

The social economy from the perspective of active inclusion: Employment opportunities for people far from the labour market

Statements and Comments

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1. A brief assessment of the possible relevance of the policy to Greece

1.1 The Labour Market situation in Greece

Over the last decade, Greece has lived through a period of sustained economic growth. Real GDP has been kept growing at an accelerated pace, especially since 1996, having achieved a rate of growth of 4.3% in 2006 and 4% in 2007, which is well above the respective EU-25 average (i.e. 3% and 2.6% respectively). This good economic performance has been accompanied over recent years by certain positive developments in the labour market. That is, the employment rate has shown, since 2001, an increase by nearly 5 percentage points, while the unemployment rate has shown a decline by almost 3 percentage points (*see: Eurostat, Structural Indicators Database*).

However, and although the employment rate in Greece exhibits over recent years a steady, but slow, trend of catching-up with the respective EU-25 average, it continues to lag behind: 61% in 2006 (61.4% in 2007) against 64.8% for EU-25 (65.8% in 2007). Similarly, the unemployment rate, though following a steady downward trend, it remains still higher than the EU-25 respective average: 8.9% in 2006 (against 8.2% for EU-25) and 8.3% in 2007 (against 7.2% for EU-25). The unemployment gender gap, in particular, remains very high (12.8% for women against 5.2% for men in 2007). As to the long-term unemployment rate as a percentage of the total unemployment, this remains at high levels (54.3% in 2006). This situation, in combination with the fact that activity rates in Greece are low, indicates that there is a sizable proportion of the Greek working age population who is far from the labour market.

1.2 The employment policy mix for people at the margin of the labour market in Greece

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

The basic employment policy mix open to various vulnerable groups in Greece (disabled, immigrants, unemployed individuals 45-64, ex-drug users, etc) comprises of the following active measures: employment subsidies, start-up incentives and quotas, vocational training and re-

training programmes and accompanying support services. Some of these actions and programmes are financed out of national resources (i.e. wage- subsidy programmes, start-up schemes, etc.) whereas a large number of them are financed by the European Social Fund under the various Operational Programmes of the Greek Community Support Framework 2000-2006, as well as under the Community Initiatives.

In particular, the number of employment promotion schemes and accompanied support actions has been on the increase over recent years. Under the framework of certain Operational Programmes (Sectoral or Regional) of the Greek CSF 2000-2006, a number of measures and actions reflect the policy mix defined as active inclusion policy in the sense that these measures entail, in particular, labour market activation programmes (including vocational training schemes) and supportive services, which involve actions such as empowerment, vocational counseling and facilitating access to basic services. Note should be made of the fact that the implementation of a range of supportive services in favour of vulnerable groups relies heavily upon the engagement of a great number of NGO's.

Moreover, Community Initiatives such as the EQUAL O.P. include integrated measures aiming at the labour market inclusion of persons of various vulnerable groups, reflecting, thus, to some extent, an active inclusion policy action which is targeted to persons far from the labour market, who might be welfare recipients or not. Under the 'Social Economy' strand of the EQUAL Initiative, in particular, actions are being implemented in Greece for promoting the creation of 'social enterprise-type' organizations, which would facilitate the reintegration of disadvantaged social groups into the labour market. Yet, with only one exception¹, this is the only relevant public policy initiative in Greece aiming at promoting employment through the activities of the Social Economy sector.

1.3 The relevance of the policy to Greece

When it comes to examining the labour market situation in Greece in relation to that of Belgium, one observes certain similarities. In particular, such similarities are to be found in terms of the relatively low employment rate, the relatively high unemployment rate, as well as, the high and persistent long-term unemployment. As to the social situation in Greece in relation to Belgium, certain differences are identified such as the at risk of poverty rate (which is much lower in Belgium) and the percentage of working poor (which, again, is much lower in Belgium).

Unemployment and long term unemployment in Greece continues to affect disproportionately women, young persons (especially young women who are graduates of secondary school) and persons of vulnerable groups such as persons with disabilities, ex - drug users, lone parents etc. The latter groups, in particular, present difficulties in adapting themselves in changes concerning the selective behaviour of the labour market and as a result they have very limited prospects of finding jobs which places them at a high risk of remaining at the margins of society. New approaches suitable to their needs should, thus, be given a high priority of action. It is in this context that the public policy pursued in Belgium for promoting the social economy sector is particularly interesting and all the more relevant to Greece.

¹ The establishment of "Social Cooperatives of limited liability" aiming exclusively at the socioeconomic integration of persons with mental health problems.

2. A brief assessment of the similarities/ differences of the policy with the experience of Greece

It should be stated right from the outset that, in contrast to the Belgian experience, the “social economy sector” as a relevant category for employment policy formation has attained, thus far, only a marginal position in Greece. And this is confirmed by the fact that the percentage of those employed in the social economy sector in Greece is around 1.8% as compared to 6.9% in Belgium (according to the ‘Discussion Paper’).

It is generally accepted, that the potentiality of the sector in facilitating and promoting the active inclusion of vulnerable social groups, especially into the labour market, has not been exploited as yet in Greece. For, it is still not recognized as a specific social and economic sector, and thus there is a lack of any dedicated institutional or legal framework for action or for the functioning of social economy organizations. The only exception being, the legal framework adopted in 1999, which provides for the establishment of Social Cooperatives for persons with mental health problems.

Notwithstanding the above, over the last ten years, one observes the emergence of a more local, less visible part of the “social economy sector” in Greece, consisting of initiatives, projects and agencies which are taking shape around the less formalised tasks and challenges such as: new social problems, environmental problems, concerns about unemployment and the social exclusion of vulnerable social groups etc. These initiatives, however, run mainly on limited programme funding², supported in their majority by the European Union’s Social Fund financing, and not on stable local funds though there are notable exceptions. It is only the minority of these initiatives that base their strength on local solidarities, including voluntary work and civic commitment, elements which are still underdeveloped in Greece.

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

In short, it appears that many of the initiatives which are considered part of the “social economy sector” are being gradually accorded certain legitimacy in Greece. At the same time, the need for facilitating new forms of co-operation and partnership through new institutional arrangements that would promote, among other things, the development of the social economy sector, has entered the political discussion in Greece. Undoubtedly, a major stimuli for this has been the EU’s guidelines and recommendations on the linking of employment promotion and local development and on exploiting, in particular, the potential of the social economy sector to create jobs. Furthermore, strengthening social economy in Greece is now considered as one of the main

² Programme funding is frequently only available for a relatively short initial period, after which funding ceases.

intervention axes for promoting employment for vulnerable population groups, being included in the National Strategy Report on Social Protection and Social Inclusion 2006-2008.

Finally, it is worth mentioning that, largely under the influence of the 'social economy strand' of the Community Initial EQUAL, Greece is currently witnessing a growing interest in the potential of the social economy and its constituent organisations. A key driver for this appears to be the need to enlarge the range of employment opportunities to various disadvantaged population groups, as well as, the need to deliver more and better public services.

3. A brief assessment of the potential transferability of the policy to Greece

In general, it may be said that Active Labour Market Programmes, which are being implemented in Greece, constitute a valuable contribution to promoting employment. Yet, evidence suggest that these programmes are not always effective for the disadvantaged social groups, even if they are targeted. For, these are in the main standardized and not flexible enough to avoid following a 'one size fits all' approach. Besides, such groups require special support which presupposes, among other things, the existence of specialist- type of organisations, as those which have emerged in Belgium over recent years. The emergence, in particular, of the 'Work Integration Social Enterprises' (WISE) and other similar type of organisations confirm their value in re-integrating disadvantaged groups of society into the labour market and the society at large.

Moreover, this is also confirmed by the establishment and operation in Greece of a specific type of social enterprise, namely the 'Social Cooperative of Limited Liability' (as already mentioned in the previous section). This is based on a unique legal framework and aims exclusively at the socioeconomic reintegration of persons with mental health problems, while taking into consideration their specific therapeutical needs³. Yet, there is a lack of specific arrangements that would allow Social Cooperatives to undertake and effectively integrate measures from different state agencies, customizing those measures for the particular target group, as it is the case with the social enterprise-type organisations in Belgium. It becomes evident therefore, that the Belgian experience in this respect, is particularly relevant in the case of Social Cooperatives in Greece, so as to further develop their work integration activities.

It should be noted that the abovementioned Social Cooperatives remain the only institutionalised form of a social enterprise in Greece. However, consecutive governments in recent years have recognised the need to extent the Social Cooperatives' legal framework, so as to cover various categories of disabled and other disadvantaged individuals, besides mental illness. The case of the WISE Organisations established in Belgium appears also to have a potential to be transferred in Greece as an alternative legal framework in this respect. And this includes, among other things, the specific arrangements made in Belgium for customizing measures for particular targeted groups.

³ In these Social Cooperatives the majority of employees are persons with mental health problems, who in addition to their salary, they are allowed to receiving any welfare benefit that they are entitled to.

Overall, it may be said that there is a recognized need in Greece to create the appropriate environment and favourable conditions for the development of social economy initiatives. Yet, their development depends heavily on the legislation and the supporting measures which are available. The policy pursued in Belgium to supporting and strengthening the social economy sector has a strong potential to be transferred in Greece, though the requisite legal framework has to be established.

Besides, experience in Belgium shows that regional and local levels have a considerable potential for employment action, especially in the social economy sector. For, it is easier to identify and tackle problems where these arise, while the involvement of relevant actors in the local community can be a powerful instrument to effectively dealing with such problems. In sum, localized policies bring policy close to people and their needs. Yet, in the case of Greece the centralized character of policy making in the areas of social protection and employment is considered one of the main factors impeding the development of social economy activities. Thus, appropriate institutional mechanisms and arrangements, similar to those of Belgium, are needed to embed a focus on social inclusion at local level and to promote combined partnerships, involving statutory and non-statutory bodies and, in particular, social economy organisations.

Moreover, establishing intermediate support structures and adopting alternative financing mechanisms for social economy activities, as those in force in Belgium, appear to have a strong potential to be transferred in Greece. Finally, what should also be taken into serious consideration is the establishment in Greece of a social economy department/ unit within one of the competent Ministries, as this is the case in Belgium.

Summing up, the Belgian experience brings into the fore the following key priorities for Greece:

- Recognition and legitimization of the Social Economy as a specific social and economic sector through the adoption of the appropriate legal framework
- Recognition of the Social Economy's role in promoting the employment of the disadvantaged social groups through the enlargement of active labour market measures
- Creation of a favourable environment for the development of social economy organizations – better cooperation between state agencies, local authorities and social enterprises

As a concluding remark, it seems that the quest for common experiences and sharing expert knowledge among E.U. countries is gaining impetus in the social economy field and is bringing to the fore the richness and diversity of this field.

4. Key issues and important questions

It is generally accepted, that one of the difficulties in making the case for social economy and its constituent organisations is the complexity of the field. For, it does not concern a single uniform entity neither it has a clear subject for policy intervention. And this certainly applies in the case of Greece. Thus, there is a need to adopt appropriate functional typologies of the various forms of social enterprise organisations that exist and that might require different kinds of policy intervention. In this context, particular attention should be paid on developing a system for

classification, monitoring, assessment and certification of the social economy organisations and their specific activities. Furthermore, questions are raised as to the kind of intermediary 'support structures' that are needed to help raise the efficiency and effectiveness of social economy organisations.

Another point that should be raised is the issue of getting people with disabilities back into work without being hampered by the system of disability payments. For, in Greece, with only one exception⁴, people must risk losing their status as disabled, which provides them with a certain financial security on entering employment. Re-establishing this status is often quite difficult, and because many disabled persons, especially those with psychosocial disabilities may have trouble maintaining their jobs, the risk of even attempting to work, therefore often proves too great. Thus, the need to develop the appropriate means of permitting disabled persons to experiment with work, at least in 'work integration social enterprises', against a secure benefits background, is considered a major issue which merits to be given particular attention.

⁴ That is, persons with mental health problems working in the Social Cooperatives

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