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**INNOVATIVE SOCIAL ENTERPRISE DEVELOPMENT  
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**- WP3 “Research on Social Entrepreneurship” -**

**SOCIAL ENTREPRENEURSHIP IN GREECE**

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## **Introduction**

This study is prepared in the framework of the Programme “INNOVATIVE SOCIAL ENTERPRISE DEVELOPMENT NETWORK” - ISEDE-NET, Working Package 3 titled “Research on Social Entrepreneurship”. The WP3 aims at obtaining a clear picture of the state of the art of Social Entrepreneurship in the participating countries and of the external and internal conditions affecting its development. In this framework, the Package’s activities consist in the collection of data at country level and in an in-depth analysis of the national SE sectors to find out what kinds of such enterprises and to which extent already exist, to identify particular strengths and weaknesses of the sector, as well as to present the existing policy interventions and specific measures in the field of social economy and social enterprise sector.

Nowadays, in a period of economic recession, social economy is internationally one of the main issues in the European public policy. The reason for this is that social economy fights social exclusion and unemployment. People who do not have the necessary qualifications and work experience gain the opportunity to return to work or to find work. Moreover, deindustrialization in many European countries has limited the permanent, full time and formal work. Uncertain and informal employment is increasing in an effort of the private sector to minimise labour costs. Similarly, employment uncertainty is also increasing in the public sector with significant workplace losses. As a result, most European countries face the deregulation of their labour market and the privatisation of their public sector.

On the other side, the crisis of European welfare system (in terms of budget, effectiveness and legitimacy) has resulted in a more autonomous development of social third sector initiatives, and public authorities increasingly look to private initiatives to provide solutions that they would have implemented themselves if the economic climate had been as good as in previous periods.

Under these circumstances, the social economy appeared to be the best option as an additional source of employment, since it generates jobs and entrepreneurship by meeting social needs and very often by deploying the socially excluded. The social excluded groups and individuals, abandoned by the government or the private sector, could only survive by providing services in the field of the informal – black economy or in the social economy sector. Social economy refers to a third sector in economies that lies between the private and the public sector. It includes organisations such as cooperatives, mutuals, associations, foundations, social enterprises, NGOs and charities. Diverse groupings are bound together by their sense of duty towards the members whose interests they represent.

In general, the social economy and the social enterprises in particular, are considered to be the provider of services for the socially excluded individuals; it gives them employment, covers their needs for social protection and makes them active members of the society. At the same time, a significant number of enterprises in the European countries have been established to provide new services or to respond to groups of people

with needs not recognised and satisfied by public authorities or excluded from the public services and benefits. In fact, many social enterprises combine production of social services and work-integration activities.

In Greece, the “social economy sector” as a relevant category for employment policy formation has attained, thus far, only a marginal position. And this is confirmed by the fact that the percentage of those employed in the social economy sector in Greece is still remaining lower than in other EU countries. It is generally accepted, that the potentiality of the sector in facilitating and promoting the active inclusion of vulnerable social groups into the labour market, as well as in providing new unsatisfied social services, has not been exploited as yet in Greece. For, it is still not recognized as a specific social and economic sector, and thus there is a lack of any dedicated institutional or legal framework for action or for the functioning of social economy organizations or enterprises. The only exception being the legal framework, adopted in 1999 under the PSYCHARGOS Mental Health Reform Programme, which provides for the establishment of Social Cooperatives for persons with mental health problems.

Notwithstanding the above, over the last ten years, one observes the emergence of a more local, less visible part of the “social economy sector” in Greece, consisting of initiatives, projects and agencies which are taking shape around the less formalised tasks and challenges such as: unsatisfied needs for social services, environmental problems, new social problems, concerns about unemployment and social exclusion of vulnerable social groups etc. These initiatives, however, run mainly on limited programme funding, supported in their majority by the European Union’s Social Fund financing, and not on stable local funds though there are notable exceptions. It is only the minority of these initiatives that base their strength on local solidarities, including voluntary work and civic commitment, elements which are still underdeveloped in Greece.

In Greece, there has been no official statistics or record to date of the number of organization and enterprises, operated in the social economy sector and no official information on the sector of activities and effectiveness of the actions developed. Given this lack of official data, this study is based on relative literature, previous research and qualitative surveys that were conducted in the country. In these surveys the sample has included, depending from the objective of each research, a different part of organizations, such as farmers' organisations, cooperatives, non-profit associations, environmental organisations, associations representing the family and persons with disabilities, non-governmental organisations, social enterprises and foundations. The main activities of these organizations in general, were health care, social care, culture, education, environment, entrepreneurial activities and education/ training activities.

Given the fact that “social enterprises’ as statistical category do not exist on one hand and on other, the difficulties to provide a reliable picture on all activities in the sector, for the purpose of the Project ISEDE-NET we try to obtain an overview of the sector and continuously, we provide more depth information and analysis on two represent core types of enterprises that are specific in Greece.

Moreover, in order to identify and to record specific support measures, practice and instruments implemented in Greece, address social enterprise sector, we refer to findings and results of the actions in frame of the Community Initiative Equal, the only organized public policy intervention, aiming at promoting activities in the social enterprise sector in order to face the inequalities and discrimination in the labour market.

The study consists from three Parts. In the first Part the key features of the Social Enterprise Sector in Greece are examined, including general view and information, quantitative characteristics and organizational structure of the core types of social enterprises. The second Part analyses the framework conditions for the development of the Social Enterprise sector, the driving forces and barriers for the development of the sector, as well as the future perspective. In the third Part the existing public policies and measures aiming at promoting social enterprise sector, are presented. The first Reporting template includes brief overview-description of some specific measures implemented in the social enterprise sector in Greece, while the second Reporting template include brief information on the practice identified and proposed as a 'good practice' example.

# Part I: Key Features of the Social Enterprise Sector in Greece

## 1. General information and definition of social enterprises

In the past decade, there has been a growing interest in reinforcing the role of social economy in Greece, due to significant changes in the labor market, to the existing high level of unemployment and social exclusion, to the economic recession and the public sector failure to cover social needs. However, the employment in the social economy sector in Greece is still to be relatively small compared to the EU member countries; according to the existing statistical data, the employment in the Social Sector in Greece (2002-2003) is 1.8% of the total employment in the country, compared to the about 6% of the total employment of the EU-25 (CERIEC, 2007).

Thus, the social economy activities are not well developed in Greece; the notion and knowledge regarding ‘social economy’ remains still low and there is a profound lack of suitable institutional and support framework for regulatory, administrative and financial support of the initiatives undertaken in the Social Economy sector. This attitude is confirmed by the fact that the Social Economy is not included as a discrete category in any of the official statistics. The little knowledge exists also, concerning the dimensions and features of initiatives developed in the Social Economy sector in Greece; there is a lack of official statistical data and any statistical information is available only from different studies.

Moreover, it would be difficult to maintain that there has been any kind of systematic and in-depth academic discussion on the notion of ‘social enterprises’ since it has neither been precisely defined nor has it been accorded any specific regulatory framework favour the creation of new forms of organization such as “social firms”, “social cooperatives”, although those forms are already operating in other EU member states. The unique exception is the mentioned in the introduction, Limited Liability Social Co-operative (Koi.S.P.E.), provided under Law 2716/1999, which can be adopted exclusively by initiatives aiming at the socio-economic re-integration of persons with mental health disabilities; this law foresees a series of supportive measures in order to facilitate the establishment of social cooperatives by this vulnerable population group. The operation of the cooperatives established by persons with psycho-social disabilities serves both therapeutic and entrepreneurial purposes.

However, despite the lack of appropriate legal framework, there exist in recent years, since the early 1990s in particular, *pioneering attempts to form social enterprises* undertaking activities in the social services sector and in general, a rapid increase in collaborations among various agencies and bodies in the social field. It appears also that the term or concept of ‘social enterprises’ is now increasingly entering the vocabulary of academic and policy discussions in Greece. This recent development can be partly attributed to the necessity to deal with the problem arising from socio-economic changes and to the serious challenges at present facing the state of the social policy area. The

recognition at European level and in Greece that the social economy sector could well be a potential source of employment also helps to account for this evolution.

In this context, an array of non-profit organizations have been established in Greece in recent years to serve potentially the purpose of combating social exclusion, mainly through the provision of vocational training and work-integration activities. The majority of these organizations have taken the legal form of ‘associations’ or ‘civil law societies’ (which are legal entities of private law as provided by the Greek Civil Code); some of them have been established as co-operatives.

Despite this evolution, the efforts made in recent years to develop new productive activities, business-oriented, aiming to employ persons from vulnerable population groups and to contribute to the solution of serious problems such as unemployment, social exclusion and discrimination in general, remain fragmentary. At the same time they tend to be informal or even irregular in their form of incorporation or mode of operation (civil not-for-profit companies, associations etc.).

In general, it appears that Greece belongs now to the countries in which the concept of the Social Economy is accepted at a medium level; this concept coexists alongside other concepts, such as the non-for-profit sector, the Voluntary sector and Social Enterprises. Research concerning social enterprises and social economy in general, is hindered by a lack of standard and universally acceptable definitions and statistical information, as already mentioned.

Given the lack of official recognition of the notion of ‘social enterprise’ in Greece, the existing studies and the activities developed in the social enterprise sector usually *adopt as definition, the approach provided by the EMES network*, which is summarised as following<sup>1</sup>: Social enterprises are non-for-profit private organizations providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks linked to their activity.

However and notwithstanding the above, it appears that “social enterprises” as a term or concept is now entering - and increasingly so - the vocabulary of academic and policy discussions in Greece. This recent development can be partly attributed to the necessity to deal with the problems arising and the serious challenges facing at present the Greek State in the social policy area as well as to the recognition at European level and in Greece that the “social economy sector” could well be a potential source of

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<sup>1</sup> The EMES definition of social enterprises distinguishes between criteria that are more economic and indicators which are predominantly social (Borzaga, C., Defourny, J. (eds), 2001). To reflect the economic and entrepreneurial dimensions of initiatives, four criteria have been put forward: Continuous activity in producing and/or selling goods and services; a high level of autonomy; a significant level economic risk and a minimum of paid workers. To encapsulate the social dimensions of the initiative, five criteria have been proposed: An explicit aim of social benefit; citizen initiative; a decision-making power not based on capital ownership; a participatory character, involving those affected by the activity and a limited distribution of profit.



employment, as mentioned. In this context certain types of initiatives that have been established in Greece in recent years can be identified as resembling to the social enterprise-type of organization for the purposes of the ISEDE-NET Project, as this has been defined by the EMES network and is adopted widely in Greece. Especially, these are the "social cooperatives of limited liability for people with mental health problems" and the "agrotourist cooperatives of women in rural areas".

## **2. Quantitative characteristics the social enterprise sector**

### **2.1. Statistical information and qualitative estimate on the social economy sector**

According to the available statistical information on Social Economy sector in Greece (CERIES, 2007), it includes the following main actors during the period 2002-2003: Cooperatives and other similar accepted forms (7.233 enterprises with 12.345 jobs), Mutual Insurance companies (489 jobs) and Association, Foundation (57.000 jobs). The total number of the employment in Social Economy sector (around 70.000) represents 1.8% of the total paid employment or 2.9% of the wage-earning employment in the country. Given the lack of information, however, the possibility of more special purpose organizations and cooperatives having been established during the last years should not be ruled out. Old and new social needs all constitutes the sphere of action of the organizations operating in the Social Economy sector.

According to existing literature research, and studies that have taken place in Greece, the basic characteristics of the social economy sector are the non-profit provision of services to the members and to the community so as to ensure the sharing of social and economic surpluses. Moreover, social ownership, independent management as well as empowerment and social responsibility constitute one of its major advantages. Additionally, people have priority over capital and are engaged with direct participation in the decision making through the one person one vote process.

The existing studies show that diverse and multiple activities allocated in the social economy sector in general, whereas health and social care seems to be covering the majority of activities. Healthcare activities referred to the provision of the medical care, prevention, consultation for people in need, such as the elderly, children, uninsured, refugees, and disabled individuals. Social care activities provide home-based services for the homeless, the disabled, orphans etc. Cultural activities are related to the promotion of literature, history, theatre, monuments visits etc. Environmental social economy refers to the green economy, the environmental protection, recycling, energy consumption and waste pollution. The entrepreneurial activities put effort on the social enterprises and cooperatives, and finally the educational activities include continuing education, health education and prevention, life style changes etc. It is worth mentioning that despite the universal coverage of the Greek population in the provision of health and social care from the public sector, the majority of social sectors activities are focused on health and social

care. An explanation given to this finding might be that the population needs seem not to be faced by the National Health (NHS) and the National Social Care Services.

Furthermore, it appears that a number of bodies and stakeholders implementing programmes to combat social exclusion in Greece are trying to find ways (formal or informal) to develop partnerships and organizations able to implement multi-dimensional approach required by these problems. The need for a broader human resources infrastructure at local level and for a combined partnership (and networks) involving non-statutory bodies and stakeholders, has been an important development issue in the recent years. The majority of these organizations are created by civil society as main actor, in order to meet and solve the needs of their members, in other words, they are non-market oriented, non-for profit organizations. With the exception of the cooperatives, these legal configurations do not fulfill the criteria of combining together social solidarity and entrepreneurship which characterizes social enterprise-type organizations.

In particular, the existing information reveals that the main important types of Social Economy organisations, which have been developing over the last two decades, characterised by an entrepreneurial spirit and social purpose, include:

- Women's cooperatives (about 110 women's agro-tourism and civil cooperatives are currently operating);
- Social Firms incorporated as limited liability cooperatives (fifteen social cooperatives for persons with mental health problems are in operation) and
- Several types of social enterprises incorporated as not-for-profit companies, limited liability companies, civil cooperatives et al., formed by persons who are subject to discrimination, often in collaboration with legal entities.

Consequently, the main initiatives that can be considered as Social Enterprises (and in this sense, the represent core types of the social economy and social enterprise sector) are those which have established taking the legal form of cooperatives and especially, ***the agritourist cooperatives established by women in rural areas and the social cooperatives established by persons with psycho-social disabilities***. Both types have an explicit social purpose and are also characterized by an entrepreneurial capacity (Ziomas D., Ketsetzopoulou M. and Bouzas N., 2001). In particular, these cooperatives serve the purpose of providing work opportunities for their members (who for certain reasons are excluded from traditional work arrangements) through the collective production and delivery of different goods and services; all these initiatives fall under the category of social enterprises that aim to combat social and economic exclusion, mainly through work-integration activities. The economic and social objectives of both types of cooperatives stem from the principles of equal participation, solidarity and mutual aid among their members; they put equal weight on the social and the economic purpose.

In the case of the agrotourist cooperatives, it may undoubtedly be said that this specific kind of cooperative constituted a 'pioneer' initiative in this kind of activity, even by EU standards; such initiatives reflect new ways of satisfying social needs (upgrading the social status of women living in rural areas) and at the same time, they represent sources

of new employment opportunities, generating income not only for the members themselves, but also for the local community, supporting the local development.

With regard to the cooperatives established by persons with disabilities, their operation has already provided the opportunity to their members to regain social and ‘unused’ skills or to develop new occupational skills through on-the-job training and work experience; their operation also has helped the majority of their members, who were patients of the psychiatric hospitals, to lead an independent life, either in apartments or with their families. Another novel feature of this type of social enterprise is that, unlike the other types of cooperatives where membership is composed of only one type of stakeholder, its formation requires wider partnership relationship, consisting of three main categories: persons with mental health problems, mental health professionals and other persons and agencies from the local community.<sup>2</sup> In addition, the fact that the activities of the cooperatives are located within the community and that the cooperatives regularly organize cultural events, has led to the sensitization of the local society; one observes that there is a growing interest in recent years among other vulnerable population groups supported by other stakeholders-professionals in the social services to form such special purpose cooperatives.

## **2.2. Core types of social enterprises: characteristics, aims and target groups**

As mentioned in the previous part, two are the types of initiatives that have been established in Greece in recent years which constitute the main social enterprise-type of organization that serves the purpose of combating social exclusion. These are: a) the *Agrotourist Cooperatives* established mainly by women in rural areas with potential in tourism and b) the “*Social Cooperatives of Limited Liability*” (*Koi.S.P.E*) established for the social and work integration of people with mental health problems. Both types of these formations have an explicit *social purpose* while they are characterised by an *entrepreneurial capacity* to produce and sell goods and services to maintain their operation and survive. They can be identified as representing the “*core social enterprises*” in Greece, the total number of which at present is not more than 130 (about 110 Women’s Agrotourist Cooperatives and 14 Social Cooperatives of Limited Liability<sup>3</sup> - according to some first-hand information gathered since no official records and relevant data exist.

However, in addition to these “core social enterprises”, there exists in Greece a variety of other organisations (non-profit and non-governmental organisations) being engaged - and increasingly so in recent years - in a wide range of activity and programmes in the area of

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<sup>2</sup> The information provided for the Social Cooperatives for people with mental health problems is based on: Seyfried E. and Ziomas D. (2005), *Pathways to social integration for people with mental health problems*, Report prepared for the *Peer Review in the Field of Social Inclusion Policies*, European Commission, DG Employment, Social Affairs and Equal Opportunities. Athens, 2005. Also, on: Ziomas D., (2008), “Social co-operatives for persons with mental health problems in Greece: a specific form of social enterprise” in Osborne S. (ed), *The Third Sector in Europe: Prospects and challenges*, Routledge, London.

<sup>3</sup> Data is based on: Ministry of Labour and Social Protection, General Secretariat of Management of Community and Other Sources, 2009 *The European Social Fund in Greece 200-2006*, Athens.

social welfare and service provision, as mentioned. Since the early 1990's, in particular, partly as a response to increasing situations of social exclusion, one observes an increase in the emergence of such organizations which are concerned mainly with addressing specific problems and covering recognized needs of certain vulnerable groups of society (disabled persons, immigrants, ethnic minorities, etc.) through the provision of training, job-finding support, psycho-social support, rehabilitation services, etc.

Yet, none of the aforementioned organisations appear to fulfill the criteria set for a "social enterprise" - though no comprehensive data is readily available on the number of such organisations in operation and the range of activities involved. For, the legal form of the great majority of these organisations is either that of a "societe civile" which, as provided for by the Greek law, is an entity whose purpose may be economic but does not aim at profit, or that of an "association" which is a non-profit legal entity of private law, based on the social solidarity principle but not allowed to becoming involved in any entrepreneurial activity.

Information gathered suggests that a certain number of such organisations could well be identified as representing - in a broad sense - the *“peripheral social enterprises”* in Greece or at least as exhibiting some potential so as to act as “social enterprises” if they were provided with the proper legal framework.

Yet, for the purposes of our project reference shall be made mainly to the *“core social enterprises”*, that is, the existing cooperatives of social purpose: The *“Women's Agrotourist Cooperatives”* and the *“Social Cooperatives of Limited Liability” (Koi.S.P.E) for people with mental health problems.*

Both types of initiatives are based on the legal framework provided for the cooperatives and which bears the following determining features : it requires the coming together of individuals with a common purpose or problem, it aims at the realization of a mixture of economic and social objectives, it is not under State control but under collective control and democratic management through democratically elected (one member, one vote) organs, it can exercise entrepreneurial activities with emphasis on the production of socially useful products and services, and finally, the funding of its operation derives mainly from the selling of its products and services, while it can receive any donations or State grants.

It appears therefore that both types are characterized by an entrepreneurial capacity although their degree differs between the two: in the case of the agrotourist cooperatives it is greater than in the case of the social cooperatives established by specific socially excluded groups of people. The latter rely more upon subsidies than the former type of cooperatives. The agrotourist women's cooperatives are mainly financed through the market (i.e. selling of products and tourist services) and to a lesser extent by state allowances which are not on a regular basis.

The economic and social objectives of both types of cooperatives steam from the principles of equal participation, solidarity and mutual aid among their members, while

they put equal weight on the social and the economic purposes. Among the objectives and activities of both kinds of cooperatives are: the social and cultural development of their members, the fulfillment of social needs, the professional training of their members and in certain cases the expansion of social tourism etc.

With regard to the initiatives taken in the field of mental health, one notices the emergence, during the last few years, of a growing number of social cooperatives established to achieve the socio-economic integration of people with mental health problems. The operation of these *“social cooperatives of limited liability”* serve both therapeutic and entrepreneurial purposes: they provide the opportunity to their members to regain “unused” skills or new skills through training on-the-job and work experience and at the same time to learn to work on a collective basis and take part of the responsibility relating to the performance of the cooperative’s activities. Furthermore, it should be noted that they involve both disabled and non-disabled persons, avoiding thus the creation of a “sheltered” work situation, while they exhibit particular dynamism towards improving their entrepreneurial capacity (Seyfried E and Ziomas D., 2005).

It is important also to note that the operation of these Cooperatives has helped the majority of their members, who were patients of the psychiatric hospitals, to leave the hospitals and lead an independent life either in apartments or in their families. In addition, the fact that the activities of the Cooperatives are located within the community in conjunction with the organization - regularly - by the Cooperatives of a number of cultural events, it has led to the sensitivisation of the local society and consequently to the acceptance of persons with psychosocial disabilities as equal members of the community.

In addition one observes that although the majority of these cooperatives are established by people with psychosocial disabilities and mental health professionals, there is a growing interest in very recent years among other vulnerable population groups supported by professionals in the social services to form such cooperatives of special purpose. This interest arises mainly from the fact that European Social Fund programmes, especially those aiming at combating exclusion from the labour market, provide the funding for the development and promotion of such initiatives.

In common with many other initiatives and enterprises active in the social economy, social cooperatives are characterized by a double function with regard to their general objectives, in so far as they are businesses which use their market-oriented production of goods and services to pursue a social mission, i.e. to provide employment for people threatened by social exclusion.

Summarizing the above, it is clear that the Social Cooperatives for people with mental health problems appear a number of innovative elements, such as: it is a new organisational form; it ensures compatibility between economic and social objectives; it strengthens and promotes partnership relations and arrangements; it enhances the mobilisation of the local actors and the local community at large; it facilitates and promotes a ‘bottom-up’ approach; it constitutes part of the de-institutionalisation process

of mentally ill persons; it is underpinned by an integrated approach; it exploits the potentiality of social capital development in a specific territorial context.

As regards the case of the *agrotourist cooperatives* it may undoubtedly be said that such initiatives reflect new ways to satisfy social needs (upgrading the social status of women living in rural areas) while at the same time become sources of new employment opportunities (and thus generating income not only to the members themselves but to the wider local community). In other words they serve the purpose of recouping the human and cultural resources which have been marginalised for too long and to using them to enhance forms of alternative development which can generate a profit and bring about social integration; they thus have a strong local dimension and they support local development strategies (Ziomas D., Ketsetzopoulou M. and Bouzas N., 1998, 2001).

People involved in rural tourism in Greece are not necessarily farmers by profession, but rather permanent residents of rural areas. Rural tourism has been proposed as the main opportunity for women to become engaged in business. The role of women, as a main target group, in realizing these objectives is significant, since many studies have shown that agro-tourism is a field of activity dominated by women that provides them with a new opportunity to contribute towards rural development.

The low level of education and working skills of rural women has transformed them into a source of reserve labour, a kind of all-purpose labour force. This transformation has given women the advantage of flexibility in terms of employment and the facility to render professional the role of housewife, permitting them to take commercial initiatives primarily on a co-operative basis. Co-operative establishment was the rural women's initiative – sustained by the Greek state and EU policy – to generate their own solution to their common economic problem and ensure economic self-reliance as a first step towards their social liberalisation. Indeed, their ability to contribute to family income has changed authority and decision making relationships within the household and society in general, a fact that has improved the social rural woman model.

Local stakeholders as well as public authorities view rural tourism as a tool capable of making women visible in the local economy, but also as the key solution to revitalising and restructuring mountainous and disadvantaged rural areas through supplementary incomes in the process of farm diversification.

Women's agrotourism cooperatives are an interesting form of social economy in rural regions and affect a specific category of the agrarian population: women. The social importance of cooperatives is considerable because they provide full- or part-time employment to a significant number of local women who have no other job opportunities - as these are limited, if not non-existent, in rural areas - and because by today's standards in the labour market, many rural women lack the formal qualifications (age, education) necessary to be hired in some form of dependent labour, but neither do they have the capital or self-esteem necessary to start a business of their own. Given that the reserve of social capital in Greece is particularly limited, women's agrotourism cooperatives take on greater social significance because they operate in the countryside, where people's

confidence in collective actions has been damaged owing to the recent history of agricultural cooperatives in Greece.

A variety of factors, which can be external (the lack of jobs, the availability of business opportunities and subsidy programmes), personal (age, work on the family farm, family obligations, lack of capital and time, lack of experience), and psychological (indecision and caution) determine the choices of the rural woman as regards the form of her business activity or, in some cases, lead her to the only available choice. What is of great significance here is whether the woman feels satisfied with her choices, irrespective of whether the results are meagre in purely financial terms, but also the importance of this entrepreneurship to the local society.

The small size of women's businesses in rural tourism may have limited the investigative interest in such enterprises from the financial viewpoint. However, they are of particular interest in social terms. They symbolise the efforts of women in the countryside, where roles are much more strictly determined than in urban societies, to go beyond their classical roles and to play an important and visible role in their family, but also in the local community. In other words, this activity is more significant than the corresponding men's activity, which is to be expected.

Generally speaking, in spite of their different characteristics of the social economy organizations across Europe, they pursue a number of common goals, which for the most part also apply to the Greek core types of social enterprises. In other word, the main types of social enterprises, described above, fulfill the generally accepted criteria for social enterprises as formulated in the scientific literature. They can be characterised in the following way:

- Economic and social objectives are pursued equally
- Economic activity is non-profit oriented
- The initiatives are economically independent
- Whether at national or regional level, the initiatives are often loosely networked with each other in order to provide mutual support and joint representation of interests
- The initiatives tend to include their employees in decision-making processes.

### **2.3. Size and Sectors of activity of the core types social enterprises**

In Greece, there are 14 Social Cooperatives in action with about 300 mentally ill employees. In total, the Social Cooperatives employ around 400 persons. The first social cooperative was established in November 2002 in Leros island with mentally ill persons from the Leros psychiatric hospital as well as persons from the local community. In total, it employs about 50 people of which around 30 are mentally ill persons. In addition, other smaller 13 social cooperatives have been established recently in Athens (four), Corfu island, Chios island, Crete island (Chania), Thessaloniki, Katerini, Amfissa and

Kefalonia island; each of these cooperatives employs between 10 and 30 people<sup>4</sup>. It is difficult to make a general assessment of their operation and their impact to date on the socio-economic integration of the mentally ill persons, given that they are still at an early stage of development.

The most of “work integration social enterprises” in Europe, including Greek *Social Cooperatives* for people with mental health problems (KoiSPE), work in the *service sector*, a small part is active in – mostly subcontracted - industrial production, some enterprises provide jobs in recycling or environmental businesses, with the latest being set up in the field of travel and tourism. To summarize, social enterprises have mainly been established in those economic sectors and branches where not much investment capital is needed but where potentials for growth nevertheless exist.

According to the Greek law for the Social Cooperatives of Limited Liability, all business sectors are feasible. The existing cooperatives cover in general, the service sector, the industrial, environmental and tourist sector. Particularly, the businesses the KoiSPEs carry on include honey production, laundering, catering, baking, cafeteria operation, printing, carpet weaving, gardening, furniture manufacture, paper recycling and car washing.

*Agro-tourism* has developed in the EU and in Greece as a form of *tourism in rural areas* and includes a cycle of activities, service provision and opportunities for leisure and culture. These are provided by farmers and generally by people living in regional areas, with the aim of attracting tourists to their regions, in order to improve their income. Agro-tourism businesses are listed according to the following categories, according to the Hellenic Ministry of Rural Development and Food:

- outlets/ exhibitions of agro-tourism products,
- agro-tourism catering and recreation centers,
- tourist offices organizing or implementing programs offering outdoor activities and tours for eco and cultural tourists,
- farms,
- businesses producing traditional products, and
- popular art workshops.

The main areas of the cooperatives’ activities are production of traditional products at the cooperative workshops and their sale directly to customers without middlemen. Main activities undertaken by the women’s enterprises are accommodation, handcrafts, food products and catering; the less common products are traditional uniforms, dried herbs and flowers.

The establishment of the women’s *agrotourist cooperatives* and the first stage of development were greatly supported by the General Secretariat for Gender Equality through subsidies and the provision of know-how and systematic training courses to

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<sup>4</sup> Data and information is also provided in: Makridi A. (2009) *The contribution of Social Cooperatives (KoiSPE) in the quality of life for disadvantaged social groups*, Diploma’s Research, Charokopeio University, Athens.



women members. Today more than 110 female co-operatives exist in Greece. According to existing studies, rural tourism in Greece is small-scale tourism developed in rural areas by cooperative firms, linked to activities such as accommodation, eating, catering, outdoor activities, tours with ecotourism and cultural interest, recreation, folk art workshops, etc. The women's enterprises are mostly small or medium size; the number of members varied, starting from 5 persons up to 25.

Findings of different research on the demographic profile of Greek rural women who are members of co-operatives in Greece confirmed also, that this type of entrepreneurial activity, is in fact, the main employment alternative source for the middle aged (the majority of the cooperatives members are between 35 and 54 years old), married woman with a low educational level who seems to have found through co-operatives the way to obtain professional identification.

The women's agrotourism cooperatives are operating mainly in agro-tourism, light industrial and workshop manufacture of goods derived from the processing of agricultural products and/or of cultural heritage artefacts as well as of organic farm products.

Research indicated that there are several types of cooperatives: the typical (produces traditional products, seeks funding from European programs for expansion), the creative (emphasize is on product marketing and they are interested in the cultural environment), the passive (they stand at the present situation of the cooperative without seeking changes), and the conservative cooperatives (produce traditional products and rent rooms).

#### **2.4. The role of the social enterprises in the work integration and the local economic development**

The basic aim of the social cooperatives of limited liability is the *socio-economic integration and vocational re-insertion of mentally ill persons*, contributing in this way to their therapy and to the greatest possible extent to their economic self-sufficiency. In the pursuit of this overriding objective, social cooperatives are considered commercial organisations and can develop and perform any economic activity in an entrepreneurial manner, providing to their members new skills through training and work experience and economy independence.

Overall, it may be said that the establishment of social cooperatives reflect the widely felt need to shift the focus of social and job integration activities from the affliction of the disabled person to his/her potentiality. That is, the needs to promote initiatives that take into account both therapeutic aspects and the development of skills and activities of the persons with special needs. In addition, they reflect the widespread tendency to create work situations where the disabled persons are mixed with the non-disabled persons, thereby avoiding the creation of traditional sheltered workshops for the disabled.

The social cooperatives can be considered, in general, as an important public policy for the reintegration of persons with psycho-social disabilities while at the same time, in some cases, it may *serve the need for strengthening the local economy*, especially in marginal or island regions, by creating new and favourable conditions for the development of innovative and entrepreneurial initiatives and for absorption of surplus of human labour in new economic activities.

In the case of the first Social Cooperative for people with mental health problems, in Leros in particular, a small island in the south-eastern part of the Aegean Sea, the economic life has been, for decades, closely linked with the existence of the large public mental health hospital. The hospital remains, even today, the largest employer on the island. At the same time the differentiation of the island's economy is confronted with its geographical isolation and with serious difficulties in any attempts for integration into the national and international markets of both products and services.

However, over the last few years, efforts are directed towards the “de-institutionalisation” of the island's economy through the establishment and operation of a support structure (unit); based on a programming contractual arrangement between the mental health hospital and local organizations, aiming to provide information, support, training and other accompanying services for the promotion of initiatives relating to local development and to new economic activities. The most important project of the support unit has been the establishment of the first social cooperative in Greece, on the basis of the new legal framework, mainly through the encouragement, mobilization and support of the various groups (stakeholders) that constituted the partnership or the cooperative.

In this case, the social cooperative can be considered, as an important public policy not only for the reintegration of persons with psycho-social disabilities, but also at the same time, it serve the urgent need for the restructuring of the island's economy, by creating new and favourable conditions for the development of innovative and entrepreneurial initiatives and for absorption of surplus of human labour in new economic activities.

The aim of agro-tourism, as defined by the EU and Greek agricultural policy, is to contribute to a reversal of the climate of abandonment pervading the countryside, particularly due to the shrinking of agriculture, and to create favorable conditions for the development of new entrepreneurial activities. *Through the mobilization of local resources* (human, natural, financial), an attempt is made to set into operation a mechanism of *local development* through a total planning process. Additional objectives of agrotourism include:

- Placing tourism development under the control of the interested community, and ensuring a balanced development of tourism, via the local population;
- restoring interpersonal communication, and the harmonious relations between visitors and Greek farmers, with mutual cultural benefits;
- strengthening environmental protection and providing opportunities to tourists to become acquainted with the rural life of the country and
- encouraging a parallel growth of specialized forms of tourism, such as ecological, archaeological and educational.

Agro-tourism is an innovative operation in Greece, that is not bound to providing accommodation and catering services, but also gives the local community the opportunity to develop, maintain its folklore, bring back to life long-forgotten skills and crafts and produce traditional products (woven items, embroidery, preserves, jams, pasta, aromatic herbs etc). It also helps in the revival of local customs and the organization of traditional events. In general, the agrotourism cooperatives contribute to the local economic and social development. In achieving the ambitious aims of agrotourism, the contribution of women's cooperatives is of primary importance.

Rural tourism appears to be the most attractive field for rural women. It may undoubtedly be said that such initiatives reflect new ways to *satisfy social needs* (upgrading the social status of women living in rural areas) while at the same time become *sources of new employment opportunities* (and thus generating income not only to the members themselves but to the wider local community). Small-scale enterprises in rural tourism seem to be better suited to the reality of the countryside and the profile of women entrepreneurs. Also, small-scale rural tourism businesses are the best way for women to enter the labour market. Rural tourism and the promotion of local cultural particularities are sectors that provide growth prospects for business activities by women in the countryside. Given the reduction of agricultural incomes in the last decade and the decreased employment opportunities in the countryside, the motive of creating additional family income, and the need for professional activity and socialisation outside the home, rural women turned their interest to jobs that utilise 'the knowledge and skills accumulated in the family and local community'.

### **3. Organisational and management characteristics of social enterprises**

#### **3.1. Legal structure of the social enterprises**

The Greek Law No 2716 of 1999 concerning the "Development and Modernization of Mental Health Services", provides among other things, for the formation of *Social Cooperatives of Limited Liability (Koi.S.P.E.)*, which are legal entities of private law. The social cooperatives, as provided by article 12 of the above mentioned law, are a specific cooperative, given that apart from being basically productive and trade oriented organizations are being considered at the same time Mental Health Units (helping to overcome difficulties with the employment of the disabled, especially for people with mental health problems) supervised by the Ministry of Health and Social Solidarity.

Note should be made of the fact that there is a restriction with regard to the number of Social cooperatives that can be established in each Mental Health Sector –"catchment" area, which is usually geographically based: that is, in each Mental Health Sector, usually covering one Prefecture, only one social cooperative can be established.

The social cooperatives have autonomy in decision-making through their democratically elected organs. However, the state (and in particular the Ministry of Health and Social

Solidarity) has supervisory powers with regard to the legal aspects of its operation, while it monitors the development of social cooperatives.

Overall, the legal framework of social cooperatives resembles to a certain extent to the existing framework provided for the agricultural and urban type of cooperatives established in Greece. For, it provides for the formation of an organization which possesses the following distinctive features: it requires the joint effort of individuals with a common purpose or problem; it aims at the realization of a mixture of economic and social objectives; it is not under state control but under collective control and democratic management through.

Summarizing the legal framework for the Social Cooperative, a KoiSPE has the following characteristics:

- independent legal and tax status as a business, trading with limited liability
- retention of supervision by the Ministry of Health
- permission to carry out any economic activity
- exemption from corporate taxes except VAT
- three categories of members: people suffering from mental illness (>35%); mental health professionals (<45%); other individuals and sponsoring organisations (<20%)
- two of the seven-member board come from the user category
- users may earn a wage without losing their benefit payments
- each member buys one voting share (typically worth €175) and may also buy additional non-voting investment shares

The legal framework used for the formation of the first *agrotourist cooperatives* was the existing at the time antiquated general framework for cooperatives (i.e. Law 921/79) which did not give much freedom to pursue social objectives neither to have a relative autonomy from the State in the management of the cooperative.

However, the establishment of agrotourist cooperatives by women became possible only after the abolition of institutional restrictions which until 1982 allowed only women who owned land for cultivation to be members of an agricultural cooperative. The enactment of Law 1257/82 for the restoration of democratic management and operation of cooperative organizations abolished such restrictions and thus allowed for the formation of women's agrotourist cooperatives.

Law 1541/85, substituting Law 921/79, gave the agrotourist cooperatives a much better legal framework to develop further. It can be said that the establishment of women's cooperatives constitutes in Greece the first and singular structured model of the "social enterprise" type. Furthermore it may be said that this specific kind of cooperative constituted a "pioneer" initiative in this kind of activity even for E.U. standards.

This legal framework that came into force in the mid-'80s gave rise to the reorganization of the agricultural cooperatives on a new basis and to an increase of other kind of cooperatives such as: consumers' cooperatives, employees' credit cooperatives, small-size manufacturers cooperatives for trade purposes, etc. However the majority of these

kinds of cooperatives have been more trade orientated and less so productive. Amongst the productive cooperatives one could single out the cooperatives of special purpose which are manifested in the agrotourist cooperatives established mainly by women in rural areas with potentiality in tourism.

The legal framework that provides for the formation of such cooperative enterprises is Law 1541/85 and Law 1667/86. These two relatively recent laws introduced in the existing legal framework for cooperatives the social purpose, for the first time, attributing to it equal weight as that of the economic purpose.

Law 1541/85 foresees the establishment of agricultural cooperative organizations which are legal entities of private law and are basically productive and trade oriented. Law 1667/86 regulates the establishment of “urban” cooperatives which are also legal entities of private law and can be distinguished into different categories related to the kind of activity, i.e. productive, consuming, supplying, crediting, transportation and tourism. “Urban” cooperatives are not to be involved in agricultural activities, since this is an exclusive area of the agricultural cooperatives. Among the objectives and activities of both kinds of cooperatives is the social and cultural development of their members, the fulfillment of social needs, the professional training of their members and in certain cases the expansion of social tourism, etc.

As mentioned above, the cooperatives are not private enterprises, but legal entities of private law. As such they have a relative autonomy in the decision - making in relation to the management and administration of the cooperative through their democratically elected organs. However, the State (and in particular the Ministry of Agriculture and the Ministry of National Economy) has the supervision with regard to the legal aspects of its operation, the managerial and accounting control, while it cares for the development of cooperatives.

### **3.2. Organisational and management structure**

Regarding the *Composition of membership*, the potential members of the *Social Cooperatives of Limited Liability* are divided into three distinct categories:

- The mentally ill persons, above the age of 15 years old. It is obligatory that the persons of this category represent at least 35% of all members of the social cooperative.

Mentally ill, aged 15 and above, irrespective of diagnostic category, the stage of illness and their residence without the requirement of them being capable of legal transactions or not. The members that fit in this first category constitute 35% of the total number of members. These members can be employed by the Koi.S.P.E. and get paid according to their productivity levels and time of work. In the event of them receiving some form of pension, allowance or other form of benefit, they do not lose these benefits but continue to collect them concurrently and in addition to their Koi.S.P.E. salaries. If they are not insured, the social cooperative provides insurance for them in the respective insurance agency.

- The mental health professionals and, in general, those working in the area of mental health. Members of this category cannot exceed the upper limit of 45% of the total number of members:

Mental health personnel like psychiatrists, psychologists, nurses, occupational workers, trainers and other mental health professionals. Public servants, psychiatrists or psychologists working at the NHS. (National Health System) can also be members of the Koi.S.P.E. The members of this second category should not be more than 45% of the total number of members. These members can work at the social cooperatives full-time or part-time. Specifically, the Koi.S.P.E.-members that work in a Mental Health Unit (MHU) of a Mental Health Sector that collaborates with that particular social cooperative can work concurrently in both services (MHU and the Koi.S.P.E.) or be internally transferred to that Koi.S.P.E. In case they are internally transferred they do not get paid by that Koi.S.P.E.

- Other persons as well as legal entities of public or private law. Agencies and organisations such as local authorities, hospitals, public organisations, etc., as well as individuals such as: unemployed persons, persons from other vulnerable social groups, etc. Membership of this category cannot go beyond the upper limit of 20% of all members of the Koi.S.P.E.

It should also be stressed that all social cooperatives are based on the principle of democratic management, which in turn is based on the clause ‘one member-one vote’. In general, the legal form of cooperatives, used often in Greece by Social Firms, helps to implement democratic participation and empowerment of the users. They are shareholders and therefore in the position to influence the structure and decision making. There are regular monthly meetings to deal with practical issues of running the firm. There are also twice yearly official meetings to decide on financial matters such as how to divide the income between necessary investments and additional individual earnings on top of the regular pension schemes which are normally paid to the disabled employees.

Regarding the *organisational aspects and the management*, the managing bodies of the Koi.S.P.E. are the following:

- a) the General Assembly, which is the highest decision-making body for all matters concerning the Koi.S.P.E., composed of all its members;
- b) the Management Board (or Administrative Council), which is composed of seven members elected by the general assembly and which is responsible for the management and operation of all activities of the Koi.S.P.E.;
- c) the Supervisory Council which is composed of three elected by the General Assembly and which is responsible for the supervision and monitoring of the activities of the management board.

Regarding the *agrotourist cooperatives*, they are not private enterprises, but legal entities of private law, as mentioned above. As such they have a relative autonomy in the decision - making in relation to the management and administration of the cooperative through their democratically elected organs. The *organizational and management*

*structure of the agrotourist cooperatives is similar to the Social Cooperatives;* responsible for the management and operation is a Management Board.

However, evidence from different studies has showed that the major drawbacks related to the organisation and management of the agrotourist co-operative are: the misallocation of duties among its members which leads to clashes and conflicts between them, lack of expertise and skills to run the business (especially the lack of a secretary and a qualified accountant or member who understands the tax regime) as well as a low exhibition of co-operation skills. Further, co-operatives suffer from the lack of emergence and designation of capable leadership to lead and manage it.

### **3.3. Sources of funding and kind of jobs in the social enterprises**

The *Resources of the Social Cooperatives of Limited Liability* originate from the following sources:

- Funding from the Regular State Budget or the Public Investment Program exclusively for co-funding programs from the European Union or International Organizations.
- Funding from National Organizations, the Investment Program, Development Programs, E.U. or International Organizations.
- Legacies, donations and surrender the use of property
- Incomes from economic activities of the Koi.S.P.E.
- Incomes from Koi.S.P.E. property utilization

In respect to the different needs of their employees, social cooperatives (in Europe, including Greek KoiSPE) fulfill a triple function, as they provide:

- durable full employment for disabled and non-disabled workers with regular payment of wages permitting them an independent living
- part-time jobs providing additional income for disabled workers who due to a highly reduced ability to work are mainly reliant on disability pensions or social welfare allowances
- arrangements for periods of participation in vocational trainings, rehabilitation programmes and work experience thus permitting gradual accustomisation to regular work and transition into durable employment.

According the Employment arrangements and regulations in the Social cooperatives of Limited Liability, the mentally ill persons can be employed in the social cooperatives and get a salary in accordance with their productivity and the hours worked. This salary is added to any benefit or pension that the mentally ill person is entitled to receive. If the person is lacking social insurance, the social cooperative is required by law to provide social insurance coverage.

Also, each member receives, upon enrolment, a compulsory cooperative share as defined in the Articles of Social Cooperatives of Limited Liability. The cooperative share is the same and of equal value for all members. Each member has the option of obtaining up to five optional shares and legal entities of public equity or non-profit legal entities of

private equity (public or private sector) have the option of obtaining an unlimited number of optional shares, if there is such a provision in the Koi.S.P.E. articles.

The development of *agro-tourism* in Greece was incorporated within the EU strategy; the latter instituted *funding programs* for its promotion and subsidized agrotourism activities. The above-mentioned programs are: Regulation 1257/1999; the Regional Operational Programs (ROP) of the 1st, 2nd and 3rd Community Support Framework Support (CSF) and the Community Initiatives Leader I, Leader II and Leader Plus. The managing authorities for the related funds are, most commonly, the Ministry of Rural Development and Food, prefectures, regions or local action groups (Development Agencies).

According to existing studies, the majority of women's agro-tourist cooperatives received financial support during their establishment from several state authorities through various funding programmes. Furthermore, 26% of the women's agrotourism cooperatives were incorporated into subsidized programmes in order to expand their range of activities. In addition, all the corporate forms of women's agro-tourism enterprises in the sample received subsidies during their establishment. The main source of funding both for the women's agro-tourist cooperatives and the women's agrotourism companies were the Community Initiative Leader programmes (Leader I, Leader II and Leader plus).

It is worth mentioning that other programs and initiatives, which indirectly reinforce investments in agrotourism, are also being developed by the EU and national agencies, such as: the UFE/ EU program, the NOW community initiative, programs by the Hellenic Organization of Small and Medium-Sized Enterprises and Handicraft (EOMMEX), programs by the Greek Manpower Employment Organization (OAED), ECOS – OUVERTURE and INTERREG. However, according the existing research and studies, in many cases national funding as well as no funding at all can describe the profile of the small-scale agrotourist cooperatives; in general, national programmes seems to played the most important role in the initial investment of the women's agritourist cooperatives, than the European programmes.

In general, empirical research conducted in Greece has shown that financial reasons (mainly the lack of start-up capital) and the preference of women to work in teams have led to the formation of co-operations instead of individual enterprises. Furthermore, the agents involved in the promotion of self-employment amongst rural women prioritized the funding of collective rather than individual investments, which has also affected women's choices. Evidence has showed that women tend to establish small businesses and do not invest a large amount of capital, which in many cases is derived solely from personal savings and not from bank credit. Women are involved in retailing, and have small incomes and small investment demands. These businesses do not employ a large number of employees and that they grow slowly; agrotourist cooperatives don't use also a large number of seasonal workers.

Official data on revenues from rural tourism in Greece do not exist and are hard to obtain from the owners. We must bear in mind that rural tourism in Greece is a niche market



offering no more than supplementary - and thus apparently low - incomes to those involved. This is confirmed by different surveys, conducted in Greece.

The number of (paid) employees in the women's agrotourism cooperatives varied, 12.7% employ up to five women, 47.9% employ 7–10 women and 39.4% more than 10 women. The initial capital for the establishment of the cooperatives was usually small, up to 5,000 €. The monthly income gained for the type of business in this cluster is low, since for the majority it is around 500 €. As to the managers' age of the women's cooperatives were between 36-55 years old, while their monthly income is for the majority 500-1000 Euro. It is worthy of note that the women in cooperatives tend to have older age and a lower educational level, compared with the women in private tourism enterprises.

## **Part II: Current framework conditions, driving forces, barriers and future perspectives for Social Entrepreneurship development in Greece**

### **4. Historical development and background. Explanations for the development**

Employment in Greece is characterized by certain tendencies observed in less developed economies, such as high percentages of people employed in agriculture, large self-employment, large proportion of employees working in the public sector, low percentage of people with dependent employment, large size of “hidden” economy, relatively low activity rates of women, etc.

However, developments in Greece in recent years such as the contraction of agricultural employment, the restructuring and insufficient growth of the industrial sector, the restrictive monetary policies and the insufficient economic growth, the restriction of hiring by the public sector, the increase in the labour force participation of women, e.t.c. have already resulted to a considerable increase in the unemployment rate<sup>5</sup>. Besides, the implementation of restrictive economic policies in recent years, in an attempt to limit the public sector deficit, have resulted in cuts in public expenditure and especially in the social and welfare services: this together with the continuous immigration flows to Greece from the Balkans and Eastern Europe since 1990 have triggered an increase in situations of social exclusion.

Indeed, it appears that the processes which lead to social exclusion are gaining more and more ground over recent years in Greece, affecting in various ways different socio-economic groups and individuals: unemployed, people with low income, persons with physical or mental disability, former patients, prisoners, ex-prisoners, ethnic or cultural minorities, women, young persons, e.t.c. Yet, the existing forms of public provision of social, welfare and support services are inadequate to meet the increasing needs in this area, while the existing mechanisms of matching supply and demand for labour are relying mainly on traditional measures and procedures which, under present conditions, render their role insignificant.

It is generally acknowledged that work opportunities in the present unemployment situation have become increasingly difficult for certain population groups (young, women, e.t.c.) and especially for those persons with physical or mental disabilities; people with disabilities in recent years have to compete in the open labour market with the unemployed (who are frequently highly qualified) for positions traditionally filled by them in the past. As a result disabled persons tend to be among the first to be excluded from the labour market because of their physical or mental condition, since it undermines

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<sup>5</sup> Especially, in this period of economic crisis, the unemployment rate has risen from 7.2% in 2008 (September) to 12.1% in 2010 (February), according to the National Statistical Service, while for the same period the employment decreased by around 186.000 permanent jobs.

their economic and social bargaining power. Especially under the present conditions of crisis and highly competitive open markets, the prospects of persons with disabilities being taken on by the average productive firm for real training and job creation activities have been reduced drastically.

This situation of increasing unemployment and social exclusion led in improve the social policy measures and the delivery of social policy, through the adaptation to the new social problems. This direction of course, is supported by the interventions of the European Social Fund in the framework of the European social policy in general.

Especially for the *people with disability*, historically, mental health care provision - in Greece as elsewhere - was largely based on asylum-like psychiatric hospitals. In the early 1980s, with assistance from the World Health Organisation (WHO), the Greek government undertook a review of the mental health care system and developed a national policy based on the provision of comprehensive community- based psychiatric services in accordance with the WHO health for all policy. This programme was presented to the European Commission and served as a framework of actions to be co-financed by the European Community. The resulting Council Regulation (EEC) 815/84- Programme “B” provided for an exceptional financial support to Greece in the social field and, in particular, for the reform of the psychiatric care system. This Regulation forecasted a number of interventions such as the creation of community based services around the large institutions with a view to reducing both the frequency and the duration of admissions; the implementation of training programmes to help staff learn different models of care and thus make effective use of the new facilities; the implementation of pilot projects from which new ways of care would emerge, etc (Seyfried E. and Ziomias D., 2005).

In particular, under the influence of European Community’s Regulation 815/84, most psychiatric hospitals in Greece in the early 1990’s began to be engaged in the task of preparing mentally ill patients for social rehabilitation, including the provision of employment opportunities, as well as the provision of housing facilities which would allow the mentally ill persons to lead an independent or semi-independent life in the community.

It was in this context that a number of work integration initiatives for the mentally ill persons living in psychiatric hospitals or in mental health hostels located in the community were established in the first half of the 1990’s. These initiatives took mainly the form of either informal “productive sheltered workshops” or informal “cooperative therapeutic units”. The operation of the latter, though not based on an existing legal framework, was based on an internal regulation which provided, that it would be run by an Administrative Board composed by hospital personnel and by patients employed in the unit. In addition to these initiatives, a number of small scale productive units for the mentally ill persons began to emerge, taking the form of either “civil society” organisation or of the “urban cooperative” or “agricultural cooperative”. So, a small number of such initiatives, being characterised by a relative autonomy from the psychiatric hospitals and by an entrepreneurial orientation, employing mentally ill

persons living outside the hospitals, came into operation. However, the legal framework used by these initiatives was not flexible enough and lacked specific provisions which were required for setting up a “social enterprise”, capable of facilitating the re-integration of the mentally ill into employment and of ensuring conditions in which discrimination against them is eliminated.

To ensure the continuity of psychiatric reform in a coherent and systematic way, the Greek authorities compiled in 1998 a 10-year National Action Plan, which forms an Integrated Action Programme for the mental health reform in Greece covering the period 2001-2010. This integrated Action Programme, the “PSYCHARGOS” Mental Health Programme, aims at the de-institutionalization and the socio-economic integration of persons with mental health problems. In this framework, the need for an appropriate legal and institutional framework led to the adoption of article 12 in the Law No 2716 of 1999 which provides for the establishment of Social Cooperatives of Limited Liability, and it is designed to be conducive to the creation of alternative facilities with respect to both vocational rehabilitation and work activities geared to the needs of people with mental health problems. The provisions of article 12 have taken into account experiences from other European Member States, in particular from Italy.

Regarding the *Agrotourist Cooperatives*, it needs to be mentioned that the Greek economy is still distinctly agricultural in character and farming is the most important employment sector in the countryside. More precisely, agriculture employs 12% of the national labour force in 2010 and it is higher than EU averages. However, the devaluation of farming as a profession (a Europe-wide phenomenon), the low income earned by farmers and the worsening problem of urban unemployment, led to rapid indigenous population decline and to pluriactivity. Furthermore, the need for economic diversification in rural areas combined with the opportunities that emerged, due to increased demand for recreational amenities and quality natural products, gave rise to local entrepreneurship initiatives.

The unemployment rate in the Greek countryside is even higher amongst women particularly the young and these over 50s. This is mainly a consequence of the low level of education and inadequate working skills of indigenous farming women due to institutional practices and social structures. Their underprivileged position both in economic and social terms and their potential to contribute to the endogenous development of the local agricultural societies has attracted policy makers’ interest.

To this direction, the emerging of collective entrepreneurial initiatives in general, through the development of female co-operatives in Greece has its roots in the 1950s. More recently, in the frame of European and national policy for a living countryside, it was recognized that the survival of vibrant rural economies requires agricultural restructuring and reform. Under this approach, rural enterprises and particularly co-operatives have been encouraged and sustained in order to preserve the countryside – not just economically but also socially and culturally.

Greece, in general, is characterized by an uneven development, despite the formulation and implementation of the European Union's Regional Developmental Policy. Reasons for this situation could be the considerable differences in resources (natural, economic, human) among the areas as well as the economic "priorities" of each area. The tourism was not a priority for the vast majority of rural areas and especially for the underdeveloped, mountainous and less favorable ones. Furthermore, the focus of the Greek national tourism policy was on the mass seaside tourism.

The first steps of organized form of agrotourism was made at the beginning of 1980s, soon after the integration of country in the Common Market in 1981, where the growth of rural tourism was determined by the national policy and European regulations and laws but without concrete planning. However, the more significant development of rural tourism in Greece has started in the 1990s as a private initiative undertaken by individuals (mainly farmers) and local residents of the countryside or agro-tourist cooperatives (mainly women's). Research revealed that the majority of the women's cooperatives were established between the years 1991 to 2000.

## **5. Main barriers for the development of social enterprise sector**

According to the existing studies, as well as the experience from the Implementation of the EQUAL Community Initiative, the only organised policy intervention providing support and funds for Social Economy initiatives, generally speaking, the Social Economy activities in Greece present a great variety of weaknesses associated mainly with the lack of a relevant strong tradition and design of appropriate policy interventions. As for the initiatives that are actually undertaken, it is evident that they correspond to an infant stage of development: mistakes that are repeated; resources squandered; short duration; and inability to capitalise on the experience gained.

According to the existing studies, as well as to the experience from the implementation of the CI EQUAL, the main *problems and barriers* recorded in Greece that prevent any efforts to implement activities in *Social Economy sector and to operate social enterprises*, are the following:

- Lack of favourable regulatory and support framework for the Social Economy as a whole and for the social enterprise sector in particular.

The lack of a favourable regulatory and support framework for the Social Economy as a whole produces a negative environment for the development of any business activity by not-for-profit agencies. It also does not allow the organization and growth of new forms and schemes of social entrepreneurship such as the "Social Firm", the "Social Cooperative", although those forms are already operating in other EU member States. The unique exception is the Limited Liability Social Cooperatives provided under Law 2716 of 1999; this law calls for a series of supportive measures including tax exemptions, concession by public legal entities of the use of real estate and other assets, employment privileges granted to vulnerable social groups. The repercussions of the mentioned

absence of a general regulatory framework include a lack of funding sources and support for collaborations with the public sector, and lack of public recognition.

- Lack of support structure and counselling services concerning the everyday operation of Social Economy organizations/ enterprises. Support and counselling structure to cover the everyday operation of Social Economy agencies is a key issue for the enhancement and further development of the Social Economy sector in general, and a fundamental necessary condition in order to upgrade existing enterprises for better organisation and more effective operation. The operation of specialised Support Structures/Services is considered a fundamental factor for the development of the Social Economy and further for the creation of social enterprises. Such support structures/services will have the capability of promoting Social Economy matters, of supporting social enterprises already in operation, and of helping create new ones. In order to achieve balanced growth of the Social Economy at the national level, such support structures /services will be required to cover many needs at the local level, but also throughout the entire spectrum of social enterprises of different types, a capability that is still lacking at this time.

The need for support structure includes also the formulation of a regulatory framework ruling the operation of the Structures and the types of services offered (staff, services, know-how).

- Insufficient funding lack of appropriate alternative financial tools for Social Economy activities and social enterprises. The experience of other EU member States shows that the Social Economy and social enterprises gain substance and momentum only to the extent that they are accompanied by ambitious funding programmes, and mostly by the existence of suitably adjusted financing tools. In contrast with the majority of EU member States, Greece has a marked lack of financial support mechanisms both at the State level (absence of official programmes targeting Social Economy organizations/ enterprises as final beneficiaries) and from financial institutions (insufficiency of financial tools and institutions).

When studying modern market operation, it appears that, for each type of entrepreneurial activity, the state has developed corresponding financial support tools (Development laws for big firms, Loan guarantee fund for small and micro-enterprises, programmes encouraging entrepreneurship for SMEs etc), while the financial institutions have developed relevant financial tools as well.

Difficult access to financial resources is a crucial problem for Social Economy enterprises, which are regarded as high-risk propositions and are cut off from available finance. That same environment is also unfriendly toward socially vulnerable population groups, and unavailable in remote areas of Greece, practically excluding the latter.

- Lack of specialized and experienced key personnel, lack of appropriate educational and training tools. In spite of labour oversupply in today's market, the Social Economy sector has been facing a significant problem finding specialised manpower to cover its needs. New professional roles such as the social manager, experienced administrators of similar agencies, and regular personnel in new professional fields created by developing activities in the Social Economy, highlight the need for specialised key personnel with certified qualifications. It is quite clear that education is a significant factor for the

development of the Social Economy, as it is the most suitable means for understanding its particular characteristics, and disseminating its concepts and practical applications.

- Insufficient laws and regulations encouraging and promoting disabled persons to work in Social Economy activities. A basic feature of the Social Economy and social enterprises is the creation of employment opportunities for those persons that face the greatest difficulties to enter the labour market. In that context the greatest problem is the absence of a culture (even among professionals dealing regularly with disabled persons) that regards the disabled as capable of employment in the open labour market. It goes without saying that the disabled enjoy limited employment opportunities - less than any other unemployed group. The Social Economy ought to focus on that problem and provide some answers.

- Hindrances inhibiting the networking and representation of the Social Economy sector and social enterprises. In the modern context of market operation and development, one of the most crucial matters confronting Social Economy agencies is networking and developing alliances both within the Social Economy sector and outside. Networking is essential both in matters of negotiation and promotion, and for marketing the products and developing joint business activities and initiatives. It should however be noted that networking has remained low both locally and nationally.

- Hindrances in setting up cooperation between Social Economy enterprises and the public sector. Many local agencies, especially among the Local Government Organisations, often lend support to Social Economy enterprises and are willing to cooperate with them, since the supply of products and services contributes to local economic and social growth. This occurs in spite of the absence of any regulatory framework for such cooperation.

Regarding to the *Social Cooperatives* for people with mental health problems, the main difficulties/ barriers that they are facing at the early stage of their development, are related to the following (Ziomas D., 2008):

- Problems related to the mobilization of a wide range of stakeholders, on which Social Cooperatives' establishment is based upon to a wider range of organizations and actors from the local community;
- Issues related to the effective implementation of an ambitious business plan;
- Lack of exceptional public support;
- Lack of access to financial resources;
- Lack of managerial skills. Social Enterprises are currently having difficulty finding staff from a social work background with enough "know – how" in business strategies;
- Lack of coordination between the competent public organizations.

With regard to the *entrepreneurial initiatives of women* in rural areas, the number of businesses owned by women around the world has increased significantly over the past decade, but women still have many barriers in their attempts to participate in entrepreneurial activities mostly because of discriminative laws, policies as well as cultural practices. According to the European Union, the traditional role of women has

not changed much, given that only 37% of agricultural entrepreneurs are women while they are working 31% of the total agri-cultural working time. In Greece, the percentage of women entrepreneurs is only 15%, while in the other European countries it is much higher (about 35%).

Findings of studies on agrotourism reveal the contradictory character of agrotourism development in the country. The findings indicate that there are two main reasons for the contradictions and the distorted course that agrotourism development has taken in Greece. The first reason is related to the financial support for agro-tourism programmes and initiatives and the second reason is the lack of coherence and strategy at the national level in terms of imposing rigid criteria for financial eligibility, the creation of structures for the constant monitoring of investments and the establishment of marketing agencies.

More particular, according to different studies, the main barriers to entrepreneurial activities of women are family responsibilities, stereotypes, lack of information, consultation and appropriate training, as well as lack of funding. As a result of the above mentioned obstacles, women entrepreneurship in the rural areas of Greece is even smaller. However, keeping young populations in rural areas are of critical importance and that the family farm is the basic production unit in the countryside. The role of family in farming is very important for the economic and social survival and well being of rural societies.

Although, rural women co-operatives' have been proven to be an important factor for the long-term endogenous development of local economies, today the viability and continuity of such activities is uncertain. Co-operatives are facing pressing problems that put at risk their viability and growth. Research evidence suggests that serious problems that co-operatives face are related to the production, organisation and management, promotion and advertising of products and services, as well as the capital raising. Lack of mechanical equipment, knowledge in production matters as well as quality control, were the main areas for concern in production.

As far as marketing is concerned, the incapacity of rural women co-operatives to promote their products, which are usually sold at the co-operatives door or in the best cases in very few shops of the area or the nearest urban centre, limit their market. Most co-operatives declare their inability to widen their market not only because they do not have the adequate personnel but also because they do not have the necessary experience to find new markets. Further promotion is done through brochures or through local media and in some cases co-operatives participate in trade fairs (Koutsou et al., 2003).

Last but not least, women's negative attitudes towards loans (due to a lack of business spirit and/uncertainty) create financial constraints. These constraints combined with a lack of market planning makes it difficult for co-operatives to launch a campaign on a regular basis to promote their products and increase their production scale. In addition, the low personal income earned decreases motivation as far as the continuity and further development of the co-operative is concerned.



## 6. Driving forces for the development of social enterprise sector

Social policy in Greece has played, by and large, a residual role until very recently, mainly filling the gaps left by the family in the provision and distribution of welfare. That is, the public system of social welfare and services provision was for too long dominated by a traditional mode of functioning, mainly based on monetary benefits and provision of care in institutions, while facilities and programs for open social care and protection were hardly available. Moreover, the mechanisms of matching supply and demand for labor were also relying on traditional measures and procedures, rendering thus their role insignificant.

It was not until the beginning of the 1990's that Greece was faced with the social problems accompanying the rapid process of macroeconomic adjustment. An increase in unemployment, widespread long-term *unemployment* and marked regional differentiation in the effects on employment were and still are among the characteristics of this adjustment. In addition, the great increase of migration to Greece in that period, due to geopolitical developments in the Balkans and Eastern Europe, which continued throughout the 1990's, together with other societal developments, such as: the ageing of the population, the steady trend towards the weakening of family support mechanisms etc. triggered an increase in *situations of social exclusion and poverty*. These situations began to affect increasingly and in various ways different socioeconomic groups and individuals and, in particular: unemployed, disabled persons, ethnic minorities, immigrants, repatriated Greeks, elderly persons, low-income employees, ex-prisoners, etc. These developments have accentuated even more the serious challenges the Greek state faced in the social policy related areas.

It follows therefore that with the existing economic problems in the country and the restrictive macroeconomic policies *new approaches to job creation* and thus work integration are needed regarding both the economic activities and the operative structures in order to tackle the economic and social exclusion of certain vulnerable groups of society. A few initiatives that have emerged in Greece in recent years seems to be reflecting serious attempts - though in a partial way - towards this direction.

On the other hand, during the last few years in Greece, given the *slowing down of the expansion of the public provision of services*, in some cases due to public spending cuts in the area of social welfare, one notes that excess demand for such services is increasingly being met by the private sector. It is not so much transfer from the public to the private sector, or replacement, that can be observed, but rather the entry of private sector bodies, both non-profit and for-profit, to meet demand previously unsatisfied by the public sector. For example, childcare and residential care for the elderly are both areas in which public (including local authorities) provision does not satisfy demand and private provision has expanded to meet this demand.

Thus, a *great number of social needs* in Greece *are not met* or are met in an inappropriate manner, while the impressive record of private initiative (mainly for profit),

especially at the community level, indicates that there is a great potential for the development of social enterprises, i.e. collective private initiatives of social purpose, in the field of social services. Yet there is not at present any specific legal framework in force which allows for such development. The recent far-reaching socio-economic changes in the European Union (and beyond) have generated a search for new pluralist approaches to welfare and a re-appraisal of the role of non-statutory provision and informal provision in social policy. Furthermore, developments in the European Union following the Maastricht Treaty, raise a new challenge for the role of social policy: to act as a major force for counterbalancing the inequalities and social costs that lie ahead, while avoiding reliance on residual forms of provision. This places a high premium on *new initiatives* which promote social cohesion, while acting as the engine for development.

However, the policies pursued so far in Greece in this respect do not exhibit the rate of progress that one would expect, given the rudimentary and uncoordinated nature of public and private provision of social services in Greece. Nevertheless, the emerging - and increasingly so in the last few years - problem of social exclusion, coupled with the European Union's policy orientations in this field, have already had an impact on the competent Greek authorities and the other parties involved in social policy. There are signs that they have begun to work for new ways, forms and partnerships, which are needed especially in the context of programmes aiming at combating exclusion from the labour market.

In this sense, despite the fact that women have been in charge of enterprises in Greece for at least 30 years, *entrepreneurial activity in rural tourism* in Greece originated through national and European initiatives implemented since 1985; it has only been from the 1990s on that women's entrepreneurship has grown and become more visible. This situation is related to both the social and economic circumstances, which have improved in the Greek countryside during recent decades. However, conditions prevailing in rural areas are considerably different from those existing in urban areas, and the case of Greece could be summarised in this regard by poor infrastructure, the inhabitants' low educational level, their ageing, etc. Due to these factors, the appearance of women's entrepreneurship was delayed in the Greek countryside compared both with Greek urban areas and with rural regions in other countries. Reforms in agricultural policy and many European initiatives and policies have focused on supporting actions to enhance entrepreneurship, alongside schemes to finance and foster the creation and growth of women's businesses in rural areas, especially mountainous and disadvantaged regions, thus *changing women's role* and giving them an opportunity to take part in business activities largely similar to those traditionally performed by them at home.

As far entrepreneurial motives are concerned in general, most surveys in industrialized countries have found that both men and women have similar entrepreneurial motivation with independence and self-achievement ranking first. When it comes to women entrepreneurs, it appears that only a small part of entrepreneurial motivation is acknowledged as gender-based. Instead, "pull" and "push" factors are usually used to explain a different motivation for women to start up a business. Push factors are elements

of necessity such as insufficient family income, “glass ceiling”, dissatisfaction with a salaried job, need for a flexible work schedule, boredom, frustration. Pull factors relate to independence, self-fulfilment, and desire for wealth, social status and power. However, the situation is rarely clear-cut as both types of factors are usually combined.

Furthermore, research results of relative studies have indicated that rural female entrepreneurs are motivated to participate in entrepreneurial activities, as members of co-operatives, by their personal needs for achievement and economic independence. This suggests that undertaking entrepreneurial roles is closely related to the need for improvement of the social status of women from lower socio-economic classes located in rural areas. Thus, the preservation of the co-operations is linked not only to the overall improvement of local resources and development but also to social changes in the quality of life of rural women and the creation of equal employment opportunities. Further, participation in the co-operatives permits women to undertake entrepreneurial roles and action and thus, to find a professional identity, occupational consolidation and recognition as a self-determined working force.

*Summarising the above mentioned developments someone could support that, the great number of social needs unsatisfied by the public or private sector bodies and continuously, the needs for higher quality of social services on one hand and the limited employment opportunities in the period of economic crisis and restrictive economic policy, the high level of unemployment and social exclusion and continuously, the needs for active market policy targeting disadvantaged groups and for new approaches to job creation and integration into the labour market certain vulnerable groups of society on other, are the main driving forces for the further support and development of the social enterprise sector in Greece.*

## **7. Public/political position towards social enterprises and future perspectives**

In spite of the fact that most of initiatives in the social economy sector have sprung up mainly in response to the availability of European Union funds, their impact has been positive, especially in the provision of social and welfare services including work integration activities. This is obviously due to the fact that the existing forms of state provision in this area have been inadequate to deal with high unemployment and the emerging situations of social exclusion that Greece has been facing during the last decade. Moreover, the role of such initiatives has become even more significant over recent years, given that public social policy spending has been under control, while there is uncertainty about the outcomes of public social policy programmes and especially of employment policies and measures.

In short, it appears that many of the *initiatives which are considered part of the “social economy sector” are being gradually accorded certain legitimacy in Greece.* At the same time, the need for facilitating new forms of co-operation and partnership through

new institutional arrangements that would promote, among other things, the development of the social economy sector, has entered the political discussion in Greece. Undoubtedly, a major stimuli for this has been the EU's guidelines and recommendations on the linking of employment promotion and local development and on exploiting, in particular, the potential of the social economy sector to create jobs.

Furthermore, strengthening social economy in Greece is now considered as one of the ***main intervention axes for promoting employment for vulnerable population groups***, being included in the National Strategy Report on Social Protection and Social Inclusion. It is worth mentioning also that, largely under the influence of the 'social economy strand' of the Community Initial EQUAL, Greece is currently witnessing a growing interest in the potential of the social economy and its constituent organisations. A key driver for this appears to be the need to enlarge the range of employment opportunities to various disadvantaged population groups, as well as, the need to deliver more and better public services.

It should be noted that the '***Social Cooperatives of Limited Liability***', established and operated in Greece with aim exclusively at the socioeconomic reintegration of persons with mental health problems, ***remain the only institutionalized form of a social enterprise*** in Greece. The new elements of the social cooperatives, recognized widely, concern the following: it states that the social cooperative can serve many purposes and perform any economic activity, in contrast to existing regulations governing urban and agricultural type of co-operatives in Greece; it gives the right to mentally ill people to undertake any economic activity; it defines the membership shares allocated to each participating group; it envisages the participation of two mentally ill persons on the Administrative Board (consisting of seven members) of the social cooperative; it envisages a salary for mentally ill persons employed by the social cooperative, ensuring at the same time their right to receive any disability payments provided by the state.

However, consecutive ***governments in recent years have recognised the need to extent the Social Cooperatives' legal framework***, so as to cover various categories of disabled and other disadvantaged individuals, besides mental illness. Overall, it may be said that there is a recognized need in Greece to create the appropriate environment and favourable conditions for the development of social economy organisations, as well as better cooperation between state agencies, local authorities and social enterprises. Yet, the development of social economy initiatives depends heavily on the legislation and moreover, on establishment of intermediate support structures and adopting alternative financing mechanisms for social economy activities.

Also, there is a need to adopt appropriate functional typologies of the various forms of social enterprise organisations that exist and that might require different kinds of policy intervention. In this context, particular attention should be paid on developing a system for classification, monitoring, assessment and certification of the social economy organisations and their specific activities.

Regarding the general situation and perspectives of the women agrotourist cooperatives, efforts to define and specify the factors affecting the future perspective of the rural entrepreneurship have been proven to be a difficult task, due to a series of issues, mostly related to the various forces and impacts, in rural zones as an entrepreneurial milieu. However, a rural entrepreneur was defined as someone who is “independent, risk-taking, achievement-oriented, self-confident, optimistic, hard working and innovative”. Also, it was stressed the fact that entrepreneurship in a rural context is focused upon creating new employment opportunities, via the generation of new ventures. In this manner, the entrepreneurial initiatives in rural areas were connected with the endogenous development of local agricultural societies. Moreover, the *rural entrepreneurship was characterized as “the creation of a new organisation that introduces a new product, serves or creates a new market, or utilises a new technology in a rural environment”*. This definition emphasises the elements of innovation and creation that can be expected to affect the wider community within which the entrepreneurial activity takes place.

In Greece, agro-tourism is relatively a new policy used for the development of rural areas, in particular targeting mountainous or island regions and socio-economically disadvantaged areas, by activating their inherent potential. This developmental policy is offered as an *“alternative solution” for the country’s regional growth that will reduce under-employment* in the countryside, increase the agricultural family income and strengthen problematic local communities.

It is worth noting that the *agrotourist co-operative is one of the main sources of employment for Greek rural women* and an important factor for the endogenous development of local economies, is today faced to a number of problems. Indeed, the viability and continuity of such activities is uncertain. This is related to problems concerning mainly marketing, financial and organizational matters and the member’s lack of skills to manage and run the co-operative. To address this issue, initiatives involving mainly training are undertaken by policymakers.

Based on the participants’ perceptions, the specific training intervention has been evaluated to be effective as far as its impact on entrepreneurial skills and attitudes, co-operatives’ viability and work-family balance is concerned. Also, supporting the facilitation of network creation between the co-operatives and the modernising the co-operatives through development of e-commerce activities, co-operatives have been able to overcome the problems related to opening the market to sell their products, as relevant research has shown. In general, a crucial factor for success operation of the agrotourist cooperatives is a strategic planning approach involving teaming, a marketing strategy and operations networking at the local and regional level.

## **Part III. Measures/Policies Promoting Social Enterprises in Greece**

### **8. Brief overview of Measures/Policies Promoting Social Enterprises**

It is generally accepted that *employment policies* in Greece towards the social vulnerable groups have shifted significantly since the end of the 1990s in favour of active measures. Largely under the influence of the European Employment Strategy, the policy mix has increasingly placed emphasis on improving their employability instead of improving income support measures and other traditional passive policies. In this context particular steps have been taken over recent years to establish the individualised approach.

In particular, the number of employment promotion schemes and accompanied support actions has been on the increase over recent years, targeting on various vulnerable groups such as disabled, immigrants, unemployed individuals, ex-drug users, etc. Under the framework of certain Operational Programmes (Sectoral or Regional) of the Greek CSF, as well as under the Community Initiatives, a number of measures and actions reflect the policy mix defined as active inclusion policy in the sense that these measures entail, in particular, labour market activation programmes (including vocational training schemes) and supportive services, which involve actions such as empowerment, vocational counseling and facilitating access to basic services. Note should be made of the fact that the implementation of a range of supportive services in favour of vulnerable groups relies heavily upon the engagement of a great number of NGO's.

Regarding the *social policy*, the implications and the serious challenges posed by developments such as the persistent problem of unemployment and the emerging situations of social exclusion in the 1990's, brought to the forefront of public discussion and concern the need to adjust social policy to address the new social problems, and to move away from the traditional and antiquated mode of functioning of social welfare and service provision. To this end, efforts have been under way to improve and extent social policy measures as well as to improve the delivery of social policy, through the adaptation of the relevant administrative structures (Ziomas D. 2008).

These efforts are clearly reflected in the wide range of measures and actions presented under the successive Greek National Action Plans for Social Inclusion. In this context, one observes that particular emphasis has been placed on improving the employability of the social vulnerable groups as well as on the creation of structures providing social care to those population groups in need, at the level of municipality. Moreover, specific policy interventions taking the form of "Integrated Action Plans" have been planned over recent years in Greece for specific categories of vulnerable population groups, and which are currently under implementation. These focused policy interventions, apart from being targeted at specific population groups, are being underpinned by an integrated approach, which is expected to render these interventions, undoubtedly, more effective.

And of course, these directions are congruent with the emphasis placed over recent years by the European Social Fund as regards, in particular, the interventions aimed at addressing the needs of people with disabilities. That is the emphasis has been increasingly placed on developing a comprehensive and co-ordinated package of measures, which should form a pathway to economic and social re-integration of specific population disadvantaged groups. An Integrated Action Plan that is reflecting the abovementioned directions is the Integrated Program for the de-institutionalization and the socio-economic integration of persons with mental health problems in Greece, the so-called “PSYCHARGOS” Mental Health Reform Program.

This Integrated Action Programme, the “*PSYCHARGOS*” *Mental Health Programme* aims at the de-institutionalisation and the socio-economic integration of persons with mental health problems: a) by creating of prevention led and therapeutic mental health services and facilities based in the community or in general hospitals and b) by providing pre-training, training, employment opportunities, temporary housing, psychological support, health care, access to cultural events, etc, being based on an individualised approach. Regarding the actions envisaged to be implemented in promoting employment opportunities, the setting up of social cooperatives, among other actions, is considered an innovative measure (Seyfried E. and Ziomas D., 2005).

Overall, it may be said that this programme represents a new pathway to social inclusion for this vulnerable population group, while its coverage is spread all over Greece, facilitating participation in employment and access to services, preventing the risks of exclusion and helping the most vulnerable as well as mobilising all relevant bodies.

Regarding the *Law for the Social Cooperatives of Limited Liability (Koi.S.P.E.)*, the only relevant institutional arrangement for the establishment of social enterprises, it foresees association with legal entities of public law in order to facilitate the operation of these cooperatives. Thus, the state, public organizations, local authorities as well as their respective legal entities are supplied with goods and receive services from the Koi.S.P.E. In that case, the supply of goods/services offered can take place by contracting with the Koi.S.P.E. The above-mentioned bodies are allowed to give away to Koi.S.P.E., for the purpose of use only, assets (landed property or real estates) and any other form of facilities. Also, there is forecast for tax reductions from the Social Cooperatives; Koi.S.P.E.s are exempted from any kind of taxation, direct or indirect, except VAT.

Regarding the *agrotourist cooperatives*, the women entrepreneurs in rural areas constitute a Greek particularity, implemented and supported by a topdown national policy in the framework of the agricultural policy in Greece. Women’s entrepreneurship in rural tourism in Greece was, in fact, stimulated by the establishment of the cooperatives. In the late 1980s, the Greek General Secretariat for Equality encouraged rural women in the direction of entrepreneurship in rural tourism by means of training seminars. Starting from the little village of Petra on the island of Lesbos in 1983, this movement of women towards rural tourism developed in stages. After 1993 there was a significant increase in its numbers and activities, and by 1998 they had established a Hellenic union. By this time, no fewer than 12 cooperatives had been set up.

In the effort to promote agrotourism, the European Union has adopted and defined the criteria and principles that need to be implemented by national governments and by farmers who develop agro-tourism activities, so that they are able to take advantage of the measures offered to them through community actions. Thus, after 1998, many European projects and initiatives helped women in their activities (NOW, EQUAL, LEADER), which showed particular growth after 2000. The above mentioned programmes (especially the CI Leader) constitute the main support mechanism and source of funding, subsidizing the establishment of women cooperatives, as well as training and other activities.

Entrepreneurial success in general seems to be closely related to the motives, skills and attitudes of the entrepreneur. The ability to discern or create an economic opportunity, creativity, visionary targets, imagination, innovation, need to achieve, initiative, imagination, risk taking attitudes, co-ordination and allocation abilities, decision-making, managerial, supervising, marketing and accounting skills, trust, dynamism, cooperativeness, ability to trust and communicate, internal focus of control and problem solving are amongst the most cited characteristics of an entrepreneur in the history of entrepreneurial thought. Thus, it is not surprising that training interventions were adopted as a response to the pressing need for supporting the viability and effectiveness of co-operatives. Although the duration and mode of these training interventions can differ, their focus was two-fold: the development of entrepreneurial skills and the reinforcement of entrepreneurial behaviour.

According to the existing studies, the training programmes promoted in the framework of the European Community Initiatives, was addressed to the members of rural women co-operatives and targeted to foster entrepreneurial skills and attitudes and subtlety to help them to be more effective in achieving a work family balance. The co-operative members perceived they were lacking knowledge in management, marketing, accounting and computing, emphasizing their underdeveloped entrepreneurial, communication, decision making, team working and IT skills. This knowledge their skills as well as their attitudes referring to their self-confidence, inner control, commitment to succeed goals, risk taking, etc. were well identified as requirements for their entrepreneurial activities.

The entrepreneurship training program was part of a broader framework of interventions. This effort was supplemented by financial incentives centred on helping rural women undertake entrepreneurial roles and action and thus, to find a professional identity, occupational consolidation and recognition as a self-determined work force. Besides, training, this framework included the creation of networking between co-operatives (at national level). The target was a synergy creation through the exchange of ideas, experiences and best practices (mainstreaming). In addition, financial incentives were given for modernizing the co-operatives through their participation in e-commerce. Moreover, one of the fundamental purposes was to improve the quality of life and social integration of the co-operative members through work-family balance attainment.



Other major factor, which stimulated the development of many more agrotourism cooperatives, was the passage of Law 2810/2000 regarding the agricultural cooperatives organisations, owing to the fact that the minimum number of cooperative members was reduced from 20 to seven women. Another important factor was the initiative by many local authorities to help women by providing them with rent-free buildings to use as their business premises.

In the field of *social economy and social enterprise sector*, in Greece many initiatives (CI Employment, Local Employment Packs, CI Leader) have developed activities in the social economy and have implemented various forms of support facilitating the work of separate groups in the area of social economy.

Many different types of organizations and enterprises in the social economy sector have developed, supported by numerous agencies for creating and for the further development in order to ensure their sustainability. Despite these developments, the support structures (so, the establishment social enterprises) that have operate, had fragmented and temporary character (they operate usually for the period as was the duration of funding) and often had an informal character, given the lack of institutional / regulatory framework for these organizations and for these supportive structure.

Indeed, a number of social enterprises have developed, supported by many organizations for creating and for the further development and for their sustainability. Local agencies or support entrepreneurship structure enrolled in their action to support initiatives for the social economy sector. Among these players are Development Companies, Prefecture Departments for Agricultural Development, Research Centre for Gender Equality, associations or other stakeholders supporting people with disabilities, Prefectural Committees for Adult Education, Hellenic Organization of Small and Medium-Sized Enterprises and Handicraft - EOMMEX, municipalities, departments of the Employment Service.

In many cases, the different types of social enterprises have joined and supported by various programs such as counseling (eg Accompanying Support Services), technical support and grants (eg programs for Self-employment of Manpower Employment Organisation - OAED, EOMMEX' entrepreneurship programs, programs in the framework of the CI LEADER or Integrated Programs for Rural Development). In many cases these organisations adjusted the providing services to the specific needs of the entrepreneurial initiatives with social purpose.

An important step towards the design and development of support activities in the sector of the social economy was the implementation of the CI Equal launched in 2002. The Initiative was first referred to the social economy as a distinct field of entrepreneurship and employment (through Measure 2.2. "Strengthening the Social Economy").

*Yet, the Law for establishment of the "Social Cooperatives of Limited Liability" for people with mental health problems and the activities implemented under the CI Equal,*

***are the only organized relevant public policy initiatives in Greece aiming at promoting employment through the activities in the Social Economy sector.***

The EQUAL Initiative is funded through the European Social Fund and its mission is to promote a more inclusive work life through fighting discrimination and exclusion based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Through this Initiative was given an opportunity for participating organizations and stakeholders to plan and implement specific measures to support social entrepreneurship and to explore the possibility of running social enterprises as an important way for work integration of different socially vulnerable groups, helping to reduce unemployment, to increase employment and to try new methods to combat discrimination in employment.

Under the ‘Social Economy’ strand of the EQUAL Initiative, actions are being implemented in Greece for promoting the creation of ‘social enterprise-type’ organizations, which would facilitate the reintegration of disadvantaged social groups into the labour market.

***In the framework of the CI Equal***, a number of social enterprises were been created or supported through the activities promoted by Development Partnerships. Also, innovative tools to support social entrepreneurship were developed that can be transferred to similar situations aiming at support of social entrepreneurship. Moreover, Support Structures for Social Entrepreneurship were created (24 in the first round and 17 in second), which focused on ***piloting new instruments*** for support of existing and new social enterprises. It is worth noting that a number of elements in the organization and functioning of these structures highlight the innovative character, such as: a) provided new services and expertise gained with regard to supporting the social economy, b) new tools were utilized and new methods were applied, c) social entrepreneurial activities in new economic fields were developed, d) new personnel and managers were specialized in the field of supporting the social economy and e) the concept of social economy became more known to local authorities and to the citizens.

Furthermore, the services and support structures that operated under the Communitive Initiative EQUAL developed and embraced a number of different new, ***innovative tools***. Examples of this include the following:

- Investigating a series of crucial for the development of social economy issues such as: needs and opportunities for development of social economy and social enterprises at local level, models of best practices, organization and operation of social enterprises, evaluation and certification of social enterprises, creation of new financing tools, organization and operation of appropriate support structures, development of educational tools, etc.
- Creation of Guides for establishing and operating social enterprises.
- Develop and implement financial tools, such as microcredit tools and programs under the Guaranteeing Fund for Small and Very Small Enterprises (TEMPME).
- Promoting networking of social enterprises and development of tools for exchange of information and experience

- Development and implementation of counseling and monitoring tools.
- Development and implementation of instruments for promotion of goods and services of the social enterprises, as well as for market expansion in general.
- Development of databases

Despite these developments, the support structures and instrument that have developed, had a fragmented and temporary character (the continuity of their operation is uncertain, they usually operate just in the duration of funding); these structures often had an informal character, given the lack of institutional / regulatory framework for the social economy sector and the social economy enterprises. The fragmentation and the lack of organized support structures for social entrepreneurship in Greece in general, in order to provide integrated services in this field, requiring the need for planning and operation of such structures.

Finally, it should be noted that in the framework of the CI EQUAL a number of integrated proposals were provided regarding the design and implementation of public intervention and policy promoting the further development of social enterprise sector. These proposals regard all main issues needed to this direction, such as appropriate institutional arrangements, models of integrated support structures and services, models of new financial instruments, models of appropriate innovative tools for promotion of social enterprises' goods and services, innovative training modules, etc. The further exploitation of these proposals will help in significant degree for the development of sustainable social enterprise sector.

## **A. Reporting template: Measures/ policies promoting social enterprises**

For the identification of the measures/ policies described below we use the minimum criteria that usually are taken into account in a process of recording success practices. In particular, the identification of the measures is based on the following criteria:

***Effectiveness***: the measure has positive (quantitative and qualitative) results/ benefits for the target group, and impacts comparing with its main aim and objectives

***Innovation, Utility and social added value***: the measure addresses the needs of the target population; the measure brings (or has the potential to bring) changes/ impacts on economy and society, influencing specific socio-economic problems. Utility and added value might regard: local/ regional and/ or national economy, social enterprises, social economy sector, different vulnerable population groups, work integration purpose, labour market policies, etc.

***Transferability and further application***: main characteristics (elements) of the measure concept can be transferred to other territorial context and can be reproduced in similar circumstances responding to similar problems.

It needs to be noted that the Viability over time (this means that the measure/ practice is still in implementation) is used strong in the presentation of the (proposed) good practice (Reporting template B); however, the viability isn't used so strict for the measures presented below.

It also noted that the report on the measures which was developed in the framework of the Community Initiative EQUAL is based on the proposals of the National Thematic Network operated under the Initiative, as well as on the evaluation of the experts of this Thematic Network.

## 1. Title of the Measure: Limited Liability Social Cooperative (KoiSPE)

***Aims, objective and target group:*** The measure aims at achieving socio-economic integration of people with mental health problems. Target group is mentally ill persons; potential members of the KoiSPE could be also mental health professionals, as well as other persons (unemployed, persons from other vulnerable groups, etc) and legal entities of public or private law (local authorities, agencies, hospitals, public organizations, etc.). KoiSPE has an explicit social purpose and is also characterized by an entrepreneurial capacity: it serves the purpose of providing work opportunities and social integration of their members through the market-oriented collective production and delivery of different goods and services. It is a kind of social enterprise that accepts the concept of profitability for the purpose of re-investment and new jobs creation.

***Responsible organisation(s):*** KoiSPEs are considered as Mental Health Units and are supervised by the Ministry of Health. However, KoiSPE is not under State control but under collective control and democratic management through democratically elected organs.

***Main characteristics:*** The Greek Law No 2716 of 1999 concerning the “Development and Modernization of Mental Health Services”, provides among other things, the formation of Social Cooperatives of Limited Liability (Koi.S.P.E.), which are legal entities of private law. KoiSPE is a specific cooperative, being basically productive and trade oriented enterprises and being at same time, Mental Health Unit, serving both therapeutic and entrepreneurial purposes.

The key features of the Social Cooperative of Limited Liability are: it is a social enterprise is not non-profit organization; it has autonomy in decision-making through its General Assembly, the highest decision-making body composed of all its members; the Management Board (or Administrative Council), composed of seven members (2 of the 7 can be mentally ill persons) and the Supervisory Council, composed of three elected by the General Assembly and which is responsible for the supervision and monitoring of the activities of the Management Board. The members of KoiSpe are divided in three categories: a minimum 35% mentally ill person, a maximum 45% mental health professionals and maximum 20% third actors. All members obtain only one (1) mandatory share in the cooperative and multiple optional shares, the latter having no voting rights.

The operation of KoiSPE contribute to integration of persons excluded from the labour market (mentally ill), providing them the opportunity to regain new skills, training on-the-job, and work experience on a collective basis. Also, the operation of KoiSPE helps the majority of its members, who were patients of psychiatric hospitals, to leave the hospital and lead an independent life in the community. According the Law, all business sectors are feasible for the Social Cooperative of Limited Liability. The existing cooperatives cover in general, the service sector, as well as industrial, environmental and tourist sectors.

Main sources of funding of the KoiSPE are: funding from the Regular State Budget or the Public Investment Program exclusively for co-funding from the EU or

International Organisations; funding from national organizations, the Investment Program or Development Programs; incomes from economic activities/ sale of goods and services; donations and surrender the use of property and incomes from KoiSPE property utilization. The measure has been active in the period from 2002 (with the establishment of the 1<sup>st</sup> KoiSPE) and it continues.

***Performance, innovation and effects:*** The main innovative elements, characterized the KoiSPE are: it ensure compatibility between economic and social objectives; it empowers mentally ill people, providing them economic activities and social integration and facilitating their participation in decision-making process; it envisages a salary for mentally ill persons, ensuring at the same time their rights to receive any disability payments provided by the state; it strengthens and promotes partnership relations and arrangements; it enhances the mobilization of the local actors and the local community at large; it exploits the potentiality of social capital development at local level; it contribute to local economy through production and delivery of local products.

As direct effect of the measure, there are in action 14 Social Cooperatives (KoiSPE) in Greece, they employ around 400 persons; about 300 of the employees are mentally ill persons. Moreover, the fact that the activities of KoiSPE are located within the local community, in conjunction with the organization, regularly, by the Cooperatives of cultural events, it has led to the sensitivisation of the local society and to the acceptance of persons with mental health problems as equal members of the community.

***Perspectives:*** The Social Cooperatives at the early stage of their development are facing a number of problems, such as: the mobilization of wide range of stakeholders, needed for the establishment and operation of the Cooperatives; lack of access to appropriate financial resources and mechanisms; lack of exceptional public support; lack of managerial skills. However, this is the only relevant institutional arrangement for the socio-economic integration of people with disabilities on one hand and on other, for the social enterprise sector in Greece; its innovation aspects and the possibilities for further positive impacts and transferability is recognized at European, national and local level. It seems that the KoiSPE as innovative type of social enterprise will be developed further in the future.

## 2. Title of the measure: Network of social enterprises: Women Cooperatives' Cluster

***Aim, objective and target groups:*** The aim of the measure is to establish and to operate a cluster as network (with the participation of 15 types of social enterprises), supporting the operation of women cooperatives (mainly) and of 'productive sheltered workshops' for people with disabilities in Crete. The cluster, through interconnected actions, consists an effective supporting tool promoting cooperation between core types of social enterprises in Greece (women's cooperatives); it is expected to help women cooperatives for the promotion and publicity of their products and also for the development of a collective spirit between them. Main target groups are the women and persons with disability.

***Responsible organisation(s):*** Implemented by the Development Partnership KRIKOS (partnership of 14 organisations in Crete), ***Coordinator body:*** Heraklion Development Agency S.A.) in the framework of the Community Initiative EQUAL (2<sup>nd</sup> Round).

***Main characteristics:*** There are about 20 women cooperatives in Crete whose main activity is the production of traditional local sweets, food and handicrafts. The operation of all these cooperatives has given a solution to the unemployment problem that exists in rural and remote areas and affects especially women of low education and professional profile. The majority of the women cooperatives in Crete are small enterprises that sell their products and services in their community level. The deficiency of entrepreneurial spirit of their members, the need for modernization of their infrastructure as well as the inability to undertake innovative initiatives are some of the factors that hinder women cooperatives from finding new marketing networks. Network members, operating in a competitive local and wider economic environment, face difficulty in promotion and advertising of their products and services. They didn't exploit the potential of electronic commerce; they didn't have also a joint presence in the local economy and society.

The integrated intervention of the cluster includes: common publicity of the cooperatives' products; common promotion and sales organization; creation of a common "brand name"; settling of common services (eg common purchase of supplies in lower prices); operation of common "sale points".

The creation of the cluster is already contributing significantly to facing the problems of network members; the members developed closed cooperation between them and created a new body, as a useful tool for the promotion of members' actions. The members of the cluster had already a common coordinated presence in two exhibitions promoting their goods. Even the cluster established common stock visibility (brochure, banner) and are designing procedures for the development of electronic commerce. The measure has developed in the period July 2005 – December 2007.

***Performance, innovation and effects:*** The initial direct effect of the measure is the creation and the operation of Network-Cluster, under the legal form of non-profit organization, with the participation of 15 social type enterprises. The Cretan Economy Social Network based on the needs of social economy enterprises forms the first corporate network in the region of Crete.

The local Social Enterprise Cluster is a new way to address the needs of social enterprises; it provides solutions to problems such as: poor aware mechanisms, marketing and in general, promotion of products in the competition. The Cluster tries to face also the insufficient expertise and experience of personnel on issues such standards, quality, innovation and organization of the production process, as well as on the inefficient use of new technologies, particularly information and communication technology

**Perspectives:** The great challenge of the project was to bring together to cooperate for a common purpose all the women cooperatives in Crete. It has been a hard attempt as not all the women cooperatives have the same potential. Furthermore they have to deal with their own entrepreneurial problems, a fact that makes them consider that networking/clustering is less important. The sustainability of the Cluster is concerned as a fact, because the women cooperatives, as members of the Cluster, are already in action and don't depend from any public subsidies.



### **3. Title of the Measure: Support and Certification Centre for Social Enterprise (KEPKE)**

***Aim, objective and target group:*** The Support and Certification Centre for Social Enterprise aims at certification of cooperative social enterprises and the granting brand "Qualified cooperative social enterprise" that will certify the source of origin of the social enterprise's product (not the same products), for aiming at their further promotion and recognition.

Target group of the measure is agrotourist cooperatives (women's) and in general, all cooperatives and other organizations that activate in the social economy sector. The certification has become an important tool on the market; a license shall make the company identifiable by its customers and contribute to creation of a favorable business environment for social entrepreneurship and social enterprises. The Centre created in 2007 in the framework of the CI Equal Development Partnership Social Amphictyony.

***Responsible organization:*** Development Partnership Social Amphictyony, under the CI Equal, 2<sup>nd</sup> Round.

***Main characteristics:*** The measure is innovative for the Greek entrepreneurial environment, given the fact that there is not exist or operate some services or authority for certification of social enterprises. The establishment of such structures concerns as a critical success factors for the social entrepreneurship, this structure provides specialized services and ensures support for the sustainability of the business initiatives in the social economy sector.

***Performance, innovation and effects:*** The direct effect of the Centre was the certification of 5 women's cooperatives (210 beneficiaries in total) in Magnesia prefecture. The effects are expected to be long term, from the Centre for Social Assistance and Certification Operations - KEPKE is that it will provide a competitive advantage of the cooperatives that would have the brand; this is a means of promotion of products of the cooperative. It will also facilitate collaboration with stakeholders (eg local communities, private companies, public sector bodies and local authorities etc.).

#### 4. Title of the measure: *Incubator Natura Shop*

***Aim, objective and target group:*** The measure aims at pilot operation of Incubator for new business, in order to facilitate and ensure supporting environment for business creation by unemployed women from one of the poorer suburbs of Athens in promising economic growth areas, involving a theme park in organic and traditional craft foods. Unemployed local women have set up fifteen small firms in the theme park.

One of the successes of the measure is that it is located (with the help of local authorities) in a hundred hectare protected park with a series of lakes, canals and venues for holding events, through the collaboration with the local authority. The lakes are rich in birdlife and the World Wildlife Fund has an office in the park from which it organises many activities. This means that a lot of people visit the park to follow a range of itineraries in the park. The Incubator consists a success measure supporting the integration of unemployed people in the labour market.

***Responsible organisation(s):*** The measure was implemented in the Framework of the CI Equal (1<sup>st</sup> round) by the Development Partnership “Cooperation Plus” (“SYNEPIXEIRONTAS”).

***Main characteristics:*** An integrated support was provided to the 15 new enterprises, which include: Training (twenty women were provided with a specially designed three months training course which not only covered general enterprise development but also specific training on the organic and traditional food sector. One third of the time was spent on-the-job training in a traditional or organic food shop in the Athens area so that they could obtain hand-on experience of the business, its suppliers and its market. They also took part in food fairs in Thessaloniki and Athens), Elaboration of Business Plan, Entrepreneurial support, Configuration space for the enterprises, Decoration, Purchase of equipment, Legal advice, Tax assistance, Finding suppliers, Promotion and publicity, Connections with the wider community, Elaboration of operational regulations for the operation of the Enterprises, space for children to carry out environmentally friendly experiments. The fifteen women chosen were able to use the shop spaces and common facilities of the Natura Shop free of charge. However, they had to register as a self employed entrepreneur or company and be responsible for their income, profit or loss through the purchase and sale of their stock.

The “Natura” food centre is itself set in the attractive courtyard of what used to be the stables of the King’s summer house. These were specially redesigned to house fifteen enterprises selling different kinds of organic and traditional Greek products. There is a restaurant which offers a mouth-watering range of the best dishes from around the country. Next to it is the office for testing the official certification of the products on sale as well as the business advice centre. Finally, there is a centre for children to play and carry out “environmentally friendly experiments” under the supervision of a trained member of staff. It is being used to provide special classes and activities around recycling and other environmental issues for local schools. The measure was applied in 2004.

***Performance, innovation and effects:*** The direct effects of the measure regard to: operation of Thematic Park for organic and traditional products, 15 enterprises for

organic and traditional products, Office for control of certification of organic products, Place for creative carry out of children.

The most important innovative element of the measure may be the active involvement of the local authority and its support in the process of creation of the Thematic Park and the Incubator as a mechanism for facilitate and support entrepreneurial activities from unemployed women.

Also, the partnership between urban and rural regions set up by Cooperation Plus is exploring new ways to promote a more entrepreneurial culture, and create a supportive environment for SMEs and for promotion of local traditional products in a way that also clearly contributes social and territorial cohesion and inclusive labour markets practices.

The five regional entrepreneurial support centres set up by the municipal partners in Crete, Chios, Imathia, Metsovo and Evia also helped to select the best products and producers, to develop contacts and organise the logistics. Thus, the partnership between municipalities in urban and predominantly rural regions covering both the supply and demand for certain products is innovative; it give the opportunity to marginal regions for promoting and selling their traditional products.

***Perspectives:*** The official external evaluation of EQUAL estimates that around half the enterprises will survive under current circumstances. The women interviewed confirmed this picture.

## **5. Title of the measure: Micro credit Mechanism and Model in favour of Women Social Enterprises**

***Aim, objective and target groups:*** The main objective was the development of Social Economy Mechanisms and Structures in favour of Women Social Entrepreneurship. In this context, the aim of the measure was to face the low or no access by women of low or no income in the entrepreneurial and financial environment and to give women small funds to develop SMEs in urban, mountainous and remote areas in the Epirus through the development of Micro credit Model and mechanism. Target groups of the measure are unemployed women – future entrepreneurs, women and social entrepreneurs and local development organizations active in the social economy sector in general.

***Responsible organization:*** Development Partnership DIONI II DP by the title “Women entrepreneurship and Trans regional support system in Social Economy” in the framework of the CI EQUAL (1<sup>st</sup> Round).

***Characteristics:*** The measure (micro credit) is being developed in five regions in Greece, where the women face a high rate of unemployment, barriers for developing SME’s, exclusion, poverty and inaccessibility to financial institutes. To meet the above gaps, through the measure is developing new innovative Mechanisms, Structures, and Services and an Alternative Finance mechanism for social enterprises in the Cooperative Bank of Ioannina, in the region of Epirus (one of the poorest regions in Europe).

These activities aim at the supporting women and social economy entrepreneurship through the development of Women Social Enterprises (mainly in the field of biological and local /traditional products. Especially, two (2) Trade Houses (Multi service centers / structures for the support, promotion and certification of Women Enterprises) were established and operated and a Micro credit Mechanism and Model in favour of Women Enterprises, in the region of Epirus (one of the poorest area in Europe), was implemented by the Cooperative Bank of Ioannina “STOXOS”, to provide micro-loans to women – future entrepreneurs with favourable terms and favourable deposits.

The Micro credit mechanism consists of the following: A Micro credit Office in the Cooperative Bank of Ioannina, staffed by women specialists (trained by the responsible organization for the measure, the DP DIONI II, under the CI Equal), where information and basic business support is offered to women – future entrepreneurs (Market Plan, Business plan); Small loans in good terms are given to women; An Alliance Account has been opened in the Cooperative Bank of Ioannina, in which savers can deposit small amounts of money (up to 18.000€) in special good terms with an interest rate of 3,2%. The gathered money through these deposits is offered to Women borrowers; A Micro credit Network has been developed in this way, consisted by the borrowers, the savers, local factors and the DIONI II partners; A scientific Institute on women micro credit issues has also been developed in the Cooperative Bank of Ioannina “STOXOS” for the needs of the mechanism.

The measure was developed in 2004.

***Performance, innovation and effects:*** The implementation for the first time in Greece of a Micro credit model and mechanism for social enterprises, consists an innovative

practice in Greece. The direct effects of the measure were: Ten (10) low-interest loans for women were offered (they are not considered adequate); Gathering of 300.000 Euro deposits through the Micro credit Alliance Account to be offered as loans, when needed; Increase of the deposits in the Bank; Creation of 5 Micro credit consultants, who were especially trained in order to provide micro credit services. These 5 management staff members have been employed as micro credit advisors for 1 year (One of the members was later employed in another agency, towards local initiatives for women development); A Micro credit Institute has been developed; Participation of the depositors and the borrowers in the Cooperative Bank of Ioannina as members, by obtaining corporative shares, thus reinforcing the bank and promoting the social solidarity; Information and Sensitisation to other Greek cooperative Banks, in order to develop similar Micro credit / alternative finance products; Contacts and dissemination activities for 2000 women and Local Authorities, in the district of Epirus; Personal and group consultation services are delivered addressing to existing and future entrepreneurs; Promotion of equal opportunities in entrepreneurship; Wide publicity and constant information through the local press; An informative leaflet has been developed and is available both in Greek and English language; Low interest for loans and reluctance in starting up enterprises by the women, due to the general unfavourable economic environment.

It is an innovative mechanism and model/strategy to deliver small loans, deposits in favorable terms and entrepreneurial consultancy to women, existing or future entrepreneurs. It is an innovative activity, because in Greece there is no legislation and institutional framework for Alternative and Women Micro credit.

## B. Reporting template: Good practice proposed

Field	Explanation
Country	Greece
Name of the scheme/measure/regulation (English)	Social Cooperative of Limited Liability (Koi.S.P.E.)
Original name of the scheme/measure/regulation	The Social Cooperative is provides under Law No 2916/1999 concerning the “Development and Modernization of Mental Health Services”
Principal organisation	Ministry of Health
Implementing organisation	Legal Entities of Public Law and Non-profit organization in the field of Mental Health
Status of implementing organisation	Public, private
Source of funding	Regular Stage Budget, Public Investment Program, co-funding from EU or other International Organizations, national organizations, income from economic activities, donations
EU financial contribution	Yes
Duration of the action - Start date - And day	(8 years) 2002- continues 2002 Continues
Type of the scheme/measure/regulation	Special Legal Form
Objective of the scheme/measure/regulation	Social-economic integration of people with mental health problems
Brief description of the scheme/measure/regulation	KoiSPE serves the purpose of providing work opportunities and social integration of people with mental health problems through market oriented collective production and delivery of goods and services; it has autonomy of decision- making through its elected bodies; The members of KoiSPE are divided into three categories: a minimum 35% mentally ill persons, a maximum 45% mental health professionals and maximum 20% third actors.
Target population addressed	People with mental health problems
Geographical areas covered	National
Relevance of scheme/measure/regulation	KoiSPE has an explicit social purpose and it also has an entrepreneurial capacity
Evaluation	KoiSPE was selected as “Good Practice” in European Level; its innovative aspects and its possibilities for further positive impacts and transferability are recognized at European, national and local levels.
Future perspective of the scheme/measure/regulation	The existing Social Cooperatives at their early stage of development are facing with a number of problems; however, this is the only relevant institutional arrangement for the socio-economic integration of people with disabilities; it is the only officially recognized kind of social enterprise in Greece; it is recognized as innovative measure and it is expected to be developed widely.
Additional relevant information	Ministry of Health and Social Solidarity, site: <a href="http://www.yyka.gov.gr">www.yyka.gov.gr</a>

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