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DESK RESEARCH ON SOCIAL ENTERPRISES (SE) NEEDS AND CHALLENGES – REPORT

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WP2 - Creative phase: elaborating the vision for SE co-creation hub



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Reports on Needs and Challenges

1. Challenges and needs of social enterprises in Greece

1.1. Characteristics of social enterprises in Greece

Background of Social Enterprises in Greece

The historical background of Greek social enterprise is based on diverse yet complementary established practices and traditions, which have emerged within different and complex contexts over the last decade. More specifically, five precursors to contemporary social enterprises can be singled out: early forms of cooperation closely associated to local administrations; cooperatives; associations and non-profit organizations; charitable foundations and the Orthodox Church; and solidarity ventures. The establishment of each of these practices has not only paved the way for contemporary social enterprises but also produced several changes that have been impactful in the perception and function of Greece's collaboration, administration, local action and economy (Varvarousis & Tsitsirigkos, 2019).

More specifically, several external incidents, circumstances and periods of social turbulence such as World War II, the dictatorship of the 60s and 70s, and the economic crisis of 2010, have affected the way that social enterprises are regarded and institutionalized these present days. Different situations cause different points of view and for the case of Greece that was the aforementioned crisis over the last decade. These circumstances in the country changed the way cooperative ideals and practices were seen, thus obtaining a new meaning and forms of implementation, especially in cities Varvarousis & Tsitsirigkos, 2019).

2011, was a fundamental year for Greece, as the first law (4019/2011) regarding social economy and social entrepreneurship was approved. Concurrently, the cycle of social mobilizations, often referred to as the "movement of the squares", became an imperative social and political kick-start, leading to an expeditious increase of social enterprises. Although this was a positive initiative, Greek social enterprises are still in an early stage in comparison with the other European Countries. Even though the situation is transforming, there is at the same time an urgent need for support, in particular within the forms of skills developments, networking, finance and enabling policies (Varvarousis & Galanos & Tsitsiriglos & Bekridaki, 2017).

The SSE context in Greece

In the social economy, there are several alternatives to the concepts: "third sector", "non-profit sector", "alternative economy", "economy of the non-sector".

In spite of the enormous efforts of academics, international organizations, EU institutions,

national governments and representatives of the social economy, a universally accepted definition of the social economy is not available and still under process till present day. This occurs due to the fact that the social economy “serves” and includes various activities, many forms of entities executing these activities and sometimes various differences from other private economic operators and the public sector (EETA, 2021).

In Greece, the SSE sector is widely considered to include organizations that adhere to the following principles:

- Take part in economic and/or entrepreneurial activity
- Have a clear social purpose
- Are independent and democratic in their governance
- Reinvest profits, distribute part of them to employees and/or channel them to social goals, rather than distribute them to stakeholders as return on investment.
- Are based on collective action.

Although cooperativism has a long history in Greece, especially in relation to the agricultural and farming sector, prior to 2000 the SSE sector was exceptionally insignificant in formal terms and in numbers until 2011. One of the main reasons behind the SSE growth was the demanding socio-economic crisis that Greece faced since 2009, including factors such as a high unemployment rate, a lack of job security in the private and public sector, reduced public sector spending and state investment, and the emergence of political movements linked with the SSE. In addition, Law 4019/2011 supported the SSE sector with new institutional tools, and thus providing opportunities for informal collectives and other groups of individuals to establish their own formal SSE organizations. The specific law was replaced by the Law 4430/2016, which aimed to support SSE organizations by offering more clarity and detail. Despite these measures the SSE sector in Greece still remains small compared to this sector of other member states of the European Union. More or less (due to lack of information) the economic impact of social economy organizations was €2.5 billion in 2012 (no newer analysis could be found), which accounts for 1.4 percent of national GDP (compared to an average of five to ten per cent in other European Union countries. If the unit of analysis is restricted to the set of conditions prescribed by national legislation (L.4430/2016, see Section 1.3) on SSE organizations and follows a strict definition, then the economic impact is significantly lower, at €6.9 million in 2016 (less than 0.01 percent of GDP) (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

Types of SSE Organizations in Greece

The main types of SSE organizations in Greece, in accordance with their *entity status and/or identity* can be categorized as follows:

- Social enterprise development support: incubators, accelerators and workspaces
- Financial, funding and impact investment services organizations
- Education and research institutions
- Forums and networks

- Advisory and policy organizations
- Chambers of commerce, industry associations and business advisory bodies
- Government and local authority support structures (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017)

The main *types of services* these organizations offer are:

- Awareness-raising
- Business plan support services
- Social impact plan support services
- Access to finance
- Seed capital financing or funding
- Social Impact investing or funding
- Operations financing or funding
- Scale up financing or funding
- Educational programmes, content and methodology
- Market facilitation
- Policy-making
- Vulnerable group members inclusion support services
- Sustainable development support services (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017)

The initial division of SSE organizations covered by the below categories:

Social Cooperative Enterprises (Koin.S.Ep), which are non-for-profit entities with stated collective and social benefits purposes. Law 4430/2016 introduced the SCE legal form that fully complies with the EU operational definition. SCEs were also mentioned in the preceding law (4019/2011), albeit in a slightly different way. According to Law 4430/2016, SCEs (KoinSEp) are the “civic cooperatives of Law 1667/1986, which have as fundamental aim the collective and social benefit [...] and have *ex lege* entrepreneurial activity”. SCEs are managed horizontally by their members according to the one member / one vote principle; they do not distribute profits to members but only to employees (up to 35%) and any surplus is reinvested. Finally, their profits come only from activities of social interest and benefit. SCEs are divided into two categories, related to their special purpose:

1. Social Cooperative Enterprises (KoinSEp Entaxis)

- SCEs for the integrations of ‘vulnerable’ groups in social and economic life that integrate social groups such as people with disabilities, drug addicts, rehabilitated drug addicts, released prisoners, juvenile offenders, etc. At least 30% of both members and employees should belong to such groups.
- SCEs for the integration of ‘special’ groups in social and economic life. This refers to victims of domestic violence, victims of trafficking, the homeless, migrants, refugees and asylum seekers (for as long as their asylum application is pending), heads of single parent families, etc. At least 50% of both members and employees should belong to such groups

(Varvarousis & Tsitsigkros, 2019).

2. Social Cooperative Enterprises (KoinSEp Syllogikis & Koinonikis Ofeleias)

SCEs for collective and social benefit purposes (KoinSEp *Syllogikis & Koinonikis Ofeleias*) are defined as entities that undertake 'sustainable development' activities or supply 'services of general interest' (i.e., serving local and collective interests and promoting employment, social cohesion and local or regional development). More specifically, this type of SCE involves activities such as: the protection and restoration of the natural environment and biodiversity; sustainable agriculture and farming; direct commercial relations between producers and consumers; fair and solidarity trade; production of energy from renewable sources; and reduction of waste and sustainable waste management (Varvarousis & Tsitsigkros, 2019).

Worker cooperatives with at least three members, which are also not-for-profit

According to Law 4430/2016, the 'worker cooperative' (*synaiterismos ergazomenon*) is another Greek SSE legal form by default. These cooperatives consist of at least three individuals who collaborate in order to produce goods and services for third parties. Worker cooperatives do not have to adopt a social aim or deliver benefits to larger parts of society. They employ democratic decision-making and their profit distribution should not exceed 35% of total profit, as is the case for SCEs. However, worker cooperatives do not have an explicit social aim; therefore, they do not fulfil all of the EU operational definition for social enterprise criteria and are excluded from the present social enterprise spectrum. The example of Greek worker cooperatives reveals some of the fundamental divergences between the otherwise similar approaches between the Greek approach to the SSE and the EU framework on social enterprises (Varvarousis & Tsitsigkros, 2019).

Limited liability social cooperatives (KoiSPEs)

KoiSPEs are explicitly acknowledged as SCEs and as a key component of the Greek SSE spectrum by Law 4430/2016. KoiSPEs were created under Law 2716/99 on the 'Development and Modernisation of Mental Health Services' of the Ministry of Health. At that time this was an innovative cooperative action to promote partnership and equal participation of individuals with psychosocial problems, employees in psychiatric units, and community institutions, people from marginalised groups, or with other disabilities, the unemployed, etc. KoiSPEs are at the same time productive/ commercial and mental health units, administered by the Mental Health Department of the Ministry of Health. Unlike other types of cooperatives where membership is usually composed of a single stakeholder type and other types are optional, KoiSPEs require *ex lege* wider stakeholder participation, consisting of three main categories: mental patients (at least 35% of members); workers in mental health unit workers (up to 45% of members) and individuals, municipalities, communities and other public or private legal entities (up to 20% of members). Each member, irrespective of their categorisation, participates in the decision-making process with one vote (Varvarousis & Tsitsigkros, 2019).

Women's agrotourism cooperatives were first introduced under Law 921/1979 and their legal status has changed several times since then. More notable changes took place under Law 1541/1985 and Law 2810/2000 that simplified the starting process and reduced the minimum number of members from 20 to 7. Women's agrotourism cooperatives were a pioneering initiative at the time, due to the fact that they proposed a new way to meet social needs, upgrade the social status of women living in rural areas and offer new employment and career opportunities that generated income not only for members themselves but also for the local community through local development. Agrotourism is viewed as a way to secure a complementary income for rural families, improve their standard of living and, in the long-term, counter rural-urban migration. The main activities of these cooperatives are: the production of products such as jams, preserves and other traditional delicacies; the processing of farm products; catering; and handicrafts such as jewellery or carpets. Women's agrotourism cooperatives do not distribute profits to their members; profits are transferred to a reserve to expand the cooperative's activities and continue supplying the local community with services related to the development of local economies. Hence, women's agrotourism cooperatives meet all dimensions of the EU operational definition. Moreover, they can be officially registered on the National Registry of Social and Solidarity Economy (NRSSE) but receive no incentives to do so (Varvarousis & Tsitsigkros, 2019).

De facto Social Enterprises

De facto social enterprises include certain legal forms that comply with the EU operational definition. Their common denominators are: 1) they are not single person entities; and 2) they are not collections of endowed funds but rather associations of persons. Greek de facto legal forms are as follows:

1. Civil cooperatives included in the new registry (following law 4430/2016) from January to April 2017.

Civil cooperatives were introduced under Law 1667/1986 and form a broader legal scheme that includes productive, consumer, supplier and credit, tourist and transport cooperatives. They are associations with a financial purpose that target the economic, social and cultural development of their members. In addition, the law explicitly is referring to the improvement of the quality of life of their members through collaboration and teamwork. Each member participates in decision-making with an equal vote. Law allows profit distribution among members. Only civil cooperatives that modify their statutes to clarify and identify the pursuit of a social goal and limit profit distribution can be regarded as social enterprises based on the EU operational definition (Varvarousis & Tsitsigkros, 2019).

2. Agricultural cooperatives

Agricultural cooperatives were introduced under Law 602/1915. Their profits can be shared amongst members and they do not have to set any social aim by default. More specific, due to their cooperative nature, they include in their processes, elements of democratic and inclusive governance. Agricultural cooperatives do not usually meet the threefold structure criteria set by the EU operational definition of social enterprise. However, due to recent changes in Greek legislation and the incorporation of operational criteria, which to a certain extent match those of the EU, Greek agricultural cooperatives can be included in the SSE spectrum if they incorporate a social dimension and set profit distribution limits. In fact, there is already one example of a traditional agricultural cooperative in the country that incorporated these changes and, as a consequence, is now included in the official list of Greek social enterprises (Varvarousis & Tsitsigkros, 2019).

Legal forms in the 'grey area': There are two types of legal forms that cannot be fully regarded as social enterprises according to the EU operational definition and therefore constitute a grey area in the social enterprise spectrum:

1. Associations and civil non-profit companies (AMKEs, Αστικές Μη Κερδοσκοπικές Εταιρείες)

AMKEs cannot be fully regarded as social enterprises because they cannot undertake *ex lege* entrepreneurial activity. Furthermore, both legal forms fall under the Civil Code and are explicitly excluded from commercial law. Any economic activity that they may develop can only support the implementation of their aims and profit making is prohibited. Therefore, they do not fully meet the economic criterion of the EU operational definition (Varvarousis & Tsitsigkros, 2019)

2. Foundations

Foundations are also excluded from the social enterprise spectrum since they are collections of endowed funds and not associations of persons. Furthermore, foundations do not have to follow any principle of democratic or inclusive governance, even though in some cases they can develop procedures that enhance the participation of stakeholders affected by their activities (Varvarousis & Tsitsigkros, 2019).

Non-formal SSE initiatives, without a legal form

This category consists of self-organized, grassroots, locally based, democratically and participatory planned initiatives. Examples include networks 'without middlemen', social kitchens, social groceries, time banks, exchange bazaars, solidarity education entities, hackerspaces, free software initiatives and self-organized social spaces that involve some sort of economic activity (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

Mapping

The recent recognition that social enterprises have attracted in Greece, has created an increase in databases of official and unofficial statistics and reports, which even though have flaws,

constitute reliable sources of knowledge about this field. In accordance with the EU criteria, the total number of Greek social enterprises is estimated to be 1,148. The majority (984) are SCEs for collective and social benefits purposes (*KoinSEp Syllogikis & Koinonikis Ofeleias*). More specifically, most Greek Social Enterprises are reported to be founded after 2011. As presented in the following table, there was a continuous annual increase in the number of social enterprises in the years between 2012 to 2016, ranging from 20 % to 219 % in 2013!

Comparative data overview of Greek social enterprise characteristics 2012-2016

Year	Number of social enterprises	Number of social enterprises that submitted annual report	Number of employees	Annual turnover (in million EUR)	Growth rate (number of entities)	Workforce (% of vulnerable groups)
2016	899	374	1023	10,1	28%	37.71%
2015	701	335	986	8.7	20%	31.58%
2014	583	214	639	6.4	57%	30.75%
2013	371	44	114	0.595	219%	5.8%
2012	116	2	1	-	-	-

Sources: Retrieved from "Greece: Social and Solidarity Economy" Report, British Council.

This remarkable rate decreased in consequent years but continued steadily above 20% until 2016. The above numbers indicate the phenomenon's dynamism in Greece. In spite of the small-scale size and the annual modification, Greek social enterprises include a broad spectrum of economic activities. Furthermore, Greek social enterprises are additionally identified by members with high-level educational qualifications and women who constitute more than 60% of their total workforce. Finally, social enterprises are unevenly spread across Greece (Varvarousis & Tsitsirigkos, 2019)

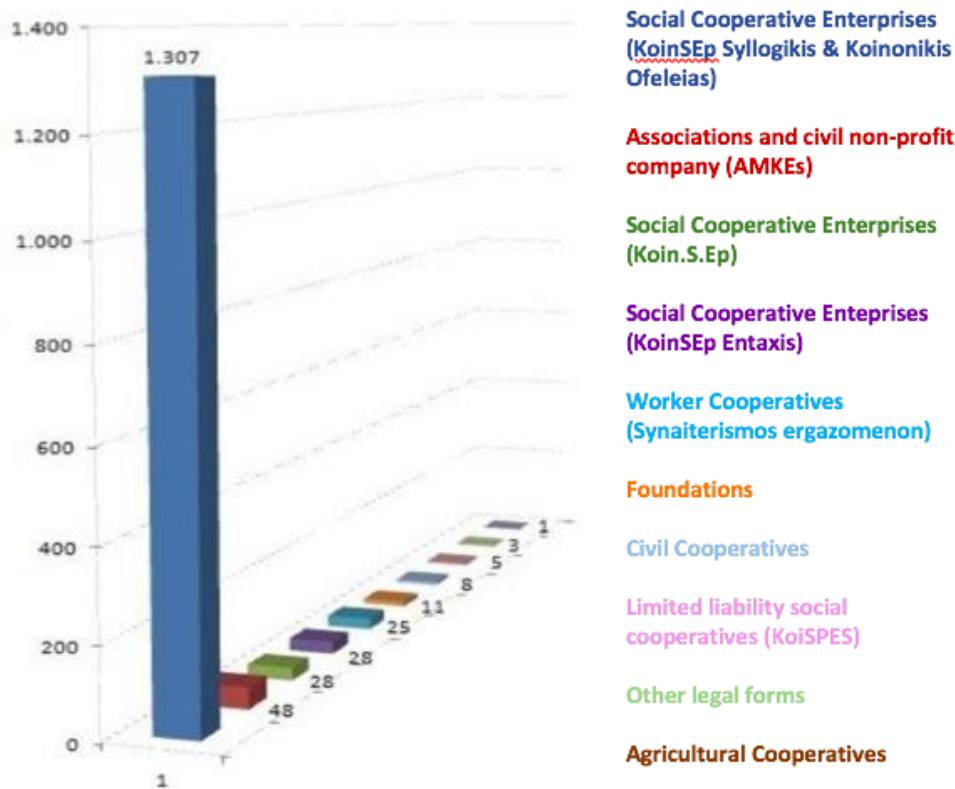
Number of social enterprises by legal form

Type of social enterprise	Number of organisations
SCEs for collective and social benefit purposes (<i>KoinSEp Syllogikis & Koinonikis Ofeleias</i>)	984
Civil cooperatives	8
Limited liability companies (EPEs), General partnerships (OEs), Private companies (IKEs)	3
Women's agrotourism cooperatives	100
Agricultural cooperatives	1
Total	1,148

Sources: Retrieved from "Greece: Social and Solidarity Economy" Report, British Council.

The table below presents the distribution of social enterprises in Greece in 2019 according to the type of the legal form of the organization. The number of Social Cooperative Enterprises (KoinSEp Syllogikis & Koinonikis Ofeleias) refers to data retrieved from the NRSCE (National Register of Social Cooperative Enterprises) on 16 March 2017 and includes all SSE entities that were officially registered until 31 December 2016, excluding those that were officially deleted.

Chart: Social economy actors in June 2019 (Apostolopoulos & Largkovas, 2020)



The below table indicates the fields of activity of Greek social enterprises based on the Ministry of Labour's Annual SSE Report published in 2018. Data are extracted from a sample of 374 enterprises that submitted their annual economic report for 2016.

Sectorial economic activity (in order of popularity)	Percentage (%)
Education, culture and leisure	19
Food trade and processing	17
Social care	5
Tourism services	6
Environmental (recycling, reuse)	6
Business support and consultancy	4
Hospitality services (cafes, restaurants)	5
Technology, communication (web, design, print)	5
Agriculture and livestock farming	4
Health care and health services	3
Financial support and services	3
Cleaning services	3
Childcare	3
Transport	1
Other (various)	16

Sources: Retrieved from "Greece: Social and Solidarity Economy" Report, British Council.

Location of Greek social enterprises by region (Varvarousis & Tsitsirigkos, 2019)

The following table presents the fields of activity of Greek social enterprises based on the Ministry of Labour's Annual SSE Report published in 2018. Data are extracted from a sample of 374 enterprises that submitted their annual economic report for 2016.

Sectorial economic activity (in order of popularity)	Number of enterprises	Percentage (%)
Food services, production and industry	53	15
Trade	49	14
Education	38	10
Services (personalised)	36	10
Arts, leisure, sports	33	9
Administration (private)	18	5
Health services	16	4

Periphery	Percentage (%)
Attica	44
North Aegean	1
Central Macedonia	13
Western Greece	4
Western Macedonia	0
Epirus	2
Thessaly	8
Ionian Islands	2
Crete	5
South Aegean	5
Peloponnese	6
Central Greece	4
Eastern Macedonia and Thrace	6

Sources: Retrieved from "Greece: Social and Solidarity Economy" Report, British Council.

Sectors

Some of the most common sectors of activity are food trade and processing, education and leisure. These are followed by social care, recycling and tourism. Other economic sectors have approximately low representation. In accordance with anecdotal evidence, the social economy in Greece is mainly focused in the food service and restaurants, as this sector is considered a relatively safe way to make a living for short periods of time. However that doesn't indicate that SSE organizations in Greece only occupied with these sectors, instead there is a diversity and range in other industries and sectors (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

Overview of Greek social enterprise sectorial economic activity (MOL official data)

The following table shows the fields of activity of Greek Social Enterprises based on the Ministry of Labour's Annual SSE Report published in 2018. Data are extracted from a sample of 374 enterprises that submitted their annual economic report for 2016 (Varvarousis & Tsitsirigkos , 2019).

Sectorial economic activity (in order of popularity)	Number of enterprises	Percentage (%)
Services in buildings and outdoor spaces	15	4
Consultancy	13	3
Social care	11	3
Administration (public)	11	3
Publications	9	2
Advertisement	9	2
Scientific research	9	2
Waste management	8	2
Software development	7	2
Tourism	5	1
Informatics	5	1
Other manufacturing	5	1
Transportation	3	1
Other	21	6
Total	374	100

Sources: Retrieved from "Greece: Social and Solidarity Economy" Report, British Council.

Perspectives

Even if a significant number of social enterprises were operating within an inadequate legal framework prior to 2011, during the last decade we have witnessed an increase in the number of social enterprises in Greece. A recently broadened and modernized legal framework might potentially support further ecosystem growth and improvement. Existing mapping activities and annual reports indicate that the majority of social enterprises have been established within the past few years. Even though, Greek Social Enterprise ecosystem is still in its infancy, numerous social, political and economic conditions are seen as positive aspects regarding a further dynamic increase of Greek Social Enterprises (Varvarousis & Tsitsirigkos, 2019).

1.2 Models of the functioning of social enterprises in Greece - legal perspective

1.2.1 Legal definition of social enterprise and legal criteria

Legislation relating to SSE

The Greek utilization of the EU operational definition of social enterprise discloses both diversified similarities and various divergent approaches and suggestions in regards with the way that social enterprises are understood and institutionalized. EU operational definition and Greek law establish the concept of social enterprise on the base of the same threefold structure, including social, economic and inclusive governance criteria. Even though there is a respectful amount of similarities in regards with the content in the organizational models and goals, in the Greek legislative and administrative documents there is a crucial difference in the use of the term "social and solidarity economy organization" over "social enterprise". However, 'social enterprise' is a term generally used by practitioners and stakeholders. Despite the common aspects, legal typologies covered by the Greek social and Solidarity Economy are not fully harmonized with the criteria of the EU operational definition of social enterprise (Varvarousis & Tsitsirigkos, 2019).

In the Greek Legislation, the earliest reference related to the broader range of social enterprise and cooperatives is the 11th article of the 1862 constitution, which provided to Greek citizens the "right to associate", a clause that is still in force today. A considerable amount of laws with respect to cooperatives have been passed since (including many different regulations between 1984 and 1994), which some are acknowledged to have had a negative impact on the structure in general, meaning they have made things more complex and administratively burdensome (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

1.2.2 Legal Forms for establishment of social enterprises according to the local legislation (NGOs, trade company, cooperatives, etc)

As mentioned above one of the most imperative and recent pieces of legislation is law 4019/2011, in which the definition of the social economy and social cooperative enterprises in Greece was conducted and included for the first time. This law incorporated the social cooperative enterprise (Koin.S.Ep.) as a new legal form in 2011, giving citizens of and residents in Greece the chance to establish cooperative enterprises with a social purpose. Three types of social cooperative enterprises were prescribed by this law, depending on the pursued aim; the social cooperative enterprises for integration, the social services' social cooperative enterprises and the social cooperative enterprises with a collective and productive purpose whilst raising the profile of the SSE. Although, this legislation received some criticism for its focus and scope and for being excessively bureaucratic, an crucial aspect that came out of the L.4019/2011 was the creation

and introduction of the MoL Registry for Social Cooperative Enterprises(Koin.S.Ep) and Social Cooperatives of Limited Liability(Koi.S.P.E) wherein all organizations were being recorded (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

In October 2016, Greece introduced a new law 4430/2016, which elaborated on the "Social and Solidarity Economy and the Development of its Actors". The legislation imported a new framework for diverse types of organizations or enterprises that were having a clear collective and social impact and influence, while also addressing a social need. This has as a purpose to supersede and improve on previous legislation, including law 4019/2011, which is no longer in force. With the L.4430/2016 a number of obstacles have been addressed, focused also to the spirit of the law. Since 2016, SSE organizations are not being defined in terms of their legal form, but instead by their legal status (i.e., any legal form may qualify as an SSE organization, as long as it satisfies the criteria set forth by the law). Furthermore, these criteria concern entrepreneurial activity in the private market (revenues from public bodies should not exceed 65 percent of total turn- over within a three-year period), democratic governance (one member – one vote), and a well-defined social purpose with profit allocated to collective and social benefit (up to 95 per cent of yearly profits) (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

The law 4430/2016, which replaced former Law 4019/2011, pertains to Greece's SEE and the involvement of its actors. This specific law does not certainly present the social enterprise as a distinct legal entity, rather it recognizes three different legal forms that define the country's SEE sector by default. From these three, only the two comply with the EU operational definition: social cooperative enterprises (SCEs) and limited liability social cooperatives (KoiSPEs). Additionally, the law inserts a set of operational elements that extend the SEE spectrum to include further organizations as long as they fully meet given criteria (Varvarousis & Tsitsirigkos, 2019).

Even though the Law 4430/2016 is not fully compatible with the EU operational definition for the SEE Sector, it has created a new ground for the establishment and the increase of Greek Social Enterprises. On the one hand, the law pursued the unification of the SSE spectrum by creating a more flexible environment when choosing the most suitable legal form based on each social enterprises' needs. On the other hand, it extended the definition and meaning of 'social aim' in order to insert a series of activities for the general public as opposed to being exclusively aimed at the attention to vulnerable and/or special social groups. At last, for the first time in Greece, there was an introduction of operationalized terms such as 'social innovations' and 'social impact' (Varvarousis & Tsitsirigkos, 2019).

1.2.3 Special Registration procedure of social enterprises (if any)- where, how, why

One of Law 4430/2016's most crucial and yet controversial aspects is its partial departure from the mindset that links the SSE and therefore the social enterprise sector with specific legal forms in favor of following a more operational, criteria- based logic. More specific, as stated in Law 4430/2016, there is no need for an entity of almost any legal form to change its status in order to be part of the official SSE spectrum and register on the NRSCE. What is required is compliance

with the criteria below. In accordance with the Greek Governmental representatives, this was a big step towards the integration of all potential SSE actors under the same legal framework (Varvarousis & Tsitsirigkos, 2019).

More specifically, the following five operational criteria were stated in Law 4430/2016:

Aim

- Establish activities of collective and social benefit.
- Advance economic activities and achieve social benefit through horizontal and equal networking with other SSE organisations (Varvarousis & Tsitsirigkos, 2019).

Governance

- Inform and assure the participation of members through a democratic decision- making system.
- Implement the principle of one member one vote, regardless of each member's capital investment (Varvarousis & Tsitsirigkos, 2019).

Economic equity

- Maximum wage does not exceed more than three times the minimum.
- From the second year of operation, the organisation should have an annual salary charge of at least 25% of its previous year's turnover (Varvarousis & Tsitsirigkos, 2019).

Profit distribution

- 5% for the formation of a reserve for SSE actors.
- Up to 35% distributed to employees as an extra salary regardless if they are members or not.
- The rest is available to produce new jobs or broaden productive activity.
- Non-employee members of the organisation are not designated to profits; therefore, no provision is accessible for dividend distribution based on cooperative shares.
- The members of Civil Cooperatives that have been recognised as SSE actors, upon their request, are entitled to the distribution of any surplus resulting from the cooperative's transactions with its members. The surplus is kept in a separate account (Varvarousis & Tsitsirigkos, 2019).

Eligible membership

An SSE actor cannot be established and is not directly or indirectly governed by legal entities that are officially connected with local authorities or another public sector legal entity.

- Members of a KoinSEp or worker cooperative cannot be members of another KoinSEp or worker cooperative with the same activity (Varvarousis & Tsitsirigkos, 2019).

1.2.4 Special benefits for social enterprises provided by legislation (for example- tax benefits, reserved tenders, right to use public property, special grants, impact funds for SE, etc).

The recognition of sources of income is an essential matter for any of its operators Social Enterprises in Greece. More specifically, there are the SEs entities, that are registered in the register of YPEKKA and the entities that are not registered but obtain a legal form, and derive their income from transactions, while many of the informal bodies are supported by donations and membership fees. The main sources of the SEs income are from the general public and the private sector. It is recognizable that transactions with the public sector are a significant smaller source of income. Social and Solidarity Economy (KALO), [ai1] are entities that are registered and form the only type of entity that declares this option as its sole source of income. Furthermore, revenue from grants is a relatively small percentage of total revenue, and such grants are more likely to be given by independent sources rather than the government.

SEs organizations have the tendency to cooperate with a variety of organizations in a range of activities that are not just about securing income. Some of the most common types of agencies that SEs organizations work with are municipalities and regions, followed by civil society organizations and universities. Thus, it is noticeable that even though most transactions are held by the support of the general public and the private sector, a very large part of their meaningful work, which is a product of collaboration, is accomplished with the local government, civil society organizations and educational institutions. Additionally, a significant number of SEs cooperate with international organizations.

The entities that are not registered with the Ministry of Foreign Affairs, are more likely to have worked with municipalities, civil society organizations, universities and international organizations. This may indicate that the latter are more established and have more potential than those who are registered, while it could reflect the greater dynamism in the range of activities they undertake. As would be expected, informal entities are more likely to interact more with other civil society organizations and less with formal actors (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

Tax exemptions / advantages / benefits

KoiSPEs were exempt from paying corporate taxes until 2013. However, a circular published by the Ministry of Finance in 2015 clarified the content of Law 4172/2013 and KoiSPEs lost these benefits. At the moment they are being taxed as regular civil cooperatives. SCEs, according to Tax Laws 3986/2011 and 4172/2013, are exempt from paying business tax. Moreover, SCEs are exempt from the taxation of profits distributed to employees. Business tax exemption is valid additionally for agricultural cooperatives that are not regarded as *ex lege* but *de facto* social enterprises in Greece if they fulfil the operational criteria of Law 4430/2016. None of the other legal forms identified in the previous section enjoy tax exemptions, advantages or benefits (Varvarousis & Tsitsirigkos, 2019).

Non-distributed profits

No tax exemption is foreseen in relation to non-distributed profits (social enterprises pay the same taxes on profits as all other enterprises).

VAT rate

No exception VAT rate is foreseen for any Greek social enterprise.

Indirect taxes

SCEs are exempt from registration taxes according to the Ministry of Labour's Ministerial Decision 61621. Similarly, no registration or annual tax should be paid by any entity, irrespective of its legal form, in line with Law 4430/2016's criteria regarding SSE legal status, and can be consequently registered in the Ministry of Labour's Greek SSE Registry.

Benefits from exemptions from the payment of indirect labour costs

No benefits are foreseen for the majority of social enterprises apart from the following exceptions—according to Law 2716/1999 and Law 4430/2016, employees of both KoiSPEs and SCEs who come from vulnerable groups can keep accepting their social benefits alongside their salary.

Tax / fiscal benefits granted to donors for donations gave to a social enterprise

No tax or fiscal benefit is granted for donations made specifically to social enterprises. If social enterprises accept donations, they have to follow all of the provisions that exist for other companies.

Tax / fiscal benefits granted to start-up activities

Social enterprises receive no tax or fiscal benefits granted to start-up activities.

Possibility that taxpayers allocate a percentage of their taxes owed to the state to a social enterprise

According to the Greek taxation system, taxpayers cannot allocate a percentage of their taxes owed to the state to a social enterprise (Varvarousis & Tsitsirigkos, 2019).

1.3 Review of available research carried out in partner country in the three identifies areas**Labour Characteristics**

Social enterprises in Greece can combine both financial and non-financial resources, volunteers and paid employees. However, the activity carried out in social enterprises request a minimum level of paid work. Paid work in social enterprises can take many innovative forms. More specifically, many social enterprises have presented informal forms of employment: absorption

into employment programs, development of semi-voluntary work, part-time employment, etc. What is noticeable is their ability to mobilize volunteers among whom it is quite common to identify the "role of entrepreneur". Volunteers consist of a significant percentage of all employees. This type of work is recommended at the start of the operation of the enterprise in order to save resources from the cost of the initial investment. What is notable in the Greek social enterprises and especially in cooperatives, is the willingness of employees and members to make short-term sacrifices by absorbing any damage that may arise to enable the enterprise to survive (Apostoloudi, 2011).

Even though social enterprises in Greece have been criticized for their tendency to create jobs that are very low paid, its contribution extends beyond simply creating jobs. Since social enterprises are related to the development of a Community economy, its programs focus at improving the efficiency of all forms of work, paid or unpaid, monetary or "in kind", by strengthening and assisting various forms of creative activity in which locals can be employed under any employment regime. In addition, the contribution of the social enterprise includes its participation in the bolstering of the vocational training and development of personal skills (Apostoloudi, 2011).

Furthermore, the traditional position of the employee can be "enhanced" when employees are recognized as members with the right to participate in the management of the social enterprise, having the chance to control and participate in the decision- making process as well as decision-making bodies (Apostoloudi, 2011).

Some of the characteristics of social enterprise in relation to employment can be summarized as follows:

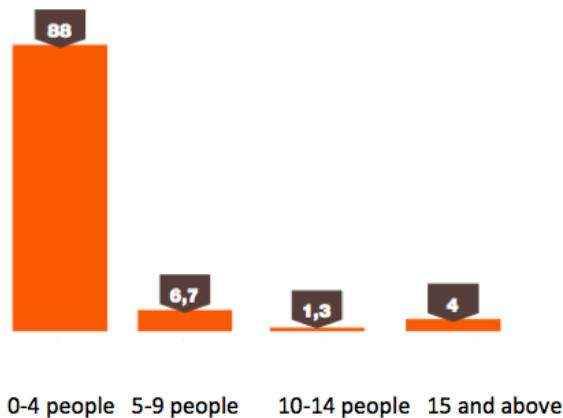
- They integrate people from vulnerable social groups in the labor market.
- Train and restore the work skills of employees.
- Promote equality and employment diversity by combating all forms of discrimination.
- Develop the creative and productive abilities of individual employees.
- Social actors can enter the market through labor-intensive activities (and to a lesser extent capital-intensive).
- They establish a new field of cooperation between people from vulnerable social groups, public bodies at national, regional and local level of the private sector and NGOs.
- Special attention is paid to people and the quality / stability of jobs.

What is noticeable from the appendix below is that most of the social enterprises in Greece employ very few people and a considerable number operate with just members, not employing a single person. This is something that varies among different sectors of economic activity: food provision, education, construction, social care and administration operate with more employees, whereas others such as publications, waste management and scientific research operate with almost no employees. This is mainly due to the Law 4019/2011, which gave the permission to the social enterprises to operate only with members rather than employees. The Law 4019/2011 had two outcomes, one positive and one negative. On the one hand, it allowed individuals to

establish cooperations and collectively try new forms of social entrepreneurship, on the other hand many of these cooperatives became or remained secondary activities for many of the participants, who did not commit, but only participated in their free time. This indicates that people may be less inclined to invest time and resources in a non-paid program and as a result, the program remains in a secondary stage or may stop. This may seem more logical to most informal entities, but it is not an ideal condition for those seeking to set up a stable body and see it expand over time (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

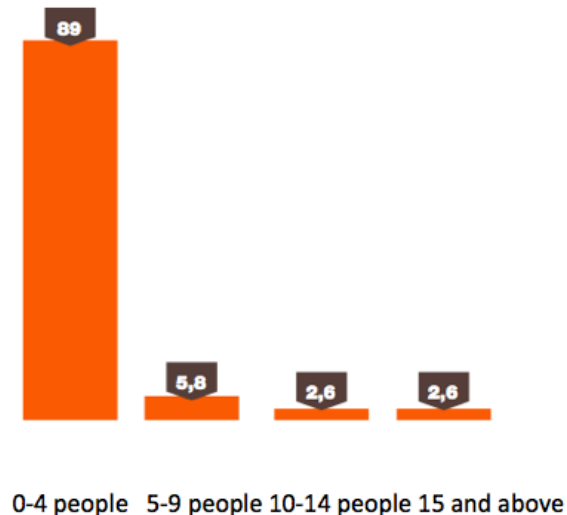
Percentage of companies with legal status employing part-time employees

(Varvarousis & Galanos & Tsitsigkros & Bekridaki, 2017)



Percentage of companies with legal status employing full time employees

(Varvarousis & Galanos & Tsitsigkros & Bekridaki, 2017)



Leadership

The Greek social enterprise spectrum is described by a series of tensions regarding its workforce. On the one hand, scientific and anecdotal evidence suggests that Greek social enterprises are a

'woman-centred' sector; women make up more than 60% of the total workforce in a large part of existing social enterprises. Participation of women in this sector is also higher than in conventional business. On the other hand, in spite of the high percentage of women throughout the total social enterprise workforce, this does not translate proportionally to women leadership roles (Varvarousis & Tsitsirigkos, 2019).

More specific, among SSE organizations, 65% of the leaders are male, which is a lower percentage than in mainstream organizations and business. The percentage of women leaders across SSE sector, and three specific organization types are:

- Organizations registered in the National Registry : 33 per cent women leaders
- Non-registered organizations: 38 per cent women leaders
- Informal organizations: 18 per cent women leaders (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017)

1.3.1 Staff recruitment, retention and internal training of SEs' personnel promoting inclusive educational approaches and mainstream practices

Although Greek Social Enterprises are in an early stage, over the last decade they have substantially developed. Nowadays various actors exist that support social enterprises, including individuals that raise awareness by promoting knowledge; advisory entities; consultancies; accelerators and incubators; funding entities; networks and trade associations; formal and informal academic and educational institutions; and support centers. Even though a few essential social enterprise support measures have already been institutionalized and stimulated, the majority of them have since suspended. Greek social enterprises that are in early development stage are in need of financial support due to the fact that their sources of income are usually inadequate in relation to their needs (Varvarousis & Tsitsirigkos, 2019).

In relation with education and training practices, there is a respectful number of newly founded institutions that promote learning and education related to social enterprise in Greece. Some of them provide the interested one with academic education, others are mainly focused on training and, another group is more informal and politically oriented (Varvarousis & Tsitsirigkos, 2019)

- The Hellenic Open University offers a two-year MSc e-learning programme (120 ECTS) on SSE.
- The Agricultural University of Athens has a specific laboratory on agricultural policy and cooperatives that provides research and education services, amongst other offerings, in cooperative economy-related subjects.
- The Department of Business and Administration in Missolonghi has a course on the management of social economy.
- The Lifelong Learning Center (LLC) of the Athens University of Economics and Business offers a one-year in-class training programme on social entrepreneurship. The programme aims its attention on both theoretical and practical aspects of social

entrepreneurship and attempts to develop research frameworks, practical business tools, and networking among social entrepreneurs, as well as methods to enhance the social impact of social enterprises.

- The LLC of the National and Kapodistrian University of Athens offers a 65-hour e-learning programme on social economy, social entrepreneurship and microcredit. The programme promotes knowledge regarding latest sectorial developments both in Greece and globally, and discovers issues related to women's entrepreneurship, civil society and legislation.
- The Social Economy Institute is a private organization and member of CIRIEC International focused on the development of social economy, social entrepreneurship and social impact investments. It supports the inception, financing, quality implementation and social impact measurement of the research and development of social enterprise projects throughout the EU.
- The P2P Lab is an interdisciplinary research collective dedicated to the study of the commons and other alternative forms of production and consumption using horizontal management.
- The People's University of Social Solidarity Economy (UniveSSE Coop) was an informal education organization until it became a social non-profit cooperative in 2017. Its purpose is to educate, train and inform people who engaged in collectives as well as other interested citizens about social and solidarity economy, the commons and direct democracy. Its main activities include lectures / public discussions, radio broadcasts and publications
- The Heinrich Böll Research Foundation fosters social and solidarity economy through a series of publications, films, training courses, open discussions and conferences, and by building up cooperation between municipalities, organisations and civil society initiatives.
- The British Council is the UK's international organization for cultural relations and educational opportunities that promotes social enterprises across 29 countries. In 2017 it conducted the largest research project in Greece in collaboration with the Greek Ministry of Labour. It gives capacity building for social entrepreneurs, convenes policy dialogues, organizes study tours and publishes reports to share knowledge and best practice in scaling-up social economy.
- The SSE Education Platform (kalomathe.gr) is an educational exchange platform for sharing knowledge, expertise and good practices between social enterprises.
- Lastly, The Ministry of Labour's Special Secretariat of Social and Solidarity Economy is the sole entity that systematically monitors Greek social enterprise development and assesses their needs (Varvarousis & Tsitsirigkos, 2019).

1.3.2 Securing of training facilities and expert knowledge on communication of SEs' impact and community importance

Concerning the Advisory and policy organizations, a few have been developed over recent years in Greece by both private and public actors, with the purpose of empowering the Greek Social Enterprises (Varvarousis & Tsitsirigkos, 2019)

- The Support Centre for Social Solidarity Economy is a very recent Greek Ministry of Labour initiative funded through ESPA 2014-2020. It plans the establishment of 15 centers during 2019 and another 74 centers the year after. The centers will function as information points outlining the SSE to the general public, as an advisory body for both existing and start-up SSE entities and as a support network for the establishment and development of new social enterprises. They are expected to have crucial impact in the SSE's further increase. They are expected to play an important role in the SSE's further development.
- Dock is an NPO that boost the SSE's visibility in Greek society and supports existing and start-up SSE organizations. It coordinates various events that promote the SSE and function as a laboratory for the creation of new initiatives.
- Social Economy Institute
- Wind of Renewal has a strategic and scientific role in synthesizing the promotion of social enterprises, involving: a cooperative and responsible economy; sustainable, effective, innovative organizations; a green and circular economy; social and environmental innovation; employment in green, social and cultural sectors; and democracy and human rights in terms of finances and social life. It consists of an information point that provide individuals and social enterprises advisory services, participates in public consultation on policy and facilitates knowledge exchange among SSE entities.
- National Observatory of Civil Society Organizations
- Social Solidarity and Regional Development Network (KAPA network)
- PROSKALO is a politically orientated, grassroots initiative that promotes the SSE through an 'action plan' for the transition towards a different socioeconomic model.

Furthermore, the National Strategic Plan for Public Procurement of 2016 sets among it aims the development of a socially responsible public procurement process. It is stated, that "through the contracts of the Socially Responsible Public Procurement (SRPP) strategy, public authorities will give to enterprises new incentives to develop socially responsible management". In addition, it reveals the creation of a 'special mechanism' for supporting these specific, socially responsible, public contracts with social enterprises. The main goals of this mechanism will be (Varvarousis & Tsitsirigkos, 2019):

- capacity building for members of social enterprises;
- to give advice on social enterprises about public procurement;
- to collect and disseminate successful examples and good practices of public procurement to both social enterprises and public authorities;
- to clarify public procurement procedures;
- to educate public authority employees that are involved in public procurement;
- to operate as observers of Greek SRPP.

1.3.3 Distribution of SEs' goods in a sustainable way visible for the community

Awareness and promotion of the social value of Greek social enterprises and their products is quite new and, as a consequence, relatively underdeveloped. Thus, the amount of data regarding retention, internal training and the promotion of inclusive educational approaches are limited. However, during the last two years, a series of new initiatives and actions have been accomplished that certify and award labels, business prizes, social reporting systems and other mechanisms, that secure the promotion of the contribution of SEs' organizations in Greece. Some of the initiatives are listed below:

- **The SSE actors EXPO**, initiated by the Special Secretariat for Social and Solidarity Economy, has been held twice, once in 2017 and then in 2018. It raises awareness of the SSE and promotes SSE organization products. The latest exhibition was organized around six themes, including energy, nutrition, technology, services, tourism/culture and the integration of vulnerable social groups. It showcased more than 150 organisations.
- **The Social Impact Award (SIA)** is an international competition facilitated by Impact Hub for the promotion of social enterprises that focus on contemporary social challenges. It was held once in Greece in 2017.
- **Fruits of Solidarity** is an international campaign facilitated by Dock, a Greek NPO that helps social enterprises to promote their products abroad. It has evolved into a network of Greek social enterprises and civil society organizations from Germany, Belgium, the Netherlands, Austria and Luxembourg.
- **The Municipal Market in Kypseli**, Athens, is the first exclusively social entrepreneurship market in Greece. It is managed by Impact Hub Greece and the Municipality of Athens. Its purpose is to "become a lever for the regeneration of the local economy, which will attract a new audience and will bring interest, products and services to locals and entrepreneurs, while offering new experiences to Athenians.
- **The Arcade Emporon** project is a cooperation between the Ministry of Labour and the Municipality of Athens to promote social entrepreneurship and its products by reopening 10 vacant shops to social enterprises for six months in the city center.

In 2017, the Special Secretariat of the Ministry of Labour started discovering actions and practices for the creation of a special logo for all the products and services produced by Greek SEE entities in order to differentiate them from those of conventional enterprises. This initiative was expected to transform things in the SEs sector and become a major step towards the consolidation and multiplication of social enterprises in Greece. However, at the moment the project remains suspended. Nevertheless, efforts have been made from few organizations that are focused in developing links between social and mainstream enterprises. One of them is Ashoka Greece that collaborates with Leroy Merlin Greece, and together they organized the programme DIY for Social Impact to promote and enhance social entrepreneurship in Greece. Additionally, there is Impact Hub Greece that has engaged in taking actions to promote social entrepreneurship in mainstream business and vice versa. At last, CRS Hellas promotes effective entrepreneurship and

sustainability in mainstream companies and establishes actions that bring social enterprises and mainstream business together. Some other organizations that support social enterprises are the below: (Varvarousis & Tsitsirigkos, 2019)

- **Athens Center for Entrepreneurship and Innovation (ACEin)** provides support across a range of areas, including business development, designing new products and services, market analysis and marketing strategies, team management and motivation, financing and financial planning, and legal support.
- **Athens Startup Business Incubator (ThEA)** contributes through a range of services, including: hosting services in modern facilities to promote entrepreneurship and collaboration; counselling and advisory services in areas such as market analysis, legal and accounting issues, business planning development and human resources; education and training; networking activities and coordination; and internal auditing of business development milestones.
- **Attica Business Innovation Centre** enhances the creation of new companies through a range of services, including: business development; technical support; access to financial sources; finding new partners in Greece and abroad; the implementation of marketing and publicity programmes; and personnel training (Varvarousis & Tsitsirigkos, 2019)

1.4. Conclusions on the needs and challenges in the three identified areas.

There are many needs and challenges identified in the sector of Social Enterprises in Greece that need to be addressed in order to simplify the process of the establishment and operation and in order to raise awareness of their value among the community. Some of the most crucial ones are the Financing one, the Training, Education and Skills and the Legislation and Regulatory Framework (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017)

1.Training, Education and Skills

Challenges, needs and obstacles

Even though the educational level of SEs leaders is high, most of them lack more entrepreneurship- oriented training, in regards with the start-up stage and after the establishment of SEs entities. The established networks of SEs are generally used as a source of information and knowledge exchange, with few members gaining personal support or entrepreneurship benefits from their participation in them. Some of the representatives of the SEs note that many challenges exist regarding lack of skills and knowledge, including (internal)communication skills, decision-making and dispute resolution skills, and general entrepreneurship and management skills. Even though Greek social enterprises cooperate with Universities, or as partners, they have hardly been integrated into higher education. As stated in the mapping study published by the European Commission in 2014, most of the SEs operators are not able to access the support mechanisms of conventional enterprises, which most of the time are available to start-ups and small and medium-sized enterprises. More specifically, few

specialized support forms, such as business incubators, mentoring, dedicated network or specialized funding and legal support are established (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

2.Awareness and Promotion

Challenges, needs and obstacles

Awareness around social enterprises in Greece is currently relatively low. More specific, there is a general lack of understanding within the wider society about Social Enterprises, and there is still a confusion with the older and somewhat discredited model of agricultural cooperatives. It is therefore crucial to educate local communities to support and consume local products, because cultivating awareness can help attract customers and enhance sustainability. This role of the consumer acquires additional importance if one considers that in the creation and sale of products larger quantities are involved (compared, say, with the provision of services). It is also noteworthy that there are emerging trade associations and related groups with specific types of Social Enterprises actors that could form stronger regional and national networks.

This would help not only to support Social Enterprises stakeholders, but also to create a database, raise awareness, promote case studies, organize events and campaigns. Although it may be too early to adopt a common brand for product identification and services of Social Enterprises, it is not too early to set up a national organization that will begin to defend the needs of Social enterprises' bodies. There is currently a lack of communication mechanisms between the networks and its collectives (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

3. Legislation and Regulatory Framework

Challenges, needs and obstacles

As mentioned above, Law 4019/2011 was renowned for its restrictive and bureaucratic nature, and finally was replaced by the Law 4430/2016. A large number of social enterprises in Greece mention being restricted by Law 4430/2016. The law creates a complex environment in the social security and taxation of social enterprises, primarily with the aim to anticipate all possible violations of the principles of the SEs. These restrictive conditions involve measures such as restrictions on the percentages of the redistribution of profit, re-investment and employability, which some are impossible to achieve - and may even put the entity itself in risk and jeopardize the sustainability of their business model. Some other obstacles relating to the Greek legislation involve other government regulation and administrative burdens. Additionally, another challenge is the lack of clear social clauses in public procurement notices, or the inclusion of social value in public sector project assignments. Most of the European countries have some form of legislation that recognizes the activity of social enterprises, either by establishing forms of social enterprises or legal regimes of the social enterprises. Most of them are less restricted than the Greek Law, although some have other conditions and restrictions. (Varvarousis & Galanos & Tsitsirigkos & Bekridaki, 2017).

2. Challenges and needs of social enterprises in EU

2.1 Review of available relevant researches carried out by the EU institutions in the three identified areas

In the European Union, social economy represents over 2,8 million organisations and entities, being 10% of European organisations. This sector offers 13,6 million paid jobs in Europe, jointly with more than 82 million European people active through volunteering. These figures illustrate the importance of the social economy sector for the European economic development. This sector has proven its capacity of resilience through the various crises that hit Europe: economic, social and financial. Social economy's capability to create job opportunities at the local level and to contribute to territories' dynamism explain its resilience (Sensenet Project, 2018).

2.1.1 Staff recruitment, retention and internal training of SEs' personnel promoting inclusive educational approaches and mainstream practices

Since the end of last decade, several institutions of the European Union have pointed out the need of public policies to boost the social economy at the European, national and regional levels. A major statement has been the Conclusions of the European Council, published on 7 December 2015, on the promotion of the social economy as a key driver of economic and social development in Europe. Another former official statement was the 'Toia Report'¹ approved in 2009 by the European Parliament. In addition, the European Economic and Social Committee (EESC) also approved several Opinions to strengthen the Social Economy during this period. All these developments reflect that the social economy is finding its right place as a constituent part and pillar of the European Social model and as a cornerstone of sustainable socio-economic development (European Economic and Social Committee, 2018).

Furthermore, In this context and also in the context of the last crisis, a new generation of public policies for the social economy have arisen during this decade. Several governments at EU, national and regional levels have expended innovative policies around Europe to enhance the development of this socio economic sector. Nevertheless, it is true that the inclusion into public policies of different types of social enterprises has been a widespread practice for decades. This latter fact has been more visible in sectoral policies such as agricultural and rural development policies, active employment policies targeting at minimizing social exclusion and territorial planning policies, urban regeneration and local development policies for instance. All of these policies have associated social economy actors in their implementation(European Economic and Social Committee, 2018)

More specific, some of the organisations promoting and supporting the development of social enterprises are listed below (European Commission, 2015):

Type	Organization
Policy makers and shapers	European Commission European Parliament European Economic and Social Committee The Organization for Economic Co-operation and Development (OECD)
	European Investment Fund (EIF) Part of the European Investment Bank (EIB) Group, the EIF is a specialist provider of finance to small and medium-sized enterprises (SME) and more recently, social enterprises across Europe. http://www.eif.org/ European Venture Philanthropy Association (EVPA) A network of more than 160 members from venture philanthropy funds,, grant-making foundations, private equity firms and professional service firms, philanthropy advisors and business schools from 22 countries committed to practicing and promoting high-engagement grant making and social investment in Europe. http://evpa.eu.com/ Toniic A global network of impact investors, both individuals and institutions with members in over 20 countries. http://www.toniic.com/
Providers of Finance	Global Impact Investment Network A global network of impact investment community (asset owners and asset managers) and service providers engaged in impact investing http://www.thegiin.org/cgi-bin/iowa/home/index.html Ashoka Ashoka is an international non-profit organisation which supports leading social entrepreneurs through business development support and facilitate access to finance (via the Ashoka Support network), and assist in scaling their impact globally. Ashoka currently operates in over 70 countries Worldwide.https://www.ashoka.org/ NESsT NESsT support the development of social enterprise across Central & Eastern Europe and Latin America through the provision of specialist professional services and support including financial and investment readiness support. http://www.nesst.org/ Impact Hub A global community of "individuals, organisations, and

Researches networks

businesses" wishing to create social impact. There are 61 impact hubs around the world, including 8 EU Member States. Impact Hubs provide physical and virtual work spaces, organise events and workshops to foster collaborative learning and run the Impact Hub Fellowship which is a topic focused entrepreneurial award and one-year incubation programme. <http://www.impacthub.net/>

Oksigen

Oksigen is composed of independent organisations, aiming to stimulate social entrepreneurship / social enterprise through the provision of finance, specialist support, research and consultancy. <http://oksigen.eu/>

Social Impact Lab

Social Impact Labs are a platform for social entrepreneurs, freelancers and social enterprises. The Labs offer an ecosystem for social entrepreneurs: physical space for working, networking and exchange, business advice and start-up support. There are currently four labs operating in Germany. <http://socialimpact.eu/lab>

The Social Entrepreneurship Network SEN

A Learning Network promoted by Managing Authorities of the European Social Fund from nine EU Member States and regions, which exchanges knowledge and experience and shares good practice in order to develop a comprehensive support environment for social enterprises through ESF funding. <http://www.socialeconomy.pl/>

EMES European Research Network

This leading research network on social enterprise gathering 13 established university research centres and over 100 individual researchers from 30 countries around the world aims to gradually build up a corpus of theoretical and empirical knowledge, pluralistic in disciplines and methodology, around 'Third Sector' issues with a specific focus on the European context. www.emes.net

European Research Institute on Cooperative and Social Enterprises (EURICSE)

Research centre designed to promote knowledge development and innovation for the field of cooperatives, social enterprises, commons and nonprofit organisations with a focus on all forms of private organisations and enterprises that pursue purposes other than profit, are characterised by participatory management models, and adopt a development approach that blends social and economic well being. Its main activities are research; training for young researchers

Advocacy and sector networks	managers of social enterprises and cooperatives; consulting services, and dissemination of research findings http://www.euricse.eu/en
	International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) A non-governmental international scientific organisation comprising of both individual and collective members from countries undertaking and promoting research, in the fields of public services, social enterprises, and the social economy. http://www.ciriec.ulq.ac.be/
	EUCLID A network of civil society actors dedicated to help build an enabling environment for civil society to operate effectively. It also provides a platform for advocacy by bringing together the expertise of its members and contacts on specific overarching issues and using this to develop useable recommendations for policy-makers at national and EU levels http://www.euclidnetwork.eu/
	The European Network for Social Integration Enterprises (ENSIE) The European platform for representation, cooperation, development and advocacy of 26 national and regional networks and federations of Social Integration Enterprises, representing 20 countries of the European Union http://www.ensie.org/
	DIESIS DIESIS supports the development of the social economy and in particular cooperatives, social enterprises and worker-owned enterprises in Europe through training, project design, consulting and advisory services, technical assistance and research. http://www.diesis.coop/

2.1.2 Securing of training facilities and expert knowledge on communication of SEs' impact and community importance.

Social enterprise networks or umbrella organisations play an essential role in terms of supporting and promoting social enterprises, particularly in countries where there are limited or no publicly funded support actions. Their duties can be wide ranging e.g. actual as a mutual support mechanism offering guidance and advice, performing as an advocate for the sector, negotiating contracts, exchanging good practices, and interacting with public bodies for the construction of specific public programmes. Such networks and umbrella organisations are appearing across Europe and exist in almost all countries, with the exception of Bulgaria, Latvia and Slovakia.

These networks often exist at both the national level and the regional/ local level (European Commission, 2015)

Examples of such networks and mutual support mechanisms include:

- **The Social Enterprise Network** in Denmark which is established and facilitated by the Centre for Social Economy. The network performs as a platform for social enterprises to share knowledge, get inspiration and seek mentoring.
- **Estonia Social Enterprise Network (ESEN)** which was set up with the purpose of increasing the number, capability and impact of social enterprises in Estonia and raising awareness of social entrepreneurship as a valued and important sphere of activity in society. ESEN operates as: (1) a member organisation: informing and inspiring members, creating and mediating cooperation, training and consultation opportunities, advising on the evaluation of social impact; (2) an advocacy organisation: representing members' common interests, collaborating in creation and development of financial and non-financial support arrangements; (3) a developer and spokesperson of the field: supporting educational activities and research, participating in international cooperation, informing general public about social entrepreneurship
- **The Social Enterprise Coalition** in Finland which is an initiative of social enterprises and other interest groups to form an organisation with the objective of giving a voice for the sector. The Coalition is effectively a loose network, which has been used as a 'discussion forum' regarding issues pertinent to social enterprises, such as how to raise their profile and how to best influence social and industry-related policies.
- **The Irish Social Enterprise Network** which was launched in 2013 with the purpose of creating the social enterprise sector more visible. In particular, the network holds events, organises training and provides promotion for the social enterprise sector.
- **Social Enterprise NL** which is a growing network of social entrepreneurs. It represents and connects and supports social enterprises. It organises events, offers (interactive) information to social entrepreneurs, workshops, business support, coaching and facilitating contacts among entrepreneurs and potential investors and financiers.
- **Social Enterprise UK (SEUK)** which was established in July 2002 as the Social Enterprise Coalition and is the main representative body for the sector in the UK. It focuses on providing a co-ordinated voice for social enterprise and enables stakeholders to cooperate together to develop the sector. Equivalent bodies also operate in Scotland (**Social Enterprise Scotland**), Northern Ireland (**Social Enterprise NI**) and Wales (**Wales Co-operative Centre**).
- **TESSEA** in the Czech Republic which was founded in 2009 and currently includes legal and physical persons from business, academic and non-profit spheres. Its main aim is to promote social economy and entrepreneurship among lay and expert audiences.
- **In Italy**, social cooperatives often group together in consortia to be effective in the marketplace. The consortia plays an essential role in the development of social co-operatives, supporting, advising and sometimes directly participating in the development of new business opportunities (European Commission, 2015).

Moreover, in some European Countries there are many initiatives, networks and mutual support

schemes that provide social enterprises with specialist support and infrastructure. Such support particularly includes awareness raising activities and social entrepreneurship education. Some countries still have more extensive provision of own-initiatives/ private schemes targeting social enterprises, including pre-start/ start-up support, grants and business support for established enterprises, investment readiness support, dedicated financial instruments, physical infrastructure and/ or collaborations and access to markets support. This is particularly the case in Croatia, the Czech Republic, Estonia, Ireland, the Netherlands, Poland, Slovakia, Slovenia, Spain and Switzerland (European Commission, 2015).

2.1.3 Distribution of SEs' goods in a sustainable way visible for the community

Business models are stated with reference to markets, product or service offers and the willingness of customers to pay for goods and services. Since, commercial goals are not the sole or major driver of a social enterprise, profitability becomes less imperative as a conventional metric of the business model. Furthermore, the social goal of social enterprises by definition places restrictions on the distribution of profits (surplus of revenues over costs) to reassure they are reinvested, and it is for that reason, more pertinent to target at revenue streams than profitability per se. While for-profit enterprises usually base their business models on revenues generated through trading activity, social enterprises rely on a range of revenue streams to finance their activities. Social enterprises typically adopt a 'hybrid' business model i.e. they derive their revenues from a combination of (European Commission, 2015):

- Market sources e.g. the sale of goods and services to the public or private sector; and
- Non-market sources e.g. government subsidies and grants, private donations, non-monetary or in-kind contributions such as voluntary work etc.
- The main revenue streams of social enterprises can be described as follows:
 - Revenue derived from public contracts: Social enterprise contract with public authorities and agencies to receive fees for defined services . The structure of these payments can be quite different, varying from direct payment by public authorities to social security systems, voucher systems, or indirect payment through third- party intermediaries.
 - Direct grants / subsidies: given to social enterprises by public authorities e.g. grants for specific project based activity, or employment subsidies which are often made available to WISE as 'compensation' for employing people with impaired work ability and for the resulting productivity shortfall
 - Market based revenue derived from private sources: through the sale of goods and services to other businesses and final consumers;
 - Membership fees, donations and sponsorship; and
 - Other forms of revenue contain income from renting assets (such as property), penalty payments, prize money or income from endowed assets, and non-monetary forms such as in-kind donations (e.g. old IT equipment, food or building material). Volunteering time, especially, has remained an important source of in-kind revenue

(European Commission, 2015).

- Income derived from market sources by country and organizational form:
- In countries like the Czech Republic, Finland, France, Italy and the UK, social enterprises derive a majority of their revenue from market sources and particularly from the sale of goods and services to public authorities. In several other countries (e.g. Austria and Poland), the entrepreneurial dimension was found to be less strong with social enterprises deriving less than 50 percent of their revenue from market sources;
- There also appears to be a strong interaction between the organisational/ legal form adopted by a social enterprise and the level of revenue generated from market sources. Institutionally recognised forms of social enterprise and WISEs (note that the two categories are not mutually exclusive) typically are more market orientated than de-facto social enterprises that have originated from the more traditional non-profit sector (i.e. associations, foundations, voluntary and community organisations) (European Commission, 2015).

2.2 Conclusions on the needs and challenges in the three identified areas.

1. Training, Education and Skills

Across many of the European countries, attracting highly qualified employees with satisfactory managerial experience was identified as a particular obstacle. This barrier is a reflection of the invariably higher wage costs of highly qualified employees; whereas social enterprises in general have limited capacities to offer competitive salaries in comparison to other sectors of the economy. This was cited as an issue in Belgium, Bulgaria, Croatia, Greece, Ireland, Italy, Latvia, the Netherlands, Poland, Slovenia, Sweden and the UK.

Another complicated aspect is attracting talent that, thus, contributes to a lack of internal skills in social enterprises: lack of professional management structure, lack of business skills, low involvement in international business and collaborative networks of social enterprises. In particular, stakeholders in Ireland stated that social enterprises are not fulfilled with the necessary skills in terms of strategic business planning, market assessment and awareness and ability to manage risk. Additionally, in Slovenia many entrepreneurs are establishing social enterprises without proper market research, a viable business model or knowledge of the market and/or the industry (European Commission, 2015).

Furthermore most European countries do not have a comprehensive array of public support measures in the below areas (European Commission, 2015):

- Technical support, including training and knowledge-transfer opportunities;
- Support to facilitate collaborations and partnerships among social enterprises;
- Financial Support including grants and other fiscal incentives to booster and support sustainability.
- Support networks tailored to social enterprises; and networks connecting investors,

- mentors and sponsors with social entrepreneurs.
- Investor readiness support and aid in the are of business planning

2. Awareness and Promotion

One of the main issues that social enterprises have to deal with, is the poor understanding and explanation of the concept of a 'social enterprise'. The lack of recognition of the term 'social enterprise' by the general public, investors, partners and prospective customers is seen as a problematic aspect of the increase of social enterprises, their growth and financing prospects. In addition, it also sometimes prevents the development of relation with customers. There are several dimensions regarding the absence of a commonly used term of the social enterprises. Firstly, there is a misconception concerning what a 'social enterprise' is. Many times the term "social" is associated with the activities of charities and social sector entities rather than entrepreneurship.

This is mainly due to the absence of awareness on the part of the customers and investors regarding how social enterprises operate differently from the purely social sector entities. Furthermore, another issue regarding social enterprises is that in many cases their "success stories" are not well known and recognized by the general public. In many cases negative perceptions have also affected their efforts (European Commision, 2015)

It is recognizable that the establishment of a sustainable business model and strategy is one of the most support requirements that social enterprises need. Furthermore, commercial orientation is obligatory in order to translate ideas into a successful business model which is interlinked with the external support needed. One decisive influence on this is the lack of managerial skills and lack of know-how around key business related issues. Social enterprises regularly lack long-term strategic organizations structures. Moreover, insufficient resources and capacities to extend and scale their operations also impact on the ability of social enterprises to become commercially oriented (European Commision, 2015).

3. Legislation and Regulatory Framework

An additional barrier for social enterprises and public authorities establishing support systems is the absence of a legal form that:

- Provides legitimacy and visibility to social enterprises;
- Interests tax incentives related to furthering a social purpose; and
- Approves the social enterprise to undertake unlimited economic activity.

More specific, the lack of an exact legal framework for social enterprise in many European Countries creates additional difficulties: a. It results in confusion between potential social enterprises over which legal form to adopt and b. It makes it demanding for authorities to design

support mechanisms or introduce tax incentives for social enterprise (European Commission, 2015).

3. Main Conclusions and Recommendations for the SEHUBS vision for SE co-creation hubs as an innovative model

The path to social entrepreneurship begins long before a business idea is discussed. Nurturing a culture of inclusive entrepreneurship, including entrepreneurship, by supporting diverse role models of successful business is a crucial step to attract potential social enterprises, and evolving social entrepreneurship in school and university curricula is another imperative element of boosting up this culture and training future managers. An extensive range of skills and competencies is required to establish a social enterprise (European Commission/OECD, 2013). More specific, a number of recommendations are listed below for the support of Social Enterprises in Europe:

1. A public awareness campaign on what social enterprises are, what they offer, who is eligible to work there and what are the benefits they bring to society.
2. Training for the development of strategic way of thinking and crisis management in order for social enterprises to methodically deal with situations.
3. Courses specifically focused on entrepreneurship skills, business model canvas and marketing tools, in order to promote in the right way their work.
4. Establishment of a mechanism that will help social enterprises understand the legal system of their country and how they can deal with bureaucracy.
5. Online meeting among social enterprises in Europe that belong to the same wavelength, in order to expand their network and knowledge.
6. The companies that will take part to meet through online meeting other European companies that belong to the same wavelength.
7. Conduct school competitions and training in order to raise awareness regarding the benefits of the social enterprises from a young age and thus, have long-term results.

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