

Social and Solidarity Economy and the Crisis:

Policy challenges and opportunities

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Abstract

Social and solidarity economy is adopted in the public policy agenda from a variety of actors including the European Commission, the newly formed Greek government but also grass-roots movements in crisis-ridden Greece. What is the appeal of this new catchword to such diverse actors? To what extent the endorsement of the social and solidarity economy is as ideologically neutral as it is often presented in the public discourse? Are there competing visions and policies for the promotion of social and solidarity economy?

This paper unfolds diverse and often competing conceptualizations of social and solidarity economy through their manifestations in concrete public policy agendas. In this way, the paper links academic and policy discourses and demonstrates that academic battles are of importance for public policy formulations. Three areas of public policy for the social and solidarity economy are examined. The legal framework of social enterprises, the socially responsible public procurement of goods and services and the transfer of failing enterprises to cooperatives of former employees.

Keywords: *social solidarity economy, public policies*

1. Introduction

Social and solidarity economy is often cited in policy, academic and public discourse as the main driver for the necessary reconstruction of the Greek economy in order to move beyond the current impasse of the crisis. To what extent are these expectations well grounded? More importantly which are the main elements of a public policy towards the social and solidarity economy which could facilitate this process?

This paper addresses these questions by unfolding relevant debates on social and solidarity economy. First of all, we define social and solidarity economy and delineate differences with other concepts such as non-profit sector and social enterprises. Second, we focus on the meaning of economic reconstruction and compare it with socio-economic transformation. The latter does not entail a return to pre-crisis production and consumption patterns but opens up the debate on social needs and how these can be served better. Third, we explore to what extent a new policy trajectory is possible in Greece. Three specific areas of policy intervention are discussed, namely: the legal framework of social enterprises, the public procurement of goods and services from social and solidarity initiatives and the transfer of failing/bankrupt enterprises to worker cooperatives. These policy areas indicate the opportunities for different public and social-solidarity economy linkages but also manifest external and internal limitations posed by the dominant EU policy agenda on social economy (Social Business Initiative) and the Memorandum signed with the lender institutions.

All in all, these examples show that the nearly universal endorsement of social and solidarity economy as the driver towards a post-crisis Greece loses its universality when specific policy options come to the fore. More importantly, what seems to be an ideologically neutral position towards achieving the common good becomes once again a terrain where different political visions are contested. Our analysis, shows that

debates over definitions are not pedantic games between academics but have implications on specific policy directions. We only need to move from academia to policy and unfold them.

2. Academic battles on definitions

The third sector consists of entities - such as cooperatives, nonprofit organizations and mutual societies - that cannot be easily classified in neither the private nor the public sector (Defourny, 2001). The term itself is widely accepted by a rich array of theoretical approaches (Moulaert and Ailenei, 2005) and emerges in many EU policy documents. As such, it seems plausible to use it as a starting point in order to delineate other concepts in use, namely solidarity economy, social economy, and the nonprofit sector (Table 1).

Table 1: The terminological ambiguity of the third sector

Solidarity Economy	Social Economy	Non Profit Sector
Includes all economic activities which aim at the economic democratization on the basis of citizen participation. They involve a dual perspective: economic because they attempt to create economic relations based on reciprocity while making use of resources from the market and welfare state redistribution and political because they attempt to create autonomous public spaces and open up discussion on both means and ends.	Includes all economic activities undertaken by enterprises, mainly cooperatives, associations and mutual societies, which adhere to the following principles: <ul style="list-style-type: none"> • providing members or the community a service rather than generating profit • independent management • democratic decision-making, and • priority given to persons and work over capital in the distribution of income. 	Includes all nonprofit organizations with the following characteristics: <ul style="list-style-type: none"> • legal entities, institutionalized to some meaningful extent, • private, institutionally separate from government, • non-profit-distributing, not returning profits generated to their owners or directors, • self-governing, equipped to control their own activities, • voluntary, i.e., involving some meaningful degree of voluntary participation.

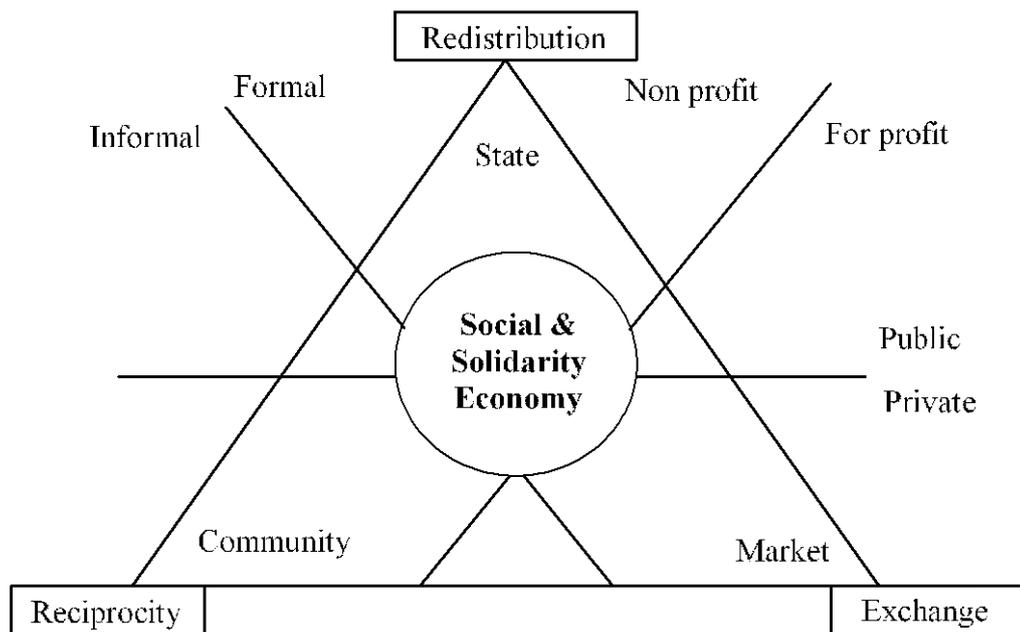
Table 1: The terminological ambiguity of the third sector

Source: Adam and Papatheodorou (2010)

Table 1 describes the terminological pluralism which underlines diverse theoretical approaches and historical trajectories. The relevant concepts are presented intentionally from the left to the right in conjunction with their connotation in the literature. Schematically, the term Solidarity Economy is mostly associated with radical approaches which emerged in the framework of social movements mainly but not exclusively in Latin America. Social Economy is more francophone in its origin and clearly incorporates the experience of the European cooperative movement. The term Non Profit Sector follows the Anglo-American tradition of charities.

Having sketched the main terminological issues, it is important to proceed with a critical examination of the main theoretical approaches. The Anglo-American tradition has largely focused on the emergence of Non-Profit Organizations (NPOs) through the lenses of orthodox economic analysis (Weisbord, 1975; Ben Ner and van Hoomissen, 1991; Hansmann, 1987; Rose-Ackerman, 1996). As such, the third sector is analyzed as distinct from both state and market without any reference to its historical dynamics in specific social formations and is theorized as a response to state failures (provision of uniform services to diversified needs) and/or market failures (asymmetric information, transaction costs). In contrast, theoretical approaches of social and solidarity economy analyze the associated practices as hybrids within the intersection of state, market and community practices and their respective underlying operating principles (redistribution, exchange, reciprocity). The social economy approach focuses more on the convivial nature of this interplay while the solidarity economy approach highlights the tensions inherent therein. It is useful to illustrate the main tenets of this heterodox approach with the use of Figure 1.

Figure 1: Positioning social and solidarity economy practices



Source: Pestoff (2004)

Social enterprises express new dynamics within the third sector (Defourny & Nyssens, 2006). The afore-mentioned theoretical differences are reflected in alternative conceptualizations of social enterprises in the Anglo-American and European traditions. The US-led approach defines social enterprises in a broader way (Kerlin, 2006; Kernot, 2009) placing them in a continuum of hybrid cases including Non-Profit Organizations (NPOs) trying to secure market income and for-profit enterprises developing socially responsible activities. This positioning of social enterprises follows a number of underlying assumptions: a) no collective ownership or democratic decision-making is required, b) market generating income is deemed the most important source of funding, and c) the activity developed does not require the fulfillment of any specific criterion (i.e. social usefulness) as long as it generates income for a “good” purpose.

The European tradition positions social enterprises within the universe of social economy practices as an intersection between two families of organizations: cooperatives and NPOs (Defourny & Nyssens, 2008). In particular, social enterprises resemble more worker cooperatives and NPOs with productive activities. On the one hand, they move closer to cooperatives, because they explicitly undertake a continuous economic activity. On the other hand, they move closer to NPOs because they do not serve only their members as traditional cooperatives did, but they often express the interests of different stakeholders formally (multi-stakeholder membership or management) or informally (open events, assemblies with the participation of community members). This approach is based on the following underlying assumptions: a) social enterprises are collective initiatives, b) they are democratically owned and/or operated, c) they undertake activities with social usefulness and d) they involve the wider community in their operations.

In sum, there are differing conceptualizations of social economy practices in general and social enterprises in particular. These alternative visions raise in turn different expectations. In a nutshell, social enterprises can be seen as market-driven solutions to social problems (neo-liberal discourse), as remedies for the correction of both market and state failures (third way thinking), as emancipatory projects for economic and social transformation (radical approach).

3. Socio-economic recovery or transformation?

Given the significant decrease of GDP in crisis-ridden countries such as Greece, the promotion of social economy is often linked with the restoration of economic growth. In parallel, social economy is also expected to address major social challenges (unemployment, social inequalities and new needs for social services) by fostering a new social pact with reduced roles assigned to traditional actors including the welfare

state (European Commission, 2013a). This vision of the European policy agenda on social economy raises great expectations on the capacity of social economy entities to achieve multiple goals while leaving the building blocks of the growth model which led to the crisis in the first place, as well as its neoliberal management since then, unaffected.

This paper argues that public policies grounded on this conceptualization of social economy are not likely to come up to these expectations and bear significant results. The comparative advantage of the solidarity economy approach stems from the fact that it opens up again the quest for social transformation (Kawano, 2010; RIPESS, 2015). By social transformation, we address three fundamental economic questions: social needs, relations of production and relations of circulation.

Lebowitz (2003) has contributed significantly to the definition of social needs in his endeavor to complete the missing part of Marxian analysis on wage labour. In this framework, he offers the following significant insights: a) social needs are themselves the product of social production and intercourse in a given society and at a given point in time, b) the greater the development of productive forces, the greater are the social needs, c) within capitalism, production is geared towards the realization of profit and not in proportion to social needs, d) there is a level of masked needs within capitalism, needs left unsatisfied but necessary for the full development of subjectivity in each given society and at a given time, e) given the variability of social needs along the development of productive forces, rising real wages are compatible with increasing relative poverty if social needs are left unsatisfied.

Social and solidarity economy as a transformative project does not just aim to restore economic activity and create jobs but to challenge the core function of production for profit instead of the production for social needs. In this framework, the selection of

productive activity is also crucial with priority given to activities which protect the environment or at least do not harm it to the same extent as previous ones (i.e. recycling), have the potential of developing synergies with other local economic activities (i.e. food processing of local produce) and in general contribute to the well-being of the wider community (i.e. community-supported agriculture).

SSE's transformative project also entails a change in the relations of production by placing the focus of attention on collective ownership of the means of production and democratic decision-making procedures. In this way, SSE revives old concepts and practices such as self-management (Nestor, 2014). Apart from a political imaginary about the ability of people to exert control on all aspects of their daily lives, self-management has also taken the form of a concrete practice in different contexts and times, including the experiences of former Yugoslavia (Miller, 1978) as well as the recent experiences of recovered enterprises under workers' control in Argentina (Ruggeri, 2014). Despite reported ambivalence about the extent to which self-management was/is pursued across these diverse practices or about the balance between economic efficiency and equalitarianism (Davranche, 2014), self-management in its various manifestations informs many SSE practices until now.

Addressing social needs via new productive relations presupposes in turn the need to move beyond the binary state-market or put it differently to accomplish a mix of resources (Gardin, 2006) which protects the autonomy of SSE practices versus the dominant tendencies for isomorphism towards the state or the market (Di Maggio & Powell, 1983). Without ensuring alternative circuits for the exchange of credit, the purchase of inputs and distribution channels for their products based on relations of reciprocity, SSE entities are doomed to obey the dictum of the market and the logic of commodity or depend exclusively on the resources made available by the state. On the

other hand, contrary to what might be seen as conducive to their transformative potential, exclusive reliance on symmetrical exchanges among similar minded initiatives may also pose threats if it restricts these initiatives to dwarfish and marginal productive activities. It is exactly in the management of these tensions towards a post-capitalist future where the true strength of SSE lies as a social transformative project.

4. Which public policies for SSE?

The interplay of SSE as a grass-root movement with state institutions poses important challenges for the realization of the transformative potential of these entities. In this section, we will focus on three different policy areas, namely: the legal framework for social enterprises, socially responsible public procurement and the transfer of failing/bankrupt enterprises to worker cooperatives. As we will see, in each of these areas, conflicting visions of SSE are contested.

a) The legal framework for social enterprises

The European Commission is placing great emphasis on social entrepreneurship as the major driver of social economy. In particular, the Social Business Initiative defines a social business as “an undertaking:

- whose primary purpose is to achieve social impact rather than generating profit for owners/shareholders,
- which uses its surpluses mainly to achieve these goals,
- which is managed by social entrepreneurs in an accountable, transparent, innovative way, in particular by involving workers, customers and stakeholders affected by its business activity” (European Commission, 2013b, p.4).

The EMES European Research Network has rightly pointed out in its position paper on the Social Business Initiative (EMES, 2011) that the terminology adopted in the

Communication is confusing by interchangeably referring to the terms social entrepreneurship, social enterprise and social business despite the fact that each one reflects diverse approaches and contexts. In particular, social entrepreneurship reflects the Anglo-Saxon (mostly American) and more market-oriented tradition where social enterprises are seen as the product of a single benevolent entrepreneur (as discussed in section 1). As for the term social business, it implies that any type of private legal entity (including mainstream for-profit companies) can be labelled a social business if it addresses an explicit social purpose. Social businesses do not signify new dynamics within the universe of SSE entities but market-driven approaches to social problems. As such, they do not reflect the transformative potential of the SSE paradigm while they blur the boundaries with other practices such as Corporate Social Responsibility (CSR).

The tendency to broaden the spectrum of legal forms which can be granted the status of a social enterprise raises a number of issues that need to be addressed. First, what is the demarcation line between a traditional actor of the social economy (i.e. a worker cooperative) and a social enterprise? The intrinsic character of a cooperative entails a degree of sociality given the collective ownership, the democratic management, the distribution constraint imposed upon the allocation of surplus and the openness to new members which increases the constituencies benefiting from the cooperative (Fici, 2009). Therefore, the demarcation lines between cooperatives and social enterprises lie in the orientation of the activity undertaken which clearly benefits the wider community and not only members (i.e. environmental preservation) and/or the requirement to submit annual social reports and/or the prohibition of any profit distribution and/or the multi-stakeholder character with the formal or informal participation of users and other members of the wider community. After all, this is the

reason why the first institutionalized forms of social enterprises took the form of social cooperatives (i.e. Italy) and added these extra requirements in terms of social utility of the activity undertaken.

Opening up the legal status of social enterprise to all legal forms necessitates strong enforcement, monitoring and control mechanisms in order to counterbalance the lack of the social economy criteria found in the cooperative legal forms. If the principle one person- one vote is not legally enforced, what does the involvement of all stakeholders affected by the social enterprise mean and how can it be monitored? In addition, how can one protect the status of social enterprise from opportunistic behavior if no profit distribution constraint is legally imposed?

The example of the legal framework on social enterprises shows how diverse conceptualizations shape legislative action and in turn public policies. The open approach to the legal status of the social enterprise implies that all legal forms may be eligible for grants, concessions or deemed preferable for socially responsible public procurement to which we now turn.

b) Socially responsible public procurement

The ability of the wider public sector to act as a buyer from social and solidarity economy entities falls within the area of socially responsible public procurement. This particular type of linkage between the wider public sector and SSE is of interest from a policy perspective because it is strongly related with two confronting views of the potential role of social economy in the current socio-economic order. The first view endorses social economy to the extent that it facilitates the retrenchment of the welfare state (Graefe, 2006) especially during these times of crisis and the imposed orthodoxy of austerity measures. The second view attempts to explore the potential of SSE to transform the economy by “eating up” the space of profit-oriented mainstream

capitalist enterprises and develop mutually beneficial relations with state planning. For example, two presidential decrees in Venezuela (2003, 2004 respectively) directed public procurement from all state institutions and enterprises to give priority to cooperatives and small enterprises within a model of radical endogenous development (Azzelini, 2013). What room is left in continental Europe for this type of synergies between the state and SSE?

According to the relevant guide on public procurement with social considerations published by the European Commission (2010), socially responsible public procurement means “procurement operations that take into account one or more of the following social considerations: employment opportunities, decent work, compliance with social and labour rights, social inclusion (including persons with disabilities), equal opportunities, accessibility, design for all, taking account of sustainability criteria, including ethical trade issues and wider voluntary compliance with corporate social responsibility (CSR), while observing the principles enshrined in the Treaty for the European Union (TFEU) and the Procurement Directives” (European Commission, 2010, p. 7). In addition to social considerations, there can be also environmental considerations in public procurement. Let us focus in the following only on social considerations according to the currently in force EU procurement directives 24 and 25.¹

The first option available is the one referring to reserved contracts (Directive 2014/24/EU, Article 20). By that we refer to the ability of public contracting authorities to reserve participation in public procurement operators to sheltered workshops and certain economic operators and programs which aim at the professional and social integration of disabled and disadvantaged persons. According

¹ Directives 2014/24/EU and 2014/25/EU.

to recital 36 of the same Directive, disadvantaged persons include social groups such as the unemployed, members of disadvantaged minorities or otherwise socially marginalised groups. In addition, the Directive specifies that disabled and disadvantaged workers from these social groups should account for minimum 30% of all employees reducing the threshold from the 2004 Directive previously in force.

With regard to the provisions of this Directive on reserved contracts in general, we can make the following remarks. The transposition of this provision in the legal framework of each member state is not mandatory. The preferential treatment of social economy enterprises is restricted to the area of social inclusion of marginalized persons. In addition, the way this Directive is formulated, leaves ample room for the development of any type of legal entity which by employing 30% of marginalized persons might be eligible for reserved contracts regardless of whether it adopts the legal form of a social cooperative (democratic management and decision-making) or not. This could create tendencies for opportunistic behavior unless further requirements are put in place such as that statutes and/or other statutory documents of the applicant organization clearly state socio-economic integration of marginalized groups as their main goal of operation (Social Platform, 2015). It is also important to establish monitoring mechanisms to ensure quality employment and penalize the temporary employment of marginalized persons by a company in order to secure a reserved contract. Moreover, reserved contracts cannot exceed two consecutive years for the same economic operator. Last but not least, there are no specifications as to how to avoid a competition between work integration social economy enterprises in terms of a war to the bottom which could be both detrimental for the quality of employment relations within them, as well as the collective identity of social economy actors.

With regard to particularities of the Greek reality, the Greek legal framework remains fragmented and incomplete with regard to this type of employment programs. In particular, sheltered productive workshops in Greece are foreseen by Law 2646/1998 while the presidential decree which is supposed to regulate the legal form, the organization, the operation, the employment criteria, the funding mechanisms, the employment relations and remunerations systems as well as the methods for the promotion of their products has not been issued up until now (Adam, 2012). For these reasons, reserved contracts in Greece were traditionally addressed to the Social Cooperatives of Limited Liability (KOISPE in Greek) offering socio-economic integration to persons with mental health problems within the framework of Presidential Decree 60/2007 (Article 18). However, even this provision is not well designed given that the Presidential Decree foresees that the majority of employees should be disabled persons whereas in KOISPE, people with mental health problems should account for at least 35% of total members, not necessarily workers (Adam, 2014). Another economic operator which is eligible according to the new Directive is the recently established type A Social Integration Social Cooperatives (type A KOINSEP in Greek) which address the socio-economic integration of special social groups who should account for 40% of the total work force.

The second available option concerns the ability of contracting authorities to opt for the Best Quality Price Ratio (or the Most Advantageous Economic Offer-MEAT) instead of the lowest price or lowest cost bid (2014/24/EU, Article 67). In any case, despite the ability to introduce quality criteria (i.e. social considerations), the following caveats have to be borne in mind: a) Social considerations should not alter the level playing field and favor a particular type of provider. b) For award criteria to explicitly include social considerations, the latter have to be related to the subject

matter of the contract albeit in all the life cycle of the contract. c) The ability of contracting authorities to avoid the lowest price largely depends on the size of public coffers which are seriously shrank in the framework of the imposed austerity measures. Explicit social considerations such as the creation of employment opportunities for the long-term unemployed, the prior training of young persons or formerly unemployed and the use of fair trade products are mostly applicable as contract performance conditions and cannot be considered during the assessment of tenders.

More importantly, it is only in the case of social, health and cultural services (2014/24/EU, Article 76), where contracting authorities have the ability to reserve contracts for certain type of organizations which fall within the spectrum of social economy given that they are required to fulfill all of the following conditions: a) they have a stated objective of pursuing a public service mission which is directly associated with the provision of the contracted service, b) some sort of distribution constraint is in force (i.e. reinvestment of profits in the organization and/or participatory distribution), c) ownership and management structures follow participatory principles (including employee ownership and/or multi-stakeholder structures with the involvement of employees, users and other stakeholders), d) the same organization has not benefited from another reserved contract for the same type of services within the past three years (2014/24/EU, Article 78, Paragraph 2).

All in all, even though the new Directives for social responsible procurement broaden up the scope for the inclusion of social considerations, they do not seem to take into account the inherent sociality of social economy enterprises as better contractors in comparison with mainstream capitalist enterprises. Once again, social economy enterprises are only reinforced in so far as they are related to socio-economic

integration of marginalized social groups and/or the marginal social sector and preferably when they allow for the further retrenchment of the welfare state.

c) Transfer of failing enterprises to worker cooperatives

Another major area of policy concern in the framework of the crisis has been the growing number of failing businesses and the quest for the continuation of the productive activity through worker cooperatives (CECOP-CICOPA, 2013). The endorsement of business transfers to worker cooperatives by the EU and certain member states more so (i.e. France, Italy, Spain) is more grounded on the need to preserve jobs and local economic activity than on the socio-economic transformation of the productive activity under workers' democratic control (EESC, 2012; EP, 2012). However, even here a few caveats might shed some light on diverse policy options. The successful conversion of failing or bankrupt enterprises into worker cooperatives hinges upon labor protection law, bankruptcy law and cooperative legislation.

First of all, it is the timing of the whole transfer process which largely depends on the ability of employees to accede and assess information on the financial trajectory of the enterprise. Few countries make it obligatory for the employer to dispose such critical information in a timely manner as part of labor protection rights and/or collective bargaining (Argentina, Italy, Spain) and in some cases only when a certain threshold of employment is superseded (France) (ILO, 2014). Given the predominance of very small, small and medium-sized enterprises in Greece with the associated lack of workers' council at the enterprise level, the ability of employees to demand access to information is seriously curtailed (Kouzis, 2012). As such, employees are only informed about the economic situation of their enterprise after the official declaration of insolvency or bankruptcy, which limits to a large extent the

conversion into a worker cooperative as a preventative rather than a reactionary measure (ILO, 2014).

Second, one of the major instruments for employees' protection in case of insolvency is the preferential treatment of workers' claims versus other creditors from the assets of the enterprise (ILO Convention C173, articles 5 and 6).² Even though this Convention has not been formally ratified by Greece up to now, a privilege of workers was sustained according to bankruptcy law. In particular, according to article 154 of the former bankruptcy code in Greece, workers' claims up to 2 years before the official declaration of bankruptcy benefit from the general privilege in the order of creditors together with the public sector for overdue taxes and social security funds for overdue contributions. However, even with the former code, workers' claims were secured up to their half under the general privilege if other creditors (i.e. banks and other financial institutions) secured their claims (Kouzis, 2012). This aspect is of paramount importance if employees are attempting to continue the productive process in premises under mortgage. Even this frail protection was removed within the framework of the Memorandum signed in July 2015. The general privilege of workers' claims and the public sector for overdue taxes and social security contributions was abandoned in enforcement and insolvency proceedings given amendments in the Civil Procedure Code (Law 4335/2015) which give priority to the special privileged claims of the secured creditors and up to a certain extent even unsecured creditors (in most cases banks and other financial institutions). Therefore, a

² Article 5: "In the event of an employer's insolvency, workers' claims arising out of their employment shall be protected by a privilege so that they are paid out of the assets of the insolvent employer before non-privileged creditors can be paid their share" and Article 6: "The privilege shall cover at least: (a) the workers' claims for wages relating to a prescribed period, which shall not be less than three months, prior to the insolvency or prior to the termination of the employment; (b) the workers' claims for holiday pay due as a result of work performed during the year in which the insolvency or the termination of the employment occurred, and in the preceding year; (c) the workers' claims for amounts due in respect of other types of paid absence relating to a prescribed period, which shall not be less than three months, prior to the insolvency or prior to the termination of the employment; (d) severance pay due to workers upon termination of their employment" (ILO Convention C173).

major instrument for the conversion of bankrupt enterprises to worker cooperatives is seriously undermined given that the general privilege of workers' claims and the public sector could provide some room for state expropriation of insolvent enterprises and their transfer to worker cooperatives (ILO, 2014) in cases where job preservation can be sustained and guaranteed.

Last but not least, the existence of a coherent legislation of worker cooperatives is of utmost importance in these cases because it provides the vehicle for the socio-economic restructuring of the failing and/or bankrupt enterprise. Even though, mixed schemes may be used for conversion purposes (including participation of former owners and other creditors in the equity of the new enterprise), the worker cooperative is a preferable option because it also entails the collective ownership and democratic management of the new venture (ILO, 2014). Despite the fragmented cooperative legal framework in Greece concerning cooperatives,³ up to now there are no provisions for a genuine real worker cooperative in Greece despite its great merits as stated by CECOP-CICOPA (2013, p. 3): "A worker cooperative's key mission is to create and maintain sustainable jobs, in a strong local development and wealth generation perspective. Its members are the employees of the enterprise, who thus jointly decide on the major entrepreneurial decisions and elect and appoint their own leaders (boards of directors, managers, etc.). They also decide on how to share the profit with a twofold aim: a) to provide a fair remuneration in the form of returns based on the work done (in fact an adjustment of the price of remuneration); and b) to consolidate the enterprise and its jobs over the long term by building reserves. Finally, the cooperative spirit promotes employees' information and training, a prerequisite to

³ Indicatively, there are disparate laws on agricultural cooperatives, civil cooperatives, social cooperatives of limited liability, social cooperative enterprises and forest cooperatives.

develop the autonomy, motivation, responsibility and accountability required in an economic world which has become increasingly insecure.

Concluding remarks

The nearly universal of social economy in the public policy agenda masks different conceptualizations and policy options within the framework of the crisis. These different conceptualizations are not pedantic games among academics but reflect different socio-economic trajectories and ideological constellations.

The non-profit approach based on the Anglo-American charity tradition focuses on the ability of certain organization to deliver better services than the state and the market. The continental European social economy approach incorporates the experience of the cooperative movement and addresses the quest for the expansion of democracy in the economy without putting into question the building blocks of the mainstream capitalist economy. The solidarity economy approach stems from grass-root movements with dual political and economic goals for socio-economic transformation.

This transformative potential is expressed as a quest for a new socio-economic organization which moves beyond the production for profit and prioritizes social needs. Regardless of the ability of such initiatives to fulfill their declared goals within the framework of the existing world order, at least the open up the discussion on how social needs are produced at a given time and in a given society and how we can move towards their satisfaction in a collective and democratic manner.

These different aspirations are often masked within the policy agenda under a universal endorsement of social economy. However, if we delve into diverse policy options in specific areas of concern, battles over definitions become important and ground diverse policy trajectories.

The recent focus of the European Commission on social businesses follows a certain tradition which confuses different terms (social enterprises, social entrepreneurship and social businesses) and treats all legal entities as pertinent to the label of social business given that they perform a social utility function. As such, we lose sight of the fact that social enterprises at least in Europe form part of the universe of social and solidarity economy practices as collective endeavors which move existing boundaries of traditional social economy actors to more socially useful directions. Therefore, the quest to open up the legal status of a social enterprise to all legal entities is grounded more on the focus of finding market solutions to social problems (especially in the framework of the retrenchment of the welfare state and the current neoliberal management of the fiscal crisis) than on the quest to respond to unsatisfied social needs in ways which promote further democracy and solidarity.

A similar logic is found in the ability to explore synergies between central planning and SSE entities as manifested in the recent EU Directives on public procurement. Once again, the options available for a preferential treatment of social and solidarity economy initiatives are constrained by the rule of competition. In this framework, social economy can be preferred only in reserved contracts and only when it engages those furthest away from the labour market (i.e. disabled) even though a growing part of the working population is excluded from the labour market in the framework of the crisis without being designated as inherently socially vulnerable. More importantly, it becomes evident that more room for a preferential treatment of social economy is in the sector of general services of social, health and cultural services. Therefore, social economy is preferred to the extent that it substitutes for the welfare state and rarely as a counterbalance to the mainstream for profit sector. If we further take into account the quest for opening up the legal status of social enterprises to all legal entities

regardless of legal enforcements on collective ownership, democratic decision-making procedures, etc., it can be deduced that social economy is seen as a soft privatization strategy.

The reluctance to counterbalance mainstream for-profit economic activity with the transformative potential of SSE entities is also manifested in the area of business transfers of failing/bankrupt enterprises. Here, despite the dominant rhetoric on the interest for job preservation, conversion hinges upon the institutionalization of labour protection rights for timely information by the owner on the economic situation of the enterprise, on the recognition of the general privilege of workers' and public sector claims over other creditors and the incorporation of legislation on worker cooperatives. Even though the current crisis poses significant challenges which that the destruction under way is not experienced as creative for the majority of the population, insolvency proceedings and enforcements are amended in order to favour mostly banks and other financial institutions.

This discussion aims to bridge the gap between academic and public policy discourse and to show direct linkages between the two. As such, alleged scientific neutrality is seriously contested on the grounds of recent policy developments. For those interested in the transformative potential of SSE entities, a romanticized view in the abstract of a common commitment to support social economy will not suffice. Concrete political constellations have to be created and sustained and elaborate a clear vision of which support policies they favour and which they contest. This cannot happen in the vacuum or in a laboratory. It necessitates the careful examination of all relevant policy fields and real synergies with grass-root social movements developing SSE practices. More importantly, international alliances are of critical importance for pushing forward such policy changes. Legislative reforms, no matter how minimal,

may foster or block different conceptualizations of SSE and these steps affect practices on the ground. The work of international SSE networks is crucial in this regard.

The crisis has been a catalyst for the development of numerous SSE initiatives in Greece. Whether these will be left unassisted to thwart or be given a further impetus to flourish remains to be seen. However, the continuation of the austerity measures within the new Memorandum signed with the lender institutions may shrink the potential for pushing public policies which facilitate the transformative potential of SSE. Without arguing that the strength of SSE initiatives depends exclusively on public policies through a top-down approach, we cannot disregard the effects of legislative and public policy reforms. Diverse vision inform specific policy options and we have to be able to identify them and be specific. After all, as we have seen extensively in this paper, reformism is a serious task to be left unattended.

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