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the institutionalization challenge*

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*Greek Social Economy at the crossroads
Law 4019/2011 and the institutionalization challenge*

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Abstract

Our main consideration here is to investigate the challenges and future prospects of the Greek Social Economy in light of the implementation of Law 4019/2011, the first ever on Social Economy and Social Entrepreneurship. Low administrative and academic visibility along with inherent fragmentation already produced major deficiencies for non-profit, social and cooperative activities in Greece. Though the current legislative act introduces a firm political interest on the field and even though some of its provisions are groundbreaking in articulating Social Economy in a viable manner substantial inconsistencies towards the European conceptual tradition and major technical oversights pose serious questions as to its eventual contribution towards the institutionalization of this dynamic and ever-evolving field in Greece.

Keywords

Social, Economy, Greece, Enterprises, Legislation.

Introduction

In this article we set out to investigate the current state and future potentials of Social and Cooperative Economy in Greece in light of the implementation of Law 4019/2011 on Social Economy and Social Entrepreneurship. Law 4019/2011 as currently set to implementation is a turning point towards institutionalization of Social Economy in Greece. It constitutes the first serious attempt to provide structure and operational capacity to the under-recognized field of non-profit, social and cooperative economy. This vast, dynamic and ever-evolving field of economically significant activities located between the private and the public sector was only approached partially from the point of view of its most notable constituent parts: foundations, associations, mutual funds and cooperatives. The totality of their combined mass and turnover has not yet been acknowledged as a coherent sector both due to inherent and long-standing public sector deficiencies and peculiar lack of interest characteristic of academic research in Greece.

Law 4019/2011 signifies the introduction of the concept of Social Economy to the Greek legislative culture. It provides for new forms of collective-benefit private-sector activities nonetheless suffering from decisive inconsistencies when reference is made to the European conceptual and institutional tradition of Social Economy. Substantial deficiencies of the Law commence from the utilization of the term “Social Economy” and extent towards the further administrative and institutional fragmentation of an already dismantled field of Social and Cooperative Economy in Greece. Possible incompatibility of this legislative act to existing constitutional provisions and its eventual inability to address long-standing underdevelopment issues of the field dramatically come to surface in face of the live-or-die fiscal consolidation challenges Greece undergoes.

The eventual and hopeful consequence of Law 4019/2011 is at least expected to contribute towards improving the visibility not only of the Social Economy as a whole but also towards articulating inherent and existing linkages between its constituent institutions: foundations, associations, mutuals, cooperatives, non juridical or other emerging entities.

Introducing a concept of “Social Economy”

Law 4019/2011 on Social Economy and Social Entrepreneurship was set to implementation in 30 September 2011. It is the first legislative action introducing the concept of Social Economy in Greece. The law consists of 20 articles.

Art. 1, § 1 identifies Social Economy as *“the sum of economic, entrepreneurial, productive and social activities, undertaken by juridical entities or associations*

whose statutory goal is the pursue of collective benefit and the service of wider social interests". Art. 14 identifies the following entities as belonging to Social Economy:

1. Social Cooperative Enterprises of the Law 4019/2011
2. Limited Liability Social Cooperatives of the Law 2716/1999
3. Existing juridical entities which cumulatively abide by the following criteria:
 - they have a statutory purpose of social benefit through the production of goods or the provision of services of collective and social character,
 - they present priority of individuals and labor over capital,
 - they employ a democratic system of decision-making,
 - they enjoy autonomy in management of their activities,
 - their profits are utilized primarily on the service of their statutory goals and secondarily for any eventual restricted profit distribution,
 - they operate on the principle of sustainable development,
 - their operations are exclusively described in Art. 2, § 2.

Art. 2, § 2 further elaborates on these specific and exclusive fields of activity needed in order for an entity to be identified as belonging to the Social Economy in Greece as follows:

- a) Social Cooperative Enterprises of Integration, which focus on integration of individuals belonging to Volatile Population Groups into the economic and social life; this provision also covers Limited Liability Social Cooperatives of the Law 2716/1999
- b) Social Cooperative Enterprises of Care which focus on production and provision of goods and services of social / social-care character towards certain population groups such as the elderly, infants, children, disabled and chronically ill
- c) Social Cooperative Enterprises of Collective and Productive Purpose which focus on the production of products and the provision of services to meet the needs of collectivity (culture, environment, ecology, education, social benefit services, promoting local products, saving traditional activities and crafts etc.) which also promote local and collective interest, the development of employment, the enhancement of social cohesion and the strengthening of local or regional development.

The abovementioned three categories of Social Cooperative Enterprises are included into the basic definition of the Social Cooperative Enterprise as introduced through Art. 2 § 1: *"The Social Cooperative Enterprise is established as an entity of Social Economy. It is a civil cooperative with a social cause*

possessing entrepreneurial capacity by law. The Social Cooperative Enterprise members can be either individuals or juridical entities. Its members participate with one vote regardless of the cooperative shares they possess”.

In toto the Social Economy in Greece as identified by Law 4019/2011 exclusively includes civil cooperatives of the kinds described in detail in its Art. 2 along with Limited Liability Social Cooperatives provided by Law 2716/1999. The legal status regarding establishment and management of a Social Cooperative Enterprise is in general terms provided by Law 1667/1986.

Critique: an inconsistent nomenclature

To the introduction of Law 4019/2011 no formal regulation existed in Greece specifically for the Social Economy. Accordingly no central public or private institution existed in charge of planning, registering, monitoring and evaluating the field. This was indicative of a substantial under-development of Social Economy. Nevertheless the reality of Social Economy and dynamism of its constituent practices has been deeply rooted in the Greek society though the failure to recognize its constituent parts into one common field gravely undermined its trajectory and potentials to this day.

The peculiarity of Law 4019/2011 investigated here is that it practically restricts the scope and inner constitution of Social Economy into three main organizational forms:

1. Social Cooperative Enterprises of the Law 4019/2011
2. Limited Liability Social Cooperatives of the Law 2716/1999
3. Civil Cooperatives of the Law 1667/1986 when compatible with the criteria set by Law 4019/2011, Art. 2 and 14.

Both during the online public deliberation on the Draft and as finally introduced by Law 4019/2011 this delineation of Social Economy in Greece was criticized as restrictive, discordant to the European theoretical tradition on Social Economy and the Greek historical reality. The Social Economy is a continuously adapting field between the public and the private sector. It comprises of officially recognized, private, independent from the state, not-for-profit and democratically governed organizations established under the primary goal of serving their members and society. In essence it pertains not only traditional non-profits but also innovative market-oriented collective institutions with a statutory commitment to public or community benefit. Representing a third system, Social Economy lies between public benefit and for-profit private economy. Common institutional forms pertaining to Social Economy are unions, mutual funds, cooperatives and foundations (Defourny and Develtere, 1999, CIRIEC, 2006, Nasioulas, 2011).

Internationally the Social Economy paradigm is dominant in continental Europe and Canada. In the English-speaking world the context of non-profit or community sector is mainly used. The core essence of this third sector lies in the “non-profit constraint” according to which the institutions’ operations should not become a source of income, profit, or other financial gain for those that establish, control or finance them (James, 1989, Anheier and Seibel, 1990, Weisbrod, 1991, Anheier and Kendall, 2001, OECD, 2003, Evers and Laville, 2004, Powel and Steinberg, 2006).

Major institutional actors in Social Economy are social enterprises. Usually involving a cooperative structure, social enterprises combine the market effectiveness of conventional enterprises and the social versatility of traditional non-profits. The concept of social enterprise emerged through the realization of collective entrepreneurial schemes bearing a solid statutory commitment towards the needs of social groups such as the unemployed and especially those facing intense social discrimination (immigrants, single parents, disabled, poor, ethnic minorities, drug addicts etc). Thus social enterprises primarily emerge as a viable response to social issues aiming at enhancing social cohesion (Borzaga and Santuari, 2001).

Major European-level initiatives to identify Social Economy are now supported by national case studies. As the Social Economy field is gradually recognized, focus is now concentrating on evaluation and accounting methods (CIRIEC, 2006, CIRIEC, 2010). Especially in the case of Greece the abovementioned methodologies were deployed in a large-scale identification of the Social Economy field on the basis of the following definition: “*Social Economy in Greece includes independent, non-compulsory, typically formed organizations, operating under the primary goal of serving their members, along with promoting collective interests. Such organizations may be active: a) In the market sector, not possess a dominant capitalist enterprise identity and their members have one vote each; b) In the non-market sector and are non-profit-distributing*” (Nasioulas, 2011, 47).

According to this definition and in total compatibility with the spirit and methodologies applied in the European context of analysis, the inner consistency of the Greek Social Economy should abide by the following criteria:

- *Independence*. Social Economy institutions are independent meaning that any decision making regarding their operation is determined by their administrative bodies with no external interference by the government, administration services or organs, individuals or any kinds of representatives of the above. This fundamental provision could be compatible with the participation of government representatives in administrative boards to the extent that they would not constitute the majority or exert decisive control over the decisions (UN, 2003, 19).

- *Non-compulsory status.* Social Economy institutions are non-compulsory meaning that anyone willing to participate is free to do so and that participation is not imposed by state law or any statutory regulation of any kind.

- *Typical organizational status.* Social Economy institutions in Greece are typically constructed organizations. This includes juridical entities and collectivities of a certain kind. Such collectivities should possess a certain degree of stable organizational basis and operation provided by law or administrative regulations which explicitly refer to their creation and operation (UN, 2003, 18). Most solid form is that of official recognized juridical entities. In Greek legislative order two juridical entity kinds are provided: public and private. Public law juridical entities are constituted through formal law whereas private law juridical entities are founded by a private act in the form of a statutory document. A Greek peculiarity is that there exist public law juridical entities operating on the basis of private law and vice versa. Both categories constituted mixed law juridical entities. Examples of the above are Doctors' or Lawyers' Associations, Universities, the Greek Orthodox Church and Commercial Chambers. Such institutions are excluded from the Social Economy field according to our definition and approach.

- *Charitable purpose.* Social Economy institutions in Greece possess a fundamentally charitable statutory commitment towards the provision of goods and services to their members and the community.

- *One member – one vote.* For those Social Economy institutions active in the market any surplus distribution is not dependent to the members' invested capital but every one of their member has a vote (CIRIEC, 2006).

- *Not-for-profit.* Regarding the Social Economy institutions active in the non-market sector, providing for products and services in economically insignificant prices, non surplus or profit distribution is allowed to those founding, managing or financing them.

On this methodological basis a Greek Social Economy Register was proposed incorporating the widest possible range of institutions compatible with the working definition:

Table 1. Social Economy Organizations Register (a)

Entity	Legislation	Registers kept at
ESA 95 S. 11 Non-Financial Corporations		
Civil Cooperatives	Law 1667/1986 Law 2076/1992 Law 2166/1993 Law 2515/1997	Central Administration of General Commercial Register at Central Chambers Union
Agricultural Cooperatives – Agricultural Cooperative Unions	Law 921/1979 Law 2169/1993 Law 2181/1994 Law 2538/1997 Law 2810/2000	Agricultural Cooperatives Register at Country Courts Agricultural Cooperatives Unions Register at City Courts “PASEGES”
Housing Cooperatives	PD 17/1984 PD 93/1987 PD 2/1988 PD 23/1990 PD 448/1991	Ministry of Infrastructures Local Administration Organizations Country Courts
European Cooperatives – European Cooperative Companies	ER 1435/2003	Central Administration of General Commercial Register at Central Chambers Union
Women’s Agricultural Cooperatives	Law 1541/1985	Agricultural Cooperatives Register at Country Courts Agricultural Cooperatives Unions Register at City Courts “PASEGES”
Limited Liability Cooperatives	Law 1667/1986	Agricultural Cooperatives Register at Country Courts Agricultural Cooperatives Unions Register at City Courts “PASEGES”
Limited Liability Social Cooperatives	Law 1716/1999	Limited Liability Social Cooperatives Register at Ministry of Health

Table 2. Social Economy Organizations Register (b)

Entity	Legislation	Registers kept at
ESA 95 S.12 Financial Corporations		
Cooperative Banks – Credit Cooperatives	Law 1667/1986 Law 2076/1992	Central Administration of General Commercial Register at Central Chambers Union Central Bank of Greece
Professionals’ Insurance Funds	Law 3039/2002	General Secretariat of Social Insurance at Ministry of Labor
Insurance Companies – Mutual Insurance Cooperatives	Law 3557/2007 Law 3455/2006 Law 3487/2006 Law 2496/1997 Law 1569/1985 Law 400/1970 Law 2190/1920	Insurance Companies Register at Ministry of Development

Table 3. Social Economy Organizations Register (c)

Entity	Legislation	Registers kept at
ESA S.15 Non-Profit Institutions Serving Households		
Athletic Unions- Sports Clubs	Law 2858/2000	Physical Exercise Offices at Prefectures General Secretariat of Sports Respective Federations
Athletic Federations and Confederations	Law 2858/2000	Physical Exercise Offices at Prefectures General Secretariat of Sports Respective Confederations
Students' Unions	Law 1566/1985	Country Courts Higher Education Institutes
Local Youth Councils	Law 3443/2006	Local Administration Organizations
Parents' Organizations	Law 1566/1985	Ministry of Education
Hunting and Forest Clubs	Law 177/1975	Country Courts
Charity Unions and Clubs	Law 1111/1971	Country Courts Ministry of Economy
Trans-Vocational Organizations	Law 2732/1999	Ministry of Agriculture
Private Non-Profit Foundations	Law 2039/1939	Ministry of Economy
Fundraisers – Fundraising Committees	Law 5101/1931	Country Courts
Civil Non-Profit Companies	GCC 741	Country Courts National and Prefectural Social Care Institutions Register [Non-Profit Private Law Legal Entities] at Voluntarism and Certification Department at Ministry of Health Non-Governmental Organizations with Humanitarian and International Activity Register at Ministry of Foreign Affairs
European Economic Interest Groupings	PD 38/1992	Central Administration of General Commercial Register at Central Chambers Union
Workers' Unions – Workers Councils – Labor Unions	Law 1264/1982 Law 1767/1988	“GSEE”

Source: Nasioulas, 2011, 144-146

Though the definition of Social Economy in Art. 1 of Law 4019/2011 is wide, non-restrictive and genuinely expresses the intrinsic plurality, openness and dynamism of Social Economy as conceptualized in the European perspective, it nevertheless fades under the weight of the further elaboration. It is evident that the main provisions of Law 4019/2011 focus into the introduction of a special form of civil cooperative namely the Social Cooperative Enterprise. Provisions for the establishment and regulation of this juridical entity monopolize the totality of this Law. This legislative act should then be named as “Law on Social Cooperative Enterprises”. Thus the utilization of the term “Social Economy” is misleading; the concept of Social Economy is not substantially utilized in the body of the Law thus proving to be superfluous and of no real practical or legal consequence. In essence it is only used one more time in Art. 14 as a distinctive name of the Register for the three kinds of civil cooperatives discussed above.

In discordance with the European analytical tradition and the plural perspective upon which an eventual Social Economy Satellite Account is proposed to be built (CIRIEC, 2006) currently introduced Law 4019/2011 does not allow for the intrinsically dynamic, ever-evolving and plural inner structure of Social Economy to be identified. By restricting the Social Economy status to the three abovementioned kinds of organization, Law 4019/2011 conduces to a further disorientation of state institutions in identifying Social Economy as an articulated Third System of the economy. Some of the Law’s notably positive provisions at the same time create substantial discord toward core values of the Social Economy and deserve to be discussed in further length.

Economic, regulatory and monitoring provisions

Regarding profits distribution Art. 7 states:

“1. Social Cooperative Enterprise profits are not distributed to its members except if they are its employees in which case § 2 is at force.

2. Profits are distributed annually by a 5 per cent for the creation of a reserve; by a 35 per cent they are distributed to employees of the enterprise as a productivity motivation according to statutory regulations; the rest is provided for enterprise activities for the creation of new employment positions”.

Funding, economic and tax incentives are provided by Art. 9 and 10. Of special interest is the establishment of a Social Economy Fund which will contribute to the economic development of the given enterprises. Further on those employed in Social Cooperative Enterprises who belong to Volatile Social Groups and at the same time enjoy social care subsidies, allowances or hospital fees will continue to receive such provisions. Such Social Cooperative Enterprises are not subject to income tax for the percentage of profits which is allocated for the creation of reserve or the employment development activities previously

discussed in Art. 7. Finally, the percentage of profits distributed to employees is subject to income tax only and exclusively under the first level of tax rate currently at force. Any other tax rate level for this income is not applied.

Along these provision Art. 16 introduces a new context of Public Social Reference Contracts. Art. 16 § 1 states: *“Public Social Reference Contracts are those in which the contracting authorities in the stage of committal take under consideration substantial social aspects as criteria for this contract. Indicatively such criteria may be: a) employment opportunities, b) social integration of volatile social groups, c) equality of chances, d) planning accessibility for all, e) sustainability criteria, including issues of ethical commerce and f) the broader compliance with corporate responsibility”*.

Art. 14 provides for the establishment of the Social Economy General Register. This register includes two sections: the first section is the Social Entrepreneurship Register into which Social Cooperative Enterprises of Law 4019/2011 and Limited Liability Social Cooperatives of Law 2716/1999 are registered; the second section includes certain civil cooperatives of the Law 1667/1986.

This Social Economy General Register is kept at the Department of Social Economy Register, Directorate of Social Protection, Ministry of Employment and Social Security. Policies regarding planning, coordination, monitoring and evaluation of the Social Economy are primarily operated through the Special Service for Social Integration and Social Economy which is subject to the General Secretariat of Community Resources Management of the Ministry of Employment and Social Security.

Critique: Potential fragmentation effects

Articles 9 and 10 on Funding Tools and Economic Incentives could be criticized as introducing excessive and unfair provisions against conventional enterprises and Social Economy entities as registered in Tables 1 to 3. Furthermore, the practice of Public Social Reference Contracts (Art. 16) exclusively to be enjoyed by only the three kinds of civil cooperatives discussed could be criticized as creating an environment of shady and clientelistic transactions between the government and such enterprises. Furthermore it could create a danger of dependency to state funding along with posing serious issues of questioning free, fair and unhindered competition towards the private sector. In toto the wider and deeper involvement of the central government in resource allocation is in principle discordant with the core values of Social Economy lying in private associational initiatives, charity and liberal entrepreneurial activity.

Bearing under consideration the restrictions of inclusion to the General Social Economy Register the overall eventual consequence is feared to be a divided

Social Economy in Greece: on the one side the three kinds of civil cooperatives of this Law and on the other side the vast majority of legitimate Social Economy entities as recognized by the European analytical tradition.

Article 14 regarding the establishment of a General Social Economy Register is thus left without any significant positive consequence to the above and in-length discussed need for detailed monitoring and evaluation of the vast expanses of Social Economy in Greece. No provision exists as to this new Register's interoperability with existing registers of agricultural and civil cooperatives or unions of any kind as exemplified further on:

a) A disoriented cooperative movement

Equally striking is the fact that this new law was not in any way combined with ongoing efforts to introduce a modern legislative context on cooperatives as introduced by the Draft on Agricultural Cooperative Organizations recently set to online public deliberation by the Ministry of Agricultural Development. This apparent deterioration regarding further fragmentation of the regulatory environment of cooperatives is summed up to the existing centrifugal state of the cooperative movement in Greece. There exists "PASEGES", the All-Greek Confederation of Unions of Agricultural Cooperatives, established in 1935 and providing for the third-degree representation of agricultural cooperatives at the national level. Its existence, operation, activity and legitimacy has been gravely undermined by the establishment of two other competing and politically-driven confederations: GESASE and SYDASE.

This fragmented and politically-manipulated organizational structure of the Greek cooperative movement is indicative of the same extent of fragmentation at a practical level. Agricultural land holdings in Greece are severely segmented. There appear to be some estimated 8.000.000 individual land holdings and about 7.200 cooperatives, 120 Unions and 19 Central Unions (Kazis, 2005, 2). At the same time, only a 27% of the total available land is exploited. Practical causes regarding this cooperative activity underdevelopment are the relative absence of economies of scale, the long-standing insufficient integration of cooperatives in the globalized capitalist production system and inherent deficiencies in planning and management. Historically, cooperative underdevelopment can be attributed to the critical absence of an active and vital bourgeois in Greece, which condemned society into an ever-evolving fragmentation of the agricultural capital amongst small land-owners, as discussed earlier. This operational absence would also not allow the local production system to be integrated to the international markets. The political context of this deficiency can be attributed to the peculiar structure of local agricultural social reproduction, with major agricultural crises and recurrent policies of imports substitution. With the full accession of Greece into the European Community, this structural deficit concluded at a cyclical domestic agricultural crisis that has not yet been addressed willfully and in effect (Pezaros, 2005, Patronis, 2001).

b) Arbitrary union activities

Economic activity of non-profit organizations and sports associations in particular is extremely opaque in Greece. The usual practice in the country is that the majority of sports associations and many other similar associations is involved in covert forms of private commercial entrepreneurship. The associational form is chosen in order to cover-up common for-profit activity, and is directly aiming at preventing tax avoidance and control to critical operational issues such as safety standards and professional credentials of the instructors. The economic activity of these institutions represents a large part of the informal or black economy in the country. Serious source of funding is not only the contributions of members in the form of monthly subscriptions but public funding also. *“The lack of audit and control mechanisms favors the distribution of the outcome in individual members of the association”* (MEA, 1998).

In a 2005 Report of the Special Committee of the Greek Parliament on “Shaping Institutional Framework Guarantees for Transparency in Sport Unions”, parliamentary forces referred to a *“vast and complex phenomenon of opacity”* (ALJ, 2008, 161). Special attention is drawn to *“the strict control of the sports federations, associations and unions in regard to the management of finances, sports activities that develop and implement their part of the conditions to maintain the special athletic recognition. The aim of this proposal is to address the problem with the “shadow” federations and unions (stamp-unions), and also to highlight the responsibilities, and the imposition of sanctions on anyone from any position of responsibility involved in delinquent behavior shown (...) A clear delineation of responsibilities but also the responsibilities of coaches. The coaches must have appropriate license to practice and be confined solely to their coach duties. Their involvement with alien issues in exercise of their duties entails imposition of heavy penalties against them, but also against all those who knew, and concealed such activities”* (ALJ, 2008, 162-163).

Same was the spirit of Law 3610/2007 to tackle tax evasion, accompanied by special circulars of the Ministry of Finance for the attentive control including non-profit associations such as clubs and urban non-profit companies. A rough assessment of government initiatives is that poor financial control and opacity in the functioning of unions has not changed, even after the deployment of Law 3648/2010 with all its even stricter provisions on tax evasion.

Both in international practice and even more in the Greek case, there is great difficulty in monitoring and reporting of figures relating to Social Economy activity. Here, there is a significantly higher rate of informal employment, in relation to private and public economy. *“Atypical work includes temporary work, part time work, job creation and related training schemes, second and multiple jobs, combining employment and self-employment, sheltered employment, “cash in hand” and informal arrangements, including jobs on the*

borderline with “black economy” with dubious or ambiguous legality, and numerous other forms” (UN, 2003, 242). This diversity, innovation and creativity are constitutive elements of dynamism displayed by the Social Economy. It poses, however, a very serious challenge to the mechanisms of state administrative and financial audit. In light of the failure of these mechanisms this makes the field of Social Economy component of the informal economy in the country. The negative effects of this situation are not limited to taxation and inadequate monitoring of these economic activities. Several issues are raised concerning the quality of services, transparency in transactions, security issues and violations of professional rights of those involved. At the same time there exists the argument regarding unfair competition in favor of Social Economy institutions and against other businesses in the private for-profit sector.

The institutionalization challenge remains

It is even surprising that the intense pressure by the Troika (European Union, European Central Bank, International Monetary Fund) to restructure statistical and public revenue services has not produced an effort to build a Satellite Account joining European efforts (CIRIEC, 2006) and domestic calls (Nasioulas, 2011).

We showed that the Social Economy in Greece, as well as internationally, is made up of institutions with outstanding organizational and functional differences: cooperatives, mutual societies, associations, foundations and other collective organizations. Each of these display highly diversified economic behavior: from cooperatives, which constitute clear and normal economic activity in the market to clubs that have minimal economic and non-existent market activity. The power of Social Economy is the connective tissue of the promotion of collective and general interest. The diversity of its interior however creates the need detailed monitoring.

A Satellite Account for the Social Economy in Greece will enable us to address the Social Economy as a single and coherent body in a uniform regulatory environment. Until now we did not possess this mechanism. Not only there exist strong objections to whether the Social Economy is something real and solid (Nasioulas, 2010, 29-100). Moreover current European System of Accounts of 1995 provisions classify Social Economy institutions in different institutional sectors and thus the importance of aggregate economic activity is lost unappreciated. This has in turn extremely negative effects on the recognition of the Social Economy by administration and formal agenda setting. CIRIEC Manual for drawing up the Satellite Accounts on Cooperatives and Mutuals notes: *“The latest version of the Handbook of Non-Profit Institutions in the System of National Accounts will enable the preparation of homogenized statistics for a large part of social economy, notably the associations and foundations. Co-operatives and mutual societies, however, clearly excluded*

from the scope of the Handbook. This prevents their recognition as a specific sector of Social Economy in the national accounts and leads to become institutionally invisible” (CIRIEC, 2006, 19). Indeed, the Handbook of CIRIEC, as prepared for the European Commission (CIRIEC, 2006), and Handbook of United Nations (UN, 2003), come to complement each other, providing the necessary technical infrastructure to create a workable framework for monitoring the Social Economy.

Eventual institutionalization of Social Economy in Greece would be materialized if all of its constituent parts and activities were monitored under one unitary centripetal mechanism. In order for the Social Economy in Greece to be institutionally recognized a three-step process is required:

- a) legislative action should be introduced in which a broad and adaptable definition of Social Economy would be adopted;
- b) a Social Economy Register should be built incorporating all compatible institutional forms;
- c) a Social Economy Satellite Account should be built in order to monitor and evaluate substantial monetary and non-monetary activities special attention given to forms of social capital.

Unlike the United States of America and other countries, Greece does not have a general register, which includes all entities, whether they have legal personality or not, either paying taxes or are tax-free, either active in the market or not. Similarly, we do not have a registry, which records all entities that receive special tax treatment. A register of non-profit organizations already exists in Country Courts but it is not digitalized and contains obsolete data. Moreover, while we have a register of cooperatives, no clear picture of the composition between conventional and compulsory cooperatives is provided. Nevertheless this does not include modern forms of cooperatives such as Limited Liability Social Cooperatives. In sports, for instance, the Offices of Physical Education of Prefectures keep records of clubs and associations. However, the General Secretariat of Sports has no such record. Only a register of associations with special athletic recognition exists, and while the official Greek General Secretariat of Sports website claims for years the existence of a special office for digital and statistical applications and documentation so far it is proved to be inexistent. These are only indicative of the fragmentation and apparent non-articulation of specific methodologies for monitoring and control of the distinct parts of the Social Economy field in Greece.

The creation of a Greek Satellite Account for the Social Economy presents immense importance for the country and its citizens, beyond what is generally described as the main usefulness of such method. Constituent institutions of the Social Economy in the country have historical links to state-building and national identity. The dynamism socialized functions are so unappreciated by the analysis and administrative practice, shading the wealth of possibilities that

they include (Nasioulas, 2010, 239-299). The weaknesses of the analysis associated with the inefficiency of public administration and inadequate professionalism in the private sector are all signs of a wider longitudinal crisis in the public sphere.

Since recording of Social Economy institutions is fragmented it is important to have a central register. A National Register of Social Economy institutions cannot be the simple sum of existing Records as the Register in Tables 1-3 presents. Research has shown that *“there are private legal entities, non-profit organizations or institutions such as cooperatives or joint funds that cannot be regarded as part of the Social Economy, ensuring their economic viability in a stable relationship with organizations outside of Social Economy”* (Nasioulas, 2010, 302). If the main sponsor of a non-profit organization does not belong to the Social Economy and if this funding is constant and is the main source of economic survival of the institution then such institution can not belong to the Social Economy. *“Academic research to identify the social economy in the country is not enough; further official declaratory acts of state services are needed”* (Nasioulas, 2010, 302).

Conclusions

Law 4019/2011 introduces the concept of Social Economy in the Greek legislative order. This is a significant step towards institutionalizing a field to this day unrecognized both by administration and academics. Nevertheless Law 4019 does not elaborate on the concept of Social Economy. In fact Greece does not have a law on Social Economy yet. The utilization of the term is proved to be superfluous and eventually misleading since the basic subject of this legislative action is the introduction of a new form of Social Cooperative. The second major deficiency of the law is that it provides for the establishment of a General Social Economy Register which is eventually found not to include any of the widely accepted institutional forms of Social Economy organizations except three kinds of civil cooperatives.

Law 4019/2011 is feared to eventually miss the much debated goal of institutionalizing Social Economy in Greece. Though this first step is a promising one this paper focuses on a three-step process towards the structuration of Social Economy in Greece:

- a) a legislative action should be introduced in which a broad and adaptable definition of Social Economy would be officially adopted; this definition should abide by European analytical tradition and modern national accounting methodologies;
- b) a Social Economy Register should be established incorporating all compatible institutional forms;
- c) a Social Economy Satellite Account should be built in order to monitor and evaluate substantial monetary and non-monetary activities.

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