU's external actions.
 7. Consolidating and improving a permanent crosstalk between public authorities and SSE actors.