



Munich Personal RePEc Archive

# **Good Practices in Social Economy in Greece and in Other States of the European Union**

Cace, Sorin

Expert Publishing House, Catalactica Association

2010

Online at <https://mpra.ub.uni-muenchen.de/79940/>

MPRA Paper No. 79940, posted 28 Oct 2017 23:17 UTC



EUROPEAN UNION



GOVERNMENT OF ROMANIA  
MINISTRY OF LABOUR, FAMILY  
AND SOCIAL PROTECTION  
AMPOSDRU



EUROPEAN SOCIAL FUND  
POSDRU 2007-2013



STRUCTURAL  
INSTRUMENTS  
2007-2013

**Sorin CACE – coordinator**

**Victor NICOLĂESCU, Andreia-Nicoleta SCOICAN**

---

# **GOOD PRACTICES IN SOCIAL ECONOMY IN GREECE AND IN OTHER STATES OF THE EUROPEAN UNION**



Bucharest, Romania

CNCSIS: cod 045/2006

Editor: Valeriu IOAN-FRANC

---

Redactor: Paula NEACȘU

Graphic design, templates and typesetting: Luminița LOGIN

Cover by: Nicolae LOGIN

---

All rights belong to the Association for Socio-Economic Development and  
Promotion CATALACTICA –Teleorman County branch.

Reproduction of any type, even partial, is forbidden without the previous  
agreement of the publisher, being subject to copy rights.

---

ISBN 978-973-618-244-0

Published in 2010

Sorin CACE – coordinator  
Victor NICOLĂESCU, Andreia-Nicoleta SCOICAN

**GOOD PRACTICES IN SOCIAL  
ECONOMY IN GREECE AND IN  
OTHER STATES OF THE  
EUROPEAN UNION**

---

The *Expert* Publishing House



# CONTENTS

LIST OF TABLES, CHARTS AND BOXES .....	7
INTRODUCTION .....	11
CHAPTER 1 - ROLE OF THE SOCIAL ECONOMY WITHIN THE EUROPEAN POLICIES FOR SOCIAL INCLUSION .....	15
1.1. The European context of an inclusive society .....	16
1.2. Coordinates of the policies of social integration .....	35
1.3 Social economy – element of integrated policy for active inclusion .....	79
1.4. Progress of the social economy in the European Union ..	82
CHAPTER 2 - METHODOLOGICAL ASPECTS REGARDING SOCIAL ECONOMY EVALUATION .....	85
2.1. Methodological approaches to social economy mapping .....	85
2.2. Monitoring and evaluation of the societal aspects of the social economy .....	97
2.3. Definition and identification of good practices in the field of social economy .....	110
2.4. Models to evaluate the good practices of the social economy .....	125
CHAPTER 3 - RESEARCH ON THE BEST PRACTICES IN SOCIAL ECONOMY IN GREECE AND IN OTHER COUNTRIES OF THE EUROPEAN UNION .....	147
3.1. Structure of the evaluation grid for the good practices in social economy .....	147

---

3.2. Best practices in the Social Economy from Greece .....	151
3.2.1. Support Structure for the development of the Social Economy in Crete" "KRI.K.O.S." .....	152
3.2.2. Centre for support and certification of social enterprises.....	156
3.2.3. Pilot Urban-City facilitators .....	159
3.2.4. Social cooperative of the Dodekanissa Islands....	161
3.3. Best practices in the Social Economy from other EU countries .....	165
3.3.1. House of Art/ Artisan Association.....	165
3.3.2. Ealing Community Transport (ECT).....	169
3.3.3. Cooperative training and handicraft services Estudio Gloria, Sdad. Coop.....	172
3.3.4. Jupiter Foundation .....	175
3.4. Social capital – common resource of the good practices in social economy .....	179
CHAPTER 4 - RECOMMENDATIONS FOR CAPITALISATION ON THE ACQUIRED EXPERIENCE .....	185
APPENDIX - ORGANIZATIONS ACTIVE IN THE SOCIAL ECONOMY SECTOR .....	191
REFERENCES .....	200

## LIST OF TABLES, CHARTS AND BOXES

Table 1	<i>Legal forms of social economy organizations and companies in Europe / 83</i>
Table 2	<i>Results and sub-results of the evaluation / 106</i>
Table 3	<i>Social economy objectives, results and indicators / 107</i>
Table 4	<i>Indicators for social economy activities monitoring and evaluation / 109</i>
Table 5	<i>Types of good practices / 118</i>
Table 6	<i>Working visits within the project „Good Practice through Exchange” - project Social Economy Exchange Network (SEEN) / 126</i>
Table 7	<i>Grid for best practices evaluation / 128</i>
Table 8	<i>LAUREA – Educational program for social enterprises / 130</i>
Table 9	<i>La Nuova Cooperativa / 137</i>
Table 10	<i>Social enterprise Allozaur Sp. Z.o.o. / 144</i>
Table 11	<i>Support structure for the development of social economy in Crete - "KRI.K.O.S." / 152</i>
Table 12	<i>Accomplishing the best practices criteria 1 / 155</i>
Table 13	<i>Centre for support and certification of social enterprises / 156</i>
Table 14	<i>Accomplishing the good practices criteria 2 / 158</i>
Table 15	<i>Urban-City facilitators / 159</i>
Table 16	<i>Accomplishing the good practices criteria 3 / 161</i>
Table 17	<i>Social cooperative of the Dodekanissa Islands / 162</i>
Table 18	<i>Accomplishing the god practices criteria 4 / 165</i>
Table 19	<i>House of Art/ Artisan Association / 166</i>
Table 20	<i>Accomplishing the good practices criteria 5 / 168</i>



---

Table 21	<i>Ealing Community Transport (ECT) / 169</i>
Table 22	<i>Accomplishing the good practices criteria 6 / 171</i>
Table 23	<i>Cooperative training and handicraft services Estudio Gloria, Sdad. Coop. / 172</i>
Table 24	<i>Accomplishing the good practices criteria 7 / 174</i>
Table 25	<i>Jupiter Foundation / 175</i>
Table 26	<i>Accomplishing the good practices criteria 8 / 179</i>
Table 27	<i>Activities carried out within the framework of the best practices / 180</i>
Table 28	<i>Directions of intervention to activate the social capital and the social economy. Activities carried out within the framework of the best practices / 183</i>
Figure 1	<i>Free Urban Regions (zone franche urbaine) / 66</i>
Figure 2	<i>The 44 most deprived regions of the UK, on the basis of the 1998 Index of Local Deprivation (in declining classification) / 68</i>
Figure 3	<i>Index of Multiple Deprivation / 74</i>
Figure 4	<i>Example of how the indicators are set / 86</i>
Figure 5	<i>Social economy and local/regional growth / 187</i>
Figure 6	<i>Promote growth and social inclusion by microfinancing / 188</i>
Figure 7	<i>Social economy support/development / 189</i>
Box 1	<i>Rate of the poverty risk, by households / 22</i>
Box 2	<i>Rate of the poverty risk, within labour / 23</i>
Box 1	<i>Draft statute for the European associations (EA) / 31</i>
Box 2	<i>Importance of the mutual societies sector / 32</i>
Box 3	<i>Importance of the cooperatives sector / 33</i>
Box 4	<i>Inclusive labour markets / 42</i>

---

Box 5	<i>Criteria used to identify and select the " Free Urban Regions" / 65</i>
Box 6	<i>Income deprivation: indicators / 70</i>
Box 7	<i>Job deprivation: indicators / 71</i>
Box 8	<i>Disease or disabilities: indicators / 71</i>
Box 9	<i>Education, skills and professional training, indicators / 72</i>
Box 10	<i>Geographical access to services: indicators / 72</i>
Box 11	<i>Housing conditions: indicators / 73</i>
Box 12	<i>Local statistics – the Danish model / 77</i>
Box 13	<i>Key statistics – the Danish model / 77</i>
Box 14	<i>Questions and interviews – the Danish model / 78</i>
Box 15	<i>Theoretic background and methodological approaches / 86</i>
Box 16	<i>Similar research projects that have been examined / 94</i>
Box 17	<i>Criteria to determine the best practices / 113</i>
Box 18	<i>Example of good practices evaluation grid / 127</i>
Box 19	<i>List of criteria used to identify the good practices in Greece and in other EU member states / 149</i>



# INTRODUCTION

## ***Proactive - from marginal to inclusive***

*Proactive – from marginal to inclusive*, is a project cofinanced from the European Social Fund through the Sectoral Operational Program Human Resources Development 2007-2013 and implemented by the Association for Socio-Economic Development and Promotion, CATALACTICA - Teleorman County branch, in partnership with Aitoliki Development S.A. Local Organization Authority - AITOLIA S.A and with the Institute for Quality of Life Research.

The general objective of the project is the active promotion of social inclusion on the labour market by activating the social economy, the women and the ethnic groups to develop partnerships and by disseminating positive practices in the regions of development *South Muntenia and South West Oltenia*.

**Specific objectives:** to increase the level of information on the social economy; formation for the professional development of the women and representatives of the ethnic minorities employed in the NGOs functioning in the social economy; to increase the level of cooperation by starting an inter-professional network materialized in a Centre for social economy; to help get passed the cultural stereotype regarding the social role and professional status of the women and ethnic minorities on the labour market and within the Romanian society.

**Beneficiaries:** women; trainers involved in social economy; social workers; managers of the social enterprises; Roma ethnics; specialists involved in social economy.

**Main activities:** study on the stage of social economy development in the regions South Muntenia and South West Oltenia; elaboration of handbooks of intervention based on social economy principles; organisation of a training course in social economy; organise within NGOs,

training courses and professional updating courses on social economy; establishment of a Centre for Social Economy Promotion; transfer of good practices; campaign of information and awareness raising.

The purpose of the transfer of good practices is to deliver to the national social partnerships the good practices from other member states of the European Union in the field of social economy, by organising seminars round tables and symposia, exchange of good practices, documentation visits, drawing up and publishing a handbook of good practices. We hereby want to thank the experts who contributed to the supply of elements of novelty included in the book: **Lucas Katsikaris, Eleftheria Koumalatsou, Charalambos Grammatikopoulos, Kyriakos Kotsoglou, Charalambos Michalopoulos Ioannis Parcharidis, Yannis Papadimitriou, Christoforos Skamnakis, Ana Maria Preoteasa, Toader Burtea, Adrian Vidrighin, Valeriu Ioan Franc, Ștefan Cojocaru, Mariea Ionescu, Daniela Nicolăescu, Gelu Duminică, Iuliana Mardare, Daria Lăzărescu.**

The emergence of specific elements in the development of social economy across the European Union reveals its widespread status within the EU, as shown by a range of specialists interested in the progress of this form of economy.

“Evaluation” and “good practices” are to be found, and can be analysed in detail, in the interdisciplinary and very comprehensive social field, which demands, for rigorousness and clarity, a brief definition of them and an analysis of the conceptual areas regarding the relation between evaluation and good practices

The contribution and needs of development of the social economy organisations also require the evaluation of the best practices in this field, as well as a feasibility study on the potential for the establishment of a centre for social economy in the regions South Muntenia and South West Oltenia, from Romania. In this respect, it is important to **discuss and report the methodological approaches on social economy mapping** at the regional and local level. This analysis regards the **design** of methods and the development of social and economic evaluation, job creation activities and entrepreneurial initiatives in the social economy. A fundamental

---

material is thus constituted, which can be used by the project partners and by other researchers involved in social economy mapping. To this purpose we conducted applicative desk research, searching research projects in this field and, particularly, the methodological approaches which they used.

The expected outcome aims the transfer of experience, capacities and good practices to the non-governmental organisations acting in different socio-cultural contexts.

The purpose of the book is to place, as well as possible, the social economy within the integrative European policies for social inclusion and to supply examples of good practices from Greece and from other member states of the European Union.

The book consists of four sections. The first section presents the main coordinates of the European policies for social inclusion, correlated with the specific initiatives of the social economy.

The second section describes the main features of the good practices in the social field, clarifies the importance and role of social economy structures evaluation and monitoring using methods of scientific research and shows the results reported by other studies on the good practices in social economy.

Chapter three discusses the indicators used to show the good practices across the European Union. Based on the common grid of indicators used as reference framework, eight of the best practices identified in Greece and in other European countries are described. The chapter highlights the importance of the most usual resource used by the described best practices – the social capital – and brings arguments to the circular relation with the social economy, while giving some directions to develop the formula which activates the potential of this form of social economy.

Chapter four supplies a set of recommendations on how to capitalise on the gathered experience, by setting broad directions for the subsequent development of the social economy. The EU regulations on social economy are presented, as well as the links between the social economy and EU policies.

The book end with an appendix drafting the picture of the European structures involved in the field of social economy, both at the European and at the national level, whose purpose is to provide more knowledge to the interested reader.

*Andreia Nicoleta SCOICAN*  
(project manager)

*Sorin CACE*  
(book coordinator)

# **CHAPTER 1**

## **ROLE OF THE SOCIAL ECONOMY WITHIN THE EUROPEAN POLICIES FOR SOCIAL INCLUSION**

**S**ocial economy is probably the most important field for the development of active social protection policies, and for the development of cooperation within the local community and official state actor's policies. At the core of this perspective lies the participation of the social forces to the development of the social capital, by protecting against the risk of exclusion and by promoting the inclusive society. Hence, the starting point as well as the reference point is the need for state intervention which to set the conditions required for the success of this perspective.

In support of this purpose and with the purpose to present the integrative aspects of the social economy, we will subsequently expand the analyses of the current context and we will identify assumptions which are common to the social inclusion and social economy. We will also present the relations between the social protection mechanisms and the perspective for social protection initiatives development, mentioning that European Union policies are the key to this understanding. EU policy sets a reference framework which serves, in different ways, to the various national and regional policies of the EU member states. Six types of local policies and interventions have been thus identified, level where the development of community cohesion is stronger and where the self-governing entities may develop more efficient strategies for the social integration of the vulnerable groups.



The role of the social economy within the integrated policies of social inclusion has been identified after a laborious analysis of the literature, using the experience gathered by the authors by attending conferences and workshops in Greece and in other EU member states.

### ***1.1. The European context of an inclusive society***

Presently, the European Union undergoes significant changes, both in the economic and in the social field. The use of technological discoveries, both for the production of goods, and in the everyday life of the Europeans, in health care and in services, has contributed to the diversification of the life and work conditions. The changes are reflected both on the entire spectrum of human activity, on the families, persons and community relations. Even if the new reality offers important opportunities and possibilities for the improvement of the standard of life, it is accompanied, nevertheless, by similarly important problems and risks, which threaten not just the individuals and groups separately, but also the European societies as a whole.

The interconnection of the new demographic data of the populations in Europe, the changes taking place in the structure of the family, as well as the new realities in the field of employment influence the prosperity of societies and people, which gave way to increasing pressures for change, particularly in the field of social protection policies. These adjustments are as much the result of the domestic developments in the European countries, as they are the result of wider changes, all of them being produced by the phenomenon of globalization (Esping-Andersen et al., 2002). The new realities create new necessities, societies and systems of social protection. The deregulation, privatization and commercialisation of the social policy, together with the fact that social policy deviated from the social justice, being conceived as part of the production process (Walker, 2005) or even as adjustable public expenditure, are reflected in the serious consequences observed in terms of social security.

Clearly, it is constantly affirmed that the power of the European economy only is not the single answer to the challenges to the prosperity of

the European populations. The threat of poverty refers to 17% of EU27 population until 2008 (Eurostat, 2010), which means in absolute figures about 78 million people, and the economic crisis from Europe is likely to increase this percentage in the next years. The national systems of social protection for the prevention and control of social exclusion have a different efficiency against the pauperisation of the citizens from the 27 areas of poverty developing throughout Europe. The systems existing in the southern countries, together with the efforts of the new member states are directed towards the fight against poverty, although in most of these states, the systems of social transfer don't alleviate drastically the problem; on the contrary, the poverty rate increased during the past decade. Eurostat quantitative data show that several states are above the European average as poverty rate, such as the southern European countries and most of the new member states. At the same time, most of these countries are below the European average in terms of the purchasing power standards of their citizens. The northern countries enjoy more efficient systems of social protection because the poverty rate in continental and northern Europe is below the 17% average of EU27, and their purchasing power is clearly above the European average (Eurostat, 2010).

A detailed analysis shows intense contrasts of the incomes in Europe, as well as poor interventions of the national mechanisms for income redistribution. The following classification is useful in order to understand the main conflicts in modern Europe. The classification was compiled from a combination of the above data. Thus, using the most recent statistics issued by the statistical office of the European Union (Eurostat, 2010), we may form four groups of countries:

- 1 The *first group* consists of countries combining high poverty rates with low purchasing power. The countries from this group are: Greece, Portugal, Estonia, Lithuania and Latvia, as well as Bulgaria and Romania.

2. The *second group* consists of countries combining poverty rates over the European average, but whose citizens have purchasing power over the European average. Spain and Italy are included in this group, although they have an average slightly higher than the European average. In the

same group, but with a significantly higher purchasing power are the United Kingdom and Ireland.

3. The *third group* consists of countries with poverty rates which, after social transfers, are below the 17% European average, while the purchasing power of their citizens is also below the European average. The countries in this group are Malta, Cyprus, Slovenia, Czechia and Hungary.

4. The *fourth group* consists of countries combining poverty rates below the European average, with higher purchasing power. These are the countries of continental Europe, such as France, Germany, Austria, the Netherlands, Denmark, Sweden and Finland.

This analysis used the data supplied by Eurostat for a period up to 2008, published only in 2010, before taking into account the effects of the European and global economic decline on the incomes and on the mechanisms of redistribution. This is not very important, however, because the main argument concerning the differences between the European member states and the large inequities in terms of incomes and standard of living which define the purchasing power (Marlier et al., 2007, p. 68) confirm the existence of a multipolar sum of social differences and inequities which justify the existence of different needs of social protection.

Because the welfare state relies on political and social correlations and on the traditions of each European state, these contrary positions are expected and they appear up to a point (Sakellariopoulos, 2001, p. 18). Thus, the way of social integration determines a reflection framework for the reciprocal confrontation of the social problems at the supra-national level of the European Union. The promotion of social protection as reciprocal element of the individual public policies of the EU member countries refers to a protection network extending over several political areas across Europe (Flynn, 1999). Social protection is a reciprocal challenge for all the European societies, even if it is supported in different ways (Clarke, 2002).

Through the prism of supra-national interventions and based on the reality depicted above, the European Union tries to develop a network of integrated policies useful to the purpose of promoting "*social inclusion*" and to eliminate the conditions which enhance "*social exclusion*". The two

concepts have a very high ideological and political load, and there is an ample literature on the origin and history of these concepts (Petmesidou, 1996). The process of social exclusion refers to the relation of the individual persons with social environment and to the relations which the individual persons develop with it. Non-participation within the common moral order of the community is an aspect characterizing the process of exclusion. Furthermore, it refers to the deficit of social rights or the important deficit of access to the specific framework of protection provided by the public social protection policies (Hills, 2001).

Within the context of the European Union, the main definition in the field of social policy is that of "*social inclusion*". Social inclusion seems to be completely opposed to social exclusion, placing at the core of EU policies the interventions addressing not just the income and its distribution, but particularly the remotion of the terms and conditions of the process of social exclusion for specific groups of individual persons. This approach acknowledges social exclusion as a complex process with roots beyond the income and which focuses on social relations (Byrne, 1997; Saraceno, 1997; Room, 2000).

On the other hand, the concept of social inclusion was approached critically and with solid arguments, direction in which the social inclusion policies might witness a shift of focus from interventions in the field of income inequity and its importance towards the process of decreasing the social inequities which it may involve. The dipole "*social exclusion*"-"*social inclusion*" seems to hide inequities within a vacuum of the "*socially integrated*" (Levitas, 2004), introducing a dichotomised distinction between the "*inside and outside of the walls*". This may lead to a shift from the purpose of the fight against inequities as a whole, to limiting the interventions around the minimal boundaries.

Even as term signifying a policy of minimal objectives, the Commission says that using this term, the complex nature of the process of social exclusion of the individual persons and groups is emphasized (European Commission, 1992, p. 8). At the same time, it introduces within the entire state the problem of participation of the multiple sources to the supply of services in an effort to eliminate the multiple causes of the social

exclusion, while providing the framework for the establishment of pluralist forms which to meet the large array of needs. Nevertheless, the withdrawal of the state guarantees the expression of the “pluralist” models, situation which seems menacing for the standards of social protection as long as the mixture of provisions is vague and changing continuously.

From the view point of the European Union, the adoption of the “inclusion-exclusion” dipole also sets the limits of its intervention in the field of social protection. The significant differences between the individual national systems, as well as the determination of the state to keep control on social protection within the national boundaries, prevented the efficient unification of the economic policy with the social policy (Hansen and Schierup, 2005, p. 6). The power on the European Union didn’t run over the national regulations on social protection, and the national states continue to regulate autonomously the content of their social policy (Sakellaropoulos and Berghman – editors, 2004).

However, the European Union is an integrating framework for political conceiving and practice, as well as one of political orientation for its members. At the basis of the interventions in the field of “*social exclusion*” EU policy crosses several specific aspects, focusing on employment. The Council Recommendation EEC 92/441 of June 1992 concerning the convergence of the systems of social protection by the adoption of mutual criteria is directed towards *poverty*, as the main challenge to the state interventions; the effects of this Recommendation are tangible until our present time, as will be explained subsequently. The mentioned text acknowledged the restructuration of employment during the previous decade as the main source of poverty. Social protection remains the responsibility of the member states function of the individual internal conditions, but laborious reports on the need for reciprocal measures which to provide for “*social integration*” are included beyond the redistributive policies of the European Union. The protection of the most vulnerable persons and avoiding their social exclusion are well aspects known to have mutual purposes. The Council Recommendation EEC 92/442 of June 1992 regarding the convergence of the social protection policies, underlines the need to support social protection, but the member states remain responsible on the basis of the principle of

subsidiarity. The diversity of the systems of social protection may support the mutual purposes to be set by adapting a strategy of convergence developed by the member states. The Commission published the same year a recommendation entitled *“Towards a Europe of Solidarity. Intensifying the fight against social exclusion, fostering integration”* (COM 92/542). The document stresses the need for organizing mutual interventions to tackle the phenomenon of social exclusion across Europe (European Commission, 1992, p. 8). At the same time, the document evaluates the trend of EU policies until that moment.

The common spirit of the recommendations shows the framework of EU policies in the field of social policy. Within the broader context of the reciprocal economic policy and of removing the barriers to the free movement of the labour force between the EU member states, the promoted policies are directed towards: **a)** ensure a minimal wage and a minimal total income; **b)** ensure unified provisions concerning health care; **c)** promote economic and social inclusion; **d)** protect the workers that can not work (temporarily or even permanently); **e)** ensure the social protection of the unemployed; **f)** promote equal opportunity and prevent gender, breed, policy or religious discrimination (Sakellaropoulos, 2001, p. 187).

Although social exclusion is part of the social protection policies, presently it gained in significance, because of the increasing complexity of the social frameworks, which refers to a multi-facet nature of the problems, therefore of the interventions aiming to solve it. Social economy can function as part of the wider social protection policies and may strengthen the integrated strategies for social inclusion. Moreover, it is obvious that the policies intended for the vulnerable groups must operate under the principle of reciprocal synergy.

### **A Europe of contrasts and inequalities - the long journey to inclusive society**

The boundaries of social exclusion and poverty are not always discernible. Moreover, as it has already been underlined, the link between income and social exclusion is not univocal. Additionally, the access to

employment does not constitute the safest means of protection against social exclusion as well as against poverty. From the extremely high poverty rates (Chart 1) as well as in-work-poverty rates (Chart 2), the need for complex and coordinated measures is imminent due, on the one hand to the marginalized individuals and groups, without sufficient income and facing difficulties for their access to employment as well as to the communal life of the community. On the other hand the necessary provisions must equally be taken for the groups living on the boundaries of the social exclusion spectrum and who are unable to ensure sufficient income, even though they are not excluded. It seems that the financial crisis is afflicting these specific groups in larger percentages since on the one hand, their incomes are affected but also as their purchasing power is diminished and their participation conditions to the communal life of the community gradually deteriorate.

*Chart 1. Poverty rate, by household*

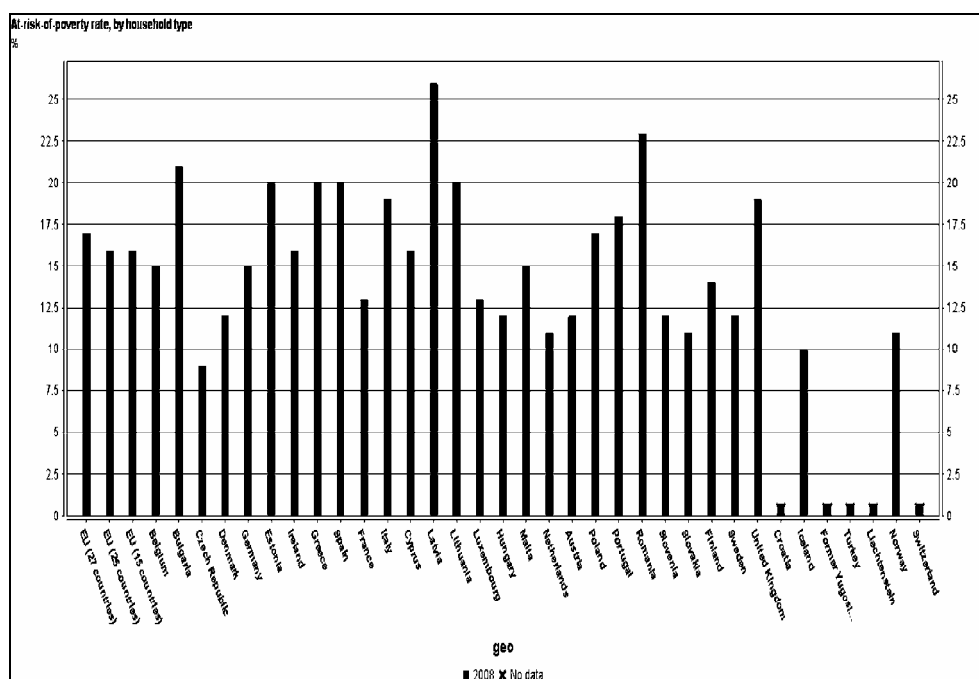
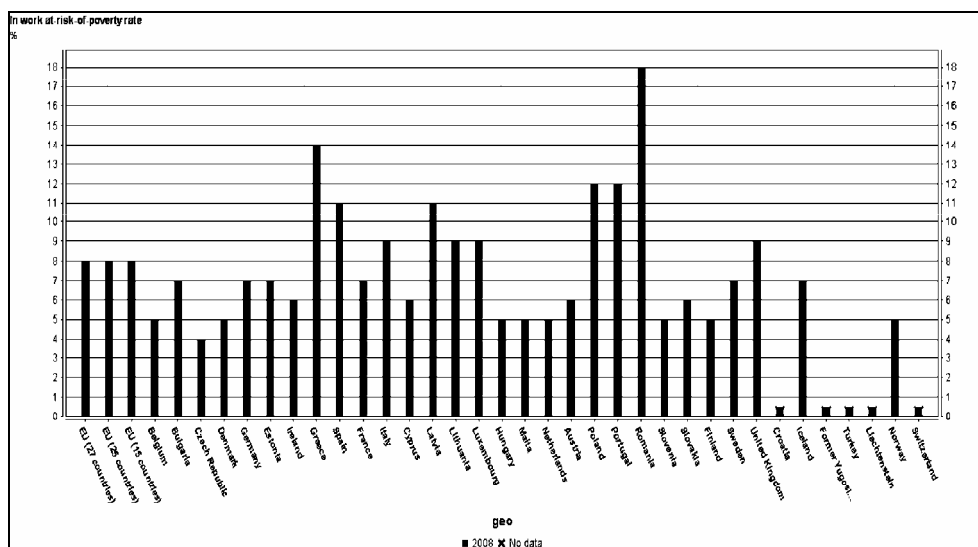


Chart 2. Poverty rate; in-work-poverty



Europe may not be easily conceptualized as homogeneous; on the contrary it is a representation field for intense inequalities and permutations. Even though social problems have common characteristics, their possibilities and their counter mechanisms differ radically. This last observation must accompany our analysis in the context of the study concerning fighting social exclusion through initiatives from the social economy area.

### The concept of social exclusion

The Weberian origin of the term describes a more voluntary act of isolation and entrenchment (social closure). More so, in describing into detail this situation -as part of the evidence process both within group and in its environment - has defined it as a differentiation that is a result of the superiority and the strategic choice of ruling groups. Voluntary isolation obviously has negative effects on the organizational solidarity of the



community and it does not constitute a threat but a choice. But if we approach the term as a process of isolation of the most vulnerable groups of the population we reasonably find out that it constitutes a significant threat to the cohesion of any community.

The concept of social exclusion has three basic approaches. **a)** The first one sets as a basic criterion the behaviour of the persons themselves and interposes exclusion as a result of the adoption of principles and behaviours outside the boundaries set by the community. This approach originates from a conservative perspective which analyses exclusion as a choice and not as a process to which the entire community participates. **b)** The second one regards social exclusion in connection to the social structures as a whole and to the way in which they are present both in institutions and in state mechanisms. **c)** The third perspective sets social exclusion in the field of rights and of access to social goods

The common question in all three approaches is related to the factors that sustain the exclusion process. This study is meant to set this question in the framework of a need for setting up a series of mechanisms and interventions that reverse the process of social exclusion for those already excluded while strengthening the position of those threatened by its spectrum.

### **Social inclusion in the European Union**

Social inclusion constitutes the main point of the *European Social Paradigm* and is approached from two main starting points (Abrahamson, 2003).

**A.** The first regards social inclusion as the opposite pole of social exclusion and accentuates the disruption of community cohesion and the existence of significant inequalities. This perspective underlines the need to shift the discussion for social protection from the distribution and redistribution of income issues that have been proven weak and evidently static to more dynamic interventions setting the goal of activation and restructuring of social relations. It analyses the concept of social inclusion not as a one-dimensional and static process but as a holistic effort of overall

participation and activation of individuals and groups. The appearance of new exigencies in the social environment necessitates the development of innovative tools for approaching social phenomena that may not be easily understood by using the traditional macroeconomic notions of poverty or even charity. The transcendence of the static measurement of income and the expansion of the discussion into the broader field of social protection emerges as a comparative advantage of this particular approach (Madanipour, 1998). The social protection systems can be analyzed not only in relation to the amount of social transfers but also in relation other services they offer.

**B.** At the very opposite of the above approach, the critique to the concept of social inclusion highlights the redistribution of income as a central portal of social policy arraigining the concept of inclusion as misleading. The burden of social policy falls to the percentages of social transfers from which the mechanisms adequacy to face the main problem of societies is assessed, which is poverty and more widely economic inequalities. Moreover these are the causes of the remaining social inequalities and for this reason sound policies should be directed towards this goal.

However it is not essential that the concept of social inclusion should stand on the above dipole. Social inclusion is a complex process that encounters both aspects related to income and elements of community participation. The approach adopted in this study sees social inclusion as a process that guarantees sufficient means for a decent way of living combined with the participation of individuals and groups to community's life, through their participation in the civil processes, the labour market, free expression as well as in education and obviously in employment.

### **Active inclusion**

The 90s have been marked by the White Book for social policy which was published in July 1994. It set *employment* as the focal point which simultaneously constitutes a condition for social protection but also the mean to avoid poverty. "*Activation*" emerges as the focal point of Union

policy, particularly during the second half of the 90s and since then constituted the link between the right to social protection provisions and services and the mobilization of the individual towards adapting to the new job market facts through re-education and training in new specialities for which demand exists

A following social policy point of reference of the Union is the Commission's statement titled *"Social protection update and improvement in the European Union"* (European Commission, 1997) in which social protection, according to prevailing attitudes within the Union, it is recognized as a productive factor. This entails that apart from the protection offered to the most fragile parts of the population, social policy will have to support social cohesion and to ensure the conditions of adaptation to the labour market, at least for those suffering the consequences of this period of restructuring and change. Protecting access to employment and supporting social cohesion affects economic efficiency and effectiveness and therefore should be supported by social policy.

### **The concept of social economy**

The reference to the concept of "social economy" must be accompanied by certain initial and basic clarifications. As a term, it is subject to a number of theoretical interpretations whereas it is noted that its practical applications differ significantly in Europe. The content of the concept may be traced back to the mid 19<sup>th</sup> century and traces forms of social economy in Churches' activity or in the field of charity. One of the first references to the concept can be traced back to the beginnings of the previous century. Swedish economist Gustav Cassel as early as before the First World War wrote *"The Theory of Social Economy"* which was published for the first time in 1918. With this title the necessity that economy should serve society as a whole is described. At the centre of this approach stands national economy which should ensure national continuity (Cassel, 1923: 5-9). It is evident that this idea is not novel, since the need that economy serves society as a whole neither appears for the first time nor is it unique. Nevertheless the use of the term social economy is encountered for the first

time, and it develops in the widely liberal environment. A wide use of this term, with the variations it entails, may be found in post-war Europe until today. The “social market” existed as a central ideological and political goal of various powers that attempted to reconcile the capitalist economic growth with the creation of market and social protection regulation mechanisms. The term remains dominant both in the French and in the German political scene (Sarkozy, Seder, Merkel, 2001). However it is not linked to the current content of the term

Nowadays it seems impossible to make reference to a homogeneous term that is fully accepted. Social Economy is not identical with the so called Third Sector though it is essential that it draws important aspects from the field mainly concerning human capital. The field of social economy itself includes a multitude of initiatives with varying characteristics. These initiatives may concern actions from the non-profit sector or actions that are not oriented towards profit without however precluding this possibility (non-profit oriented). Social or solidarity economy does not stand at the very opposite of the free market economy as we know it. It constitutes a distinctive part of it that concentrates particular characteristics that concern the purposes and functional matters of the various initiatives. The social and the conventional economy constitute parts of the same continuous spectrum.

Initiatives in the field of social economy are included mainly in the context of free economy and specifically in the contemporary characteristics of economic development. They propose small scale actions mainly in areas where there is no expressed interest from the private-profit making economy whilst the state is either absent, or its interventions are ineffective. In this field, individuals or groups take initiative so as to organize mechanisms that cover the attested shortcomings. It is to be expected that initiatives of this sort will be of a local character at least initially and certainly stem from the activation of the dynamics of the local social capital (Hadjimichalis and Hudson, 2007).

Local development and the creation of employment opportunities at local level represent the starting point for the initiatives included in the field of social economy. Essentially, it is proposed a model of mild local development characterized by sustainability and activation of the inactive

local forces. The initiatives in the social economy field produce only positive results or, in other words, win-win actions since on the one hand certain services are produced whilst simultaneously new employment opportunities are created and local development is promoted.

The above assertion remains to be established in practice as well as confirming that it is valid in the field of providing social services. However the provision of employment opportunities through social economy at local level is strongly proposed as a developmental model that is in the position to create significant results both directly for the weak social groups and indirectly for the local societies as a whole. The Union has exerted significant efforts so as to promote this perspective with the creation of new employment opportunities as a starting point and as the central aim (EU, EMCO/27/060602).

Already since mid 1970s initiatives of groups of citizens with a limited spatial range, were promoted as a tool for the revitalization of the local economies and the promotion of local growth (OECD, 2007, *Social economy: building inclusive economies*). In the contemporary environment and under the concept of social economy it is possible to produce products and services in the whole spectrum of economic activity, effectively supporting local growth which may be linked to the growth of a wider geographical areas and finally to the production of significant results for national economies. Nevertheless the ensuring of wide cooperation between local bodies, the mutual agreement and delineation of a range of goals as well as the utilization of local forces (local social capital) are characteristics of vital importance for the local growth (Grefe, 2003). At the same time they simultaneously highlight the goal of development as a central point in community's life. Initiatives in the field of social economy have the above characteristics because:

- a. due to their nature social economy initiatives have the possibility of incorporating the different values, perceptions and expectations of the composing individual parts;
- b. enjoy the possibility of planning and anticipating long-term results since they are not subject to the pressure of immediate results;

- 
- c. have at their disposal an «ethical advantage» due to their aims and their ways of function and enjoy the trust of the participating parties and of the social environment (Noya and Clarence (eds), 2007: 94).

Overall, the initiatives that are included in the social economy field – theoretically- incorporate the distinctiveness of the local societies where they take place; reflect the problems and the solutions that they are in the position to propose by activating and utilizing local forces.

The initiatives in the field of social economy indicate the local societies' active involvement in solving the problems they face. This approach highlights a new synthesis of the public and private field, indicating a more active role for local societies, distinctive social groups but also for each individual separately. The starting point of this distinction is based on the change that has taken place in the relation between the public and private field with the public withdrawing from the fields where it had a traditionally ascendant presence whilst the created vacuum is filled with the private sector's action, profit making and not. Social economy includes those initiatives without excluding those that are non-profit oriented. The institutional forms through which these kinds of initiatives are realized are present in a wide variety across Europe, underlining the major and minor manifestations and implementation of the phenomenon (OECD, 2007, p. 27-31).

A significant part of the economic activity in Europe, both in relation to produced products and services and to jobs positions, may be included in the field of social economy. It is not however easy to define exactly the range of the current situation mainly due to the plethora of theoretical approaches and practical applications. The European Union estimates that the employees in the field of social economy approach 150 million employees (EU, 2010). The Union's policy supports the prospect of social economy as an important tool for the increase of employment, however its characteristics remain vague.

The environment in which social economy develops is characterized by a differentiation of the function of the state both in economy and in social policy's organization (Jessop, 1994; Giddens, 1998; Gilbertin, 2004).

The boundaries of the relation between the public and private, due to the current conditions, are unambiguous enough. The relation currently is still being developed and social economy's bodies do not appear to have delimited yet their relation and their precise role. The contemporary mixture of public and private includes a wide range of third sector bodies without however their roles being widely accepted and in a position to guarantee the provision of the required services so far.

Alternative economy and economy based on solidarity forms have appeared, particularly in Europe, since the first capitalist aggregations and have taken a variety of forms. It is useful at this point to present a simple standardization that will also highlight the diversity of the phenomenon during the current period and which will enrich the reflections in relation to the future.

Social economy enterprises represent 2 million enterprises (i.e. 10% of all European businesses) and employ over 11 million paid employees (the equivalent of 6% of the working population of the EU): out of these, 70% are employed in non-profit associations, 26% in cooperatives and 3% in mutual societies. Social economy enterprises are present in almost every sector of the economy, such as banking, insurance, agriculture, craft, various commercial services, and health and social services etc. (EU, 2010).

### **Foundations and funds**

The foundations and mutual funds are created under the initiative of a person or a group of people and they receive financial support from the State or other official bodies, even from private enterprises. Achieving a specific goal in favour of some persons, or groups or generally the whole society, is of outmost importance. This concept is based on the Anglo-Saxon tradition and the majority of this type of associations is active in the sector of education or more widely, in the sector of social interest service providing.

### **Associations**

In the framework of the associations, actions initiated by groups of people with the aim of serving a particular social goal and specifically, the

resolution of specific problems of the community, are taking place. In these associations, we can come across initiatives that focus on fighting against common problems or finding solutions for the community, implemented by persons or groups of people who are not personally involved in the community problems or their consequences (Evers and Laville, 2004). This type of associations can be reached all over Europe and they are ranked in two main categories; **a.** the associations that have commercial activity as well (usually in the sector of social care); **b.** associations that do not have this kind of activities (or legislation do not allow them to do so) and are restrictively active in the field of volunteerism and charity.

#### Box 1

##### **The Draft Statute for European Associations (EA)**

The Draft Statute for a European Association was proposed in 1992 to enable associations to take advantage of the single market in the same way as companies can, without having to forego their specific character as groupings of people.

The Draft Statute provided for general characteristics of the European Association:

- Subject to the application at national level of the legal and administrative rules governing the carrying on of an activity or the exercise of a profession, the EA could freely determine the activities necessary for the pursuit of its objectives, provided they were compatible with the objectives of the Community, Community public policy and the public policy of the Member States. It pursued them in accordance with the principles which derive from its character as a grouping of persons (in a disinterested fashion).
- The profits from any economic activity would be devoted exclusively to the pursuit of its objects, and may not be divided amongst the members. The definition covered all categories of "associations" by reference to who benefits from the services, (i.e. those aimed at the promotion of members' interests, and those aimed at meeting the needs of third parties). The Draft Statute was withdrawn by the Commission in 2006 due to lack of progress in the legislative process. Nevertheless, the Commission is ready to continue the dialogue on the subject and to review the situation on the basis of new information.

*Source: EU, 2010.*



### **Mutual Societies**

The mutual societies are particular form of associations that focus on covering any need of its members. Not to mention, the needs vary but still, the principle form is the professional funds of mutual aid. The historical background of this type of associations can be found in the professional unions of the nineteenth century that provided insurance by contributions to all workers suffering from illness or injury. Obviously, this type of associations do not focus on making profit while its reserve funds are managed in favour of all of its members and with an effort of multiplying their activities

#### **Box 2**

##### **Importance of the mutual societies sector**

Mutual societies, as a distinctive legal form of enterprise, exist only in a small number of Member States while in some countries this kind of insurance service is offered by cooperatives. Mutual societies exist mainly in Nordic and Western European countries and they account for 25% of the European insurance market. Almost 70% of the total number of insurance companies in Europe are mutual societies.

The lack of reliable and exhaustive statistics limits the possibilities to draw up an exact and accurate overview of the place of mutuals at the European level.

As a first step to obtain homogeneous, accurate and reliable data on the companies in the social economy in the EU, the European Commission has developed the "Manual for drawing up Satellite Accounts of Companies in the Social Economy: co-operative and mutuals", which was published in December 2006. The purpose of this manual is to establish the necessary initial directions and guidelines for drawing up a satellite account of companies in the social economy (cooperatives, mutual societies and similar companies) in the European Union (EU) in accordance with the central national accounting framework set out in the European System of National and Regional Accounts (1995 ESA sau ESA 95).

*Source: EU, 2010.*

## Cooperatives

This form is more flexible, and is consisted of groups of people that either focus on serving their own interests, or come all together to offer their services to the community. The relatively “vast” description includes the European traditional service providing of common interest the community itself, exploiting the available social capital.

### Box 3

#### Importance of the cooperative sector

Co-operatives are an important part of European economic life and industry; there are 250,000 co-operative enterprises in the European Union, owned by 163 million citizens (1 in 3 EU citizens) and they employ 5.4 million people.

Co-operatives hold substantial market shares in important industries in most Member States, especially in agriculture (83% in Netherlands, 79% in Finland, 55% in Italy and 50% in France), forestry (60% market share in Sweden and 31% in Finland) banking (50% in France, 37% in Cyprus, 35% in Finland, 31% in Austria and 21% in Germany) retailing (consumer cooperatives hold a market share of 36% in Finland and 20% in Sweden), pharmaceutical and health care (21% in Spain and 18% in Belgium) and information technologies, housing and craft production. In Italy cooperatives represented almost 15% of the total economy. Cooperatives also provide services such as catering, accounting, legal advice or marketing for a group of enterprises (e.g. plumbers, hair dressers, taxi owners etc.). In recent years cooperatives have also been present in sectors of general interest like education, transport, energy provision.

*Source: UE, 2010.*

Taking into consideration all the abovementioned, we can conclude that *social economy* constitutes a large field of action, in parallel with the context of *free economy*, being in “dialogue” with the latter. This kind of “dialogue” takes also place between the social economy initiatives and the

so-called Third Sector. The field of social economy is being developed in between and derives practices from both the social and free economy. In addition, it is not in opposition or in competition, but it proposes an alternative scenario for development. However, in the light of the current social, political and economic reality, the success of this scenario looks more like a utopia

To conclude, we should make refer to the criteria that distinguish social economy from the Third Sector, as the boundaries are often vague and interpretation mistakes are frequent. It is a fact that the Third Sector and the field of social economy are mixed; however their differences are significant and three distinctions can be mentioned:

**1. Management** - In the Third sector, the organizations and others forms of associations are not under the supervision of a democratic governance. Irrespectively to the work they make and the services they provide, they are not subject to audit, regarding their decision making process. As it has been mentioned before, the democratic decision making, based on the equal participation, is the main pylon of the social economy.

**2. Profit** - When it comes to non-profit organizations and the Third sector activities, the distribution of profit is completely excluded.

**3. The Priority of service providing** - Both the purpose and the choices highlight the difference between the non-governmental organizations and the initiatives taken in the sector of social economy. Social economy aims at service providing to individuals or even at other initiatives in this specific field. Its members offer simultaneously services by participating in all initiatives, having the individual and his needs in the epicentre. The latter fact does not occur in the wider field of non-governmental organizations, where services may be addressed to individuals but they collaborate and are simultaneously supported by enterprises or supra-national organizations, supporting individual goals.

In order to define the context of social economy and specifically, any activity in the field of social inclusion, the diversity of each State and its legislative background as well as the particular conditions of the ethnic societies of each association should be taken into consideration. The latter

---

goes beyond the scope of the present study and its approach will be analysed in a future study.

Social economy is recommended as a vehicle on the path from the social margin towards the common life of the community. Generally speaking, social economy initiatives have the ability to incorporate and serve not only the holistic approach of social inclusion, but also, a more “narrow” perception that links social inclusion to the assertion of employment and income.

### ***1.2. Coordinates of the policies of social integration***

New social realities require new responses. Change is rapid – and policies need to keep pace, responding innovatively and flexibly to the challenges of globalisation, technological advances and demographic developments.

The European social model should serve this goal, proclaiming that opportunities, access and solidarity may be translated into concrete actions. The declaration of a complete mutual European interventions’ platform is required, a thing that would demonstrate the commitment to yield results for the citizens. It indicates that the European values remain the focal point of EU policies and constitute an integral part of the EU answer to globalization, irrespectively of the individual social protection systems and mechanisms.

Ten years ago, EU leaders pledged to ‘make decisive steps toward poverty eradication’ by 2010. Today however, a significant number of European citizens still live in poverty and have limited access to basic services such as healthcare. Poverty and exclusion not only affect the well being of individuals and their ability to be part of society; they also impair economic development.

Certain social groups are more threatened by poverty, for example families with children –particularly large and single parent families - the elderly, people with disabilities and immigrants. In all groups, women are more vulnerable than men. The way poverty affects people is complex and

interdependent with social exclusion. Besides the well-known problems such as insufficient housing conditions or the lack of housing, citizens living in poverty may face ([www.2010againstpoverity.eu](http://www.2010againstpoverity.eu)):

- Poor health and reduced access to healthcare;
- Reduced access to education, training and leisure activities;
- Financial exclusion and over-indebtedne;
- Limited access to modern technology, such as the Internet.

With the motto “Stop poverty now”, the European Commission and the Spanish chair of the EU declared the start of the European year 2010 to fight poverty and social exclusion. This campaign aims to place the battle against poverty that directly affects one in six Europeans, to the foreground of the European Union during 2010. The EU provides a framework through which Member States develop their own priorities and strategies. This framework takes into account the multi-dimensional nature of poverty while focusing particular on the following ([www.2010againstpoverity.eu](http://www.2010againstpoverity.eu)) coordinates:

- Eliminating child poverty and poverty within families;
- Facilitating access to the labour markets, education and training;
- Overcoming discrimination and tackling the gender aspects and age aspects of poverty;
- Combating financial exclusion and over-indebtedness;
- Combating poor housing and housing exclusion;
- Promoting the social inclusion of vulnerable groups.

Vladimír Špidla, Commissioner for Employment, Social Affairs and Equal Opportunities added: “One in six people in Europe face a daily struggle to make ends meet, but poverty can also affect the rest of us – and our societies as a whole. While most of the tools for tackling poverty are at national level, three-quarters of Europeans also expect the EU to help. The European Year puts this issue at the top of the agenda so that Europe as a whole can join forces to fight poverty and social exclusion” ([www.europa.eu](http://www.europa.eu)). Thus, an idea consolidated, that the 2010 European Year

aims to raise greater awareness of the causes and consequences of poverty in Europe, both among key players such as governments and social partners and among the public at large. It also aims to mobilise these different partners in the fight against poverty; promote social integration and inclusion; and encourage clear commitments.

Within the framework that is formed on the occasion of the year against poverty, the strategic axis of the Union is highlighted. More specifically and based on the Strategic document- framework of the European Union we distinguish the following goals and guidelines<sup>1</sup>:

**a) Recognition of rights** refers to acknowledging the fundamental right of people in a situation of poverty and social exclusion to live in dignity and be fully part of the society. The European Year will increase public awareness of the situation of people experiencing poverty, particularly that of groups or persons in vulnerable situations, and will help to promote their effective access to social, economic and cultural rights as well as to sufficient resources and quality services. The European Year will also help to combat stereotypes and stigmatisation. Within the framework of the above goal the European year must:

- Raise public awareness of the fundamental rights and needs of people in poverty;
- Overturn current stereotypes concerning people in poverty and in exclusion, through campaigns, media coverage and project funding within the framework of established cultural programs;
- Aid people living in conditions of poverty in becoming more self-sufficient, by providing access to a decent income and to services of general interest.

**b) Shared responsibility and participation** - Increasing public character of policies and actions concerning social inclusion, emphasising both collective and individual responsibility in the fight against poverty

---

<sup>1</sup> *European year against poverty and social exclusion(2010)— Strategic document- framework —Priorities and guidelines for the activities of the European year 2010*, European Commission, <http://2010againstpoverity.ec.europa.eu>.

and social exclusion, as well as the importance of promoting and supporting voluntary activities. The European Year will promote the involvement of public and private actors, inter alia through pro-active partnerships. It will foster awareness and commitment and create opportunities for contributions by all citizens, in particular people with direct or indirect experience of poverty. Within the framework of the above goal the European year must:

- Facilitate the public debate between public bodies and the private sector in order to surpass the obstacles to the participation of individuals: through meetings, such as for example the yearly meeting for Europeans living in poverty;
- Promote the exchange of good practices between member states at national, regional and local level, and between institutions of management and the interested parties concerning the sense of shared responsibility;
- Promote the participation of entrepreneurs and social partners in activities aiming at the active reinsertion of unemployed in the labour market.

**c) Cohesion** - Promoting a more cohesive society by raising public awareness of the benefits for all if in a society poverty is eradicated, fair distribution is enabled and no one is marginalised. The European Year will foster a society that sustains and develops quality of life, including quality of skills and employment, social well-being, including the well-being of children, and equal opportunities for all. It will, moreover, ensure sustainable development and solidarity between and within generations and policy coherence with EU action worldwide. Within the framework of the above goal, the European year must:

- Organize special events and campaigns offering the opportunity to organizations and sectors which are not necessarily active in the fight against poverty to get into dialogue with experts on social exclusion;

- Enhance a greater promotion and consistency of communitarian and national programs and mechanisms promoting social cohesion, sustainable growth and solidarity between generations.

**d) Commitment and concrete action** refers to reiterating the strong political commitment of the EU and the Member States to have a decisive impact on the eradication of poverty and social exclusion and promoting this commitment and actions at all levels of governance. Building upon the achievements and potential of the OMC on Social Protection and Social Inclusion, the European Year will strengthen the political commitment, by focusing political attention on and mobilising all interested parties, for the prevention of and fight against poverty and social exclusion and give further impetus to the Member States' and the European Union's actions in this field. Within the framework of the above goal the European year must:

- Strengthen the EU and national authorities' commitment to social justice and to greater cohesion. Particularly the events of the international day against poverty on the 17th of October 2010 must include concrete initiatives, such as a statement for the reaffirming of the commitment for poverty eradication;
- Ensure the strong commitment to the developmental goals of the millennium set by the UN and to the resolution declaring the second UN decade for the elimination of poverty (2008-2017).

The framework shaped by the above axes is in line with the Active Inclusion policies. Active inclusion, in turn, is composed of three pillars that promote activation, and marks the link between rights and activation of the potential user and includes a group of incentives so that any person in need can acquire the right to access services and provisions. The Active Inclusion Process -as described in Statement 44 of the Commission in 2006 and incorporated in Recommendation 5737 of 2008- develops in parallel with three pillars [COM (2006) 44] within the framework of the renewed Social Agenda 2005-2010:

### **1. Adequate Income Support**

The first pillar highlights the necessity of ensuring adequate resources in order to secure a decent standard of living through financial



aids provided from the social protection systems of the member states. It reinstates to the forefront Recommendation 441 of 1992 placing the necessity of ensuring adequate resources for the social protection systems at national level and the necessity of fulfilling the right to adequate income, at the forefront of the wider debate. Simultaneously the link between this right and the active availability for employment and training is mentioned. The necessity of combining the first pillar with policies that promote economic and social inclusion of people excluded from the labour market is equally underlined, at least for those able to work.

## **2. Inclusive Labour Markets**

The second pillar that refers to the labour market includes the promotion of measures that remove barriers to access the labour market. Simultaneously, mutual principles between the member states and the national social protection systems that concern the labour market are supported. Specifically, measures that aim at addressing the characteristics able to produce and reproduce phenomena of constraint and exclusion for the whole population, or for special groups, are promoted. Emphasis is given to investment in human resources and organization of specialised support services for workers and, more widely, for those who are able to work.

## **3. Access to quality services**

Stressing that the main responsibility rests with the state and national social protection regulations, the third pillar focuses on the support that may be provided by the subordinate social protection services. Emphasis is given to welfare and education, to social care and health services such as housing. At the core of the third pillar there may be found the necessity of ensuring the effective function of an integrated spectrum of services as safety net, in order to enable the substantial support of those threatened by social exclusion and particularly by exclusion from employment. The personalization of services belongs, among others, to the mutual values of

---

states, as well as the organization of measurement and evaluation systems of the intervention effectiveness.

The general conclusion arising from the pillars of the Strategies for Active Inclusion is the presentation of the multidimensional nature of the process of social exclusion and of the causal factors that may lead individuals or groups to the margins. Employment as a tool for addressing the phenomenon is not abandoned it is however recognized that significant interventions are simultaneously required in order to achieve the Union goal for the social inclusion of those found in the spectrum of exclusion as well as to ensure and aid social cohesion according to the Lisbon goals. The three pillars supplementary set a policy framework where interventions are included along with employment. These interventions incorporate the spectrum of public policy interventions such as the quality of employment (wages- insurance) and the protection that the social protection systems of the member states offer to those at risk of social exclusion. The issues of securing the minimum guaranteed income combined with the accessibility to social services complete the framework of the essential fight against exclusion, highlighting the weakness of one-dimensional policies addressing exclusion through occupation. Specifically, concerning the second pillar for inclusive labour markets the following are noted (Box 4).

The above observation focuses on the necessity of combined action in order to efficiently address the process of social exclusion through job markets' regulation. Specifically, our assert is that the field of social economy represents "the gate" to occupation and therefore is part of a wider process of social inclusion and protection. The weakness of the subordinate structures to absorb employment demand renders necessary the development of social economy as an alternative channel towards employment for individuals or groups that face access difficulties. Additionally the field of social economy yields prolific benefits in reference to the goal of social inclusion by organizing a complex process of activation and communication of the beneficiaries between themselves but mainly with the wider community.

### Inclusive Labour Markets

The adoption of arrangements for the people able to work, by supplying actual aid, corresponding to their capacity, in order to enter/renter and remain in work.

- (i) Promote the following common principles in the context of active inclusion strategies:
  - address the needs of people excluded from the labour market in order to facilitate their progressive reintegration into society and into the labour market and to enhance their employability,
  - take the necessary measures to promote inclusive labour markets in order to ensure access to employment is an opportunity open for all,
  - promote quality jobs, including pay and benefits, working conditions, health and safety, access to lifelong learning and career prospects, in particular with a view to preventing in-work poverty,
  - tackle labour market segmentation by promoting job retention and advancement.
- (ii) Implement these principles through the following practical guidelines:
  - expand and improve investment in human capital through inclusive education and training policies, including effective lifelong strategies; adapt education and training systems in response to new competence requirements, and the need for digital skills,
  - active and preventive labour market measures, including tailored, personalised, responsive services and support involving early identification of needs, job-search assistance, guidance and training, and motivation to seek a job actively,
  - continually review the incentives and disincentives resulting from tax and benefit systems, including the management and conditionality of benefits and a significant reduction in high marginal effective tax rates, in particular for those with low incomes, while ensuring adequate levels of social protection,
  - provide support for the social economy and sheltered employment as a vital source of entry jobs for disadvantaged people, promote financial inclusion and microloans, financial incentives for employers to recruit, the development of new sources of jobs in services, particularly at local level, and raise awareness of labour market inclusiveness,
  - promote adaptability and provide in-work support and a supportive environment, including attention to health and well-being, non-discrimination and the application of labour law in conjunction with social dialogue.

Source: C(2008) 5737.

---

### **The framework of individual policies - Social protection in EU countries**

The state maintains its central role in the course of the European integration and the convergence of the function and organization patterns of social policy. Even though the pressure exerted from all supranational institutions and associations may affect national policies, the individual characteristics of the social policy systems maintain their distinctive nature (Sakellaropoulos, 2001).

Simultaneously the local level constitutes a central theme for its more active participation in the practice of social policy. The detailed debate concerns its role and the inclusion of self-administration bodies into unified social protection schemes or into spatially limited mechanisms. The active involvement of the self-administration bodies to exercise social policy constituted and still constitutes an object of intense reflection inasmuch as it poses questions in reference to the role of the central state. Certainly the significance of the state in the social protection mechanisms is not distinct from the contribution of the government. The nature of the system concerns central decisions for the levels of protection it offers and the goals posed on the state level.

The intervention of the state in order to offer solutions and answers to each overbearing social problem did not always have the same ideological foundation. On the contrary it drew the arguments of its goals and the methods for the hierarchy of its priorities from various theoretical approaches, which were expressed in the practices and mainly in the objectives of the social policy systems. The interventions of the welfare state were based on the convention of the «Keynesian Consent » with the decisive intervention of the state to the economy and more widely to the social schemes.

In the political field, the conditions shaping the «Keynesian Consent» - that is the agreement between the counterweight economic interests of the competitive social forces - that develop within the framework of the same social schema, lost their power and were in essence rejected as a «undesirable» political choice. The rationality of the state intervention

choice in the economic sphere constituted an object of criticism with the efficacy that this choice may have as a criterion (Habermas, 1975). Simultaneously, with the emergence of the neoliberal model as a rational and orthodox policy, where the constraint of state intervention and the market constitute the principal regulation factor of counterbalancing interests and that with its «liberation» from state constraints ensured social harmony, there were developed the premises so that the environment created during the post-war social state, ceased to exist and a significant portion of the conditions that maintained it was reduced.

The various social policy systems that revealed in the social field the degree of accordance between the counter-balancing social interests and the competitive social forces reached their «golden» period in the 1970s and primarily with the «oil crisis» in 1973. Until then the social policy systems irrespectively of the individual differences and variations that appeared on the “route”<sup>2</sup>, were based on the common economic basis defined by the

---

<sup>2</sup> a) Liberal regimes, such as the USA, Canada, Australia, are characterized by social assistance depending on income and by a limited scale of social insurance. Low level of provisions and predominance of work ethos and the stigmatization of the recipients of benefits. The market is ascendant and does not face any problems from the small-scale de-commercialization of social relations that the function of the welfare state entails. Concerning social stratification, there exists a relative equality between poor recipients and a differentiation between the poor and other individuals entitled to benefits and monetary assistance through the operation of the market.

b) Conservative regimes, such as Germany, France, Austria, Italy. They are characterized by a mixture of statism and corporatism, but also of a particular role of the Church, which promotes the values of the traditional familial organization and assists the state in meeting social needs. A good social security exists, however social benefits and services are unevenly distributed, through different regulation and concessions, to the social groups. Mitigating the worst consequences of the market operation, but not inequalities.

c) Socialist-democratic social-democratic regimes, basically those of the Scandinavian states. They are characterized by generous social provisions to all citizens, so that the de-commercialization extends to the middle classes, whilst the working class enjoys a high standard of living. The family and the female sex are

---

Fordist model of production and economic development, characterized by consumption on a large-scale. Besides the consolidation of the «production line» in industry, that equals the increase of labour productivity, the Fordist model of production evolves simultaneously with the participation and the responsibility of the state in economic growth, a role that is in accordance with what has already been established by Keynes in the interwar period concerning the participation of the state in the economic process [Keynes, 1973]. With the participation of the state in designing and applying the goal of economic growth, the wellbeing of the working class is equally achieved through a system of social provisions.

The above model that combined economic growth with the ensuring of a relatively high level of social cohesion prevailed in Western Europe post-war, posing as a condition for its validity the elevated rates of growth that were achieved until the mid 1970s. The changes that occurred from the middle of that decade and onwards, both in economic terms which had ensured the success of the Fordist model of economic growth and concerning the ideological and political framework in which the «Keynesian Consent» was ensured, resulted in the collapse of the Fordist

---

significantly supported, resulting in an increase of individual independence, in a decrease of the dependence from family, in the socialization of family expenditures and therefore in the greater participation of women in the job market. The cost of the whole social protection system, through increased taxation, is certainly very expensive, however the purpose of social cohesion is achieved like unlike anywhere else in the world.

d) the regimes currently in place in the eastern Europe countries where many analysts (Deacon et al., 1997; Gotting, 1998; Nelson, 2001; Wagener, 2002) agree, while political and economic institutions of the former regime were fundamentally challenged during the first half of the nineties, and while the social situation deteriorated remarkably, existing social policy mechanisms of the former communist regimes were largely maintained and consolidated in the early years of transition, since the post-communist governments did not bring about major shifts in social policy in order to dismantle and reconfigure these welfare mechanisms. Consequently, political and economic instability of the early years of transition obliged the political actors to lean on the existing mechanisms at large, and to adopt short-term policies to cope with the emerging problems of welfare.

model. Specifically, the decrease of growth rates, but also a range of political and social developments, such as the gradual weakening of the political project of combating inequalities, led to the loss of the justification basis of the model of economic and social growth that was created during the post-war period.

A landmark for the social policy systems crisis were the 1970s and specifically the economic crisis, resulting to an abrupt increase of the oil prices in 1973. From that period and for at least two decades the social policy systems attempted to meet the increasing social needs with a methodology that could not ultimately lead, given the economic, political and ideological conditions, to a new era of prosperity for social policy. As a result, and specifically for the social policy systems of the European Continent, a new picture is created in which both the gradual constraint of their provisions, as well as, by gradually and increasingly incorporating a rational of cost mitigation and cost reduction, the unwillingness to proceed to radical structural changes is evident (Pierson, 1996).

Simultaneously the previously successful Keynesian economic recipes for the increase of demand, wages, occupation and growth, with the concurrent inflation and unemployment control, were unable to help, given the new conditions of stagflation and de-industrialization. The acute economic crisis creates new forms of inequality between the social strata, but also between the workers themselves, whilst aggravating the social exclusion from the labour market and from the services provided by the welfare state, for social groups such as women and young people. The new conditions of global recession cause financial crisis and certainly the crisis of the social state such as it was structured in the post-war period.

The welfare state is affected in a multitude of ways and the classical post-war state is in severe crisis, which it cannot possibly overcome without radical change (Taylor-Gooby, 1991). The economic and technological restructuring, the great-especially long-term unemployment, the ageing of the population, immigration, the changes in the household model and the status of women, dramatically increase the dependence of a large part of the population on the services provided by the welfare state and create new social protection necessities and new social exclusion

---

conditions. Combined with the attempted reduction of social costs from the neoliberal governments and policies and the primacy of economy in society, the pressure exerted on the social state is immense.

After an initial period of extreme neoliberal policy prevalence both in states of developed capitalism as in regional ones, and given that they did not succeed in at least limiting the increase of inequalities between individuals, groups and states, deterioration of the indicators of poverty and social exclusion (without achieving any kind of economic growth), we find ourselves in a period wherein the intervention of the state for economic development and social cohesion seems to be essential. Possibly not in the way state intervention was practised in the past - that is the direct involvement of the state in the economy and the production processes - but in a sense designing and making a kind of policy that opens the way and leads to the development of new means of production and of the knowledge society, whilst ensuring the achievement of social cohesion, through the modernization of the social protection systems. The ideas of Nobel-prize winner economist Joseph Stiglitz that re-introduced the role of the state, emphasised the role of institutions whilst recognising the inabilities of the market, are indicative and actually contributed to the change of climate in respect to the initial extreme versions of neoliberalism (Stiglitz, 2002).

The main escape measure from the crisis consists of overthrowing the hitherto de facto input system that supported the social policy systems. The decrease of the level of social protection and the transfer of social responsibility principally to the individual and to the participation conditions of individuals to the employment market were primarily chosen. Simultaneously this shift was accompanied by an increase of the budget for the human resources of the economy, aiming at the strengthening of knowledge and skills with an emphasis to the functional link of training with the job market, so as to fulfil each demand need of the job market in «functional» work force. At the core of this choice lies the choice of decreasing the role of the state's participation in the social policy systems, evidently considering the state as a weak and inadequate promotion factor of social equality.



The constraint of the state is accompanied by parallel proposals for its substitution. Thus the role of the family re-emerged as a field of fulfilling social needs, needs that were previously ensured exclusively by the provisions of the state. At the ideological core of this choice one may note the promotion of solidarity between generations; however this particular conception is defined by a relatively optimistic and maximalist approach of the possibilities of the contemporary familial forms and more widely of the familial relations in supporting the social form systems.

For the reconsideration of the relation between public and individual that comprises each time the individual «nature» of the social policy systems various schemas have been proposed. The ideological foundation of which is infused with a neo-liberal undertone since these systems are ultimately accompanied by the substantial deterioration of the traditional social policy systems. Specifically a promotion of individual responsibility is observed for fulfilling the needs that until recently the state primarily addressed, whilst simultaneously the strengthening of the role of the family in fulfilling needs is promoted.

The idea of an individual that is obliged to take measures for addressing future needs is now promoted, with the strengthening of the private insurance systems being a prime example. Simultaneously the strengthening of the role of volunteer organization is noted («the third pillar» of social policy), as well as the more active part of companies and organizations in the social policy systems, political choices that are defined at the core by a promotion of individual responsibility and a weakening of the role of the state in social policy systems. It is of note that under this light the proposal, applied in Great Britain, to organize the provision mechanisms in such a way as to have service purchases (quasi- market) was formulated, aiming at the strengthening of the efficacy and the participation of the private, even the profit-making, sector combined with costs' reduction of (Mishra, 1990), whereat the possibility of users to choose was highlighted as an exceptional advantage.

The solutions chosen to escape from the crisis have a direct reference to the political, social and economic determinants of the existing systems. The intensity of pressure towards social state that peaked during the 1990s

---

equalled an overall deregulation of the social policy systems which, combined with the wider economical, political and social developments, resulted in the development of a framework where social policy issues were reshaped. Ensuring benefits from the social state and the burden from the growing costs, determined by its operation, were linked to an increase of unemployment, primarily in Europe which traditionally functioned under the social state. Finally, and as evidenced by the current study, the issue of maintaining social benefits constitutes a primarily political issue which indeed remains central. Therefore the proposals suggested and the solutions proposed in order to escape from the crisis cannot but constitute an object of political confrontation, and thus constitute a matter of criticism under the light of the greater political, social and economic programme in which these proposals and solutions are included (Rhodes, Ferrera, 2000).

Along with the drastic change of the society, the new reality needs to leave aside the solutions of the past. The challenges posed by the knowledge society to the social state, but also to the society itself must be noted. It is a fact that class differences, at least in their old form, are altered to the point that certain social scientists note that social class no longer plays a substantial role (Clark, Lipset, 1991). However as Esping-Andersen argues, «the irony is that although social class is less observable, its importance is much more decisive» (Esping-Andersen 2002: 3). In the knowledge society and economy the conditions for ensuring a proper standard of living depend on the accumulation of «cognitive capital» and on the cognitive and learning abilities of each citizen. Indeed as indicated by Shavit and Blossfeld (1992) «social heritage» is as powerful today as it was in the past, particularly in the sectors of cognitive development and educational achievement.

According to Esping-Andersen (2002: 9) and other social scientists a new social state must be built based on the admission that social costs do not constitute consumer costs (or at least solely consumer costs) of the state budget, but an investment. In the case of education, the fact that educational expenditures constitute an investment that yields «bonuses» becomes more widely accepted since it renders citizens more productive. The same logic must apply to other cases as well, such as gender equality

policy, since it does not only constitute an emancipating political goal of the feminist movement, but it also contributes significantly both to economic growth and social cohesion. The greater the number of mothers working the more economy and prosperity increases (and indeed in knowledge intensive sectors, since women constitute an educated work force) and at the same time familial and child poverty is prevented.

Indeed the women employment and especially of those that have children constitutes a target of strategic importance both for developmental and social reasons. And that is because the activation of more family members in occupation is the most certain safety measure against instability, whilst the creation of autonomous insurance rights for women will deter future problems. In this context the issues of single-parent families – women raising their children alone – emerge as particularly intense fully justifying the political priority they are given. More so, one of the policies that must be promoted concerns the reconciliation of familial and professional life with measures such as child care and, generally speaking, family support.

In the current environment, social policy appears to diversify both in goal-setting and in means. New social needs demand adaptations so as to enable the social policy systems to give valid responses to social problems. Already from the middle of the previous decade primary attention has been given to the participation of the services' user in fulfilling his needs. At the core of this perspective there may be detected the following issues. First, the relation that the potential services' user develops with the society wherein one is included, and second, the net of obligations and rights arising from the relation between the services' user and society. The approach in question is based on the perception of social policy as a means of promoting social interest in combination with the improvement of the individual situation of the services' user. The redistribution of the overall income is no longer a priority, whilst the goal of social cohesion summarizes the vague minimum level of social security. The individual and not necessarily the group is the target of the systems and the individual must be encouraged in order to remain or be re-included into society.

At the core of the first category one may find the orientation of the individual's action towards the improvement of his own position. Based on the approach in question, individual strategy may lead to the improvement of society as a whole. As it is argued, it is essential for the social policy systems to exploit the rationale of the spontaneous movement of an individual's action to his personal and familial benefit and as a consequence, in order to function in the interests of the whole and not of the individuals - service users, social policy systems should adopt reward and limitation mechanisms towards the sum of its users. However the above approach incorporates the concept of individual responsibility for it links it with the choices and the receipts of the individuals themselves. This social category consists of a population characterized by a dependency relationship with the provisions of the social policy systems. This population mainly survives under the limit or at the limit of poverty, generally profiting exclusively from the benefits of the social policy systems. The unwillingness to actively participate - an act that would release the individual from social benefits -that would render the individual independent in order to assume personal responsibility, constitutes the starting point of the above opinions.

The lack of knowledge concerning the objective social conditions that lead or at least predispose the individual towards the spectrum of social exclusion is the obvious inability of the above approaches of social needs. The wider social and economical context is not created as a result of individual choices. For example endemic elements of the economic and social environment, such as unemployment and low-paid jobs, are not defined by individual action. Indeed the negatively charged evaluation of the socially excluded population and the moral stigmatisation of the individual as responsible for the situation it finds itself in, is placed among in the wider criticism of the social policy systems.

The individual choice of activation with the purpose of establishing the status of the citizen and the rights that proceed from it are the focal point of the current debate concerning the content of social policy. The combination of access to benefits and to the system services with the activation of the users aims at the differentiation of the nature of the

current systems in comparison with those of the first post-war period. The state as a guarantee of social security fails under the pressure of the new policy and primarily of the economical matter of state, but also under its relative failure of functioning as redistribution, equality and prosperity mechanism for the whole society (Jordan, 1998).

For this approach, social policy systems should shape these conditions that may protect the individual from the possibility of exclusion and isolation from the whole. For the viability and efficacy of the system, users should simultaneously be urged towards their complete and effective inclusion to the whole. Therefore the responsibility of the social policy systems should not solely aim towards the physical preservation of the users, but also to the active re-inclusion of the socially excluded.

The redistribution of wealth is unlikely to constitute a primary political project. In the place of the redistribution of wealth the redistribution of opportunities to individuals is proposed, who in turn will be able to define in the best possible way their personal strategy so as to become integrated in the social framework. The provisions of the social policy systems have a twofold goal; **a)** to limit the provisions to address the needs of those facing social exclusion or already excluded; **b)** to motivate the potential users towards the direction of using these provisions as the starting point for the reintegration of the individual in competitive terms to the social and occupational environment. The above approach represents the basis of the so called «positive» welfare state and constitutes part of the political philosophy that was theoretically developed by, among others, the sociologist A. Giddens and was adopted by the labour party in Britain (Giddens, 1998) mainly by Tony Blair's administrations

Through this approach an attempt was made to frame an alternative of smooth adjustment for the social policy systems to the contemporary political context, which is defined mainly by the dominance of the market forces and rules, as well as by cultural parameters, such as the demographic one, the endemic presence of high unemployment rates, the production conditions, the power of the state, etc. At the core of this approach lies the role of individual's responsibility. However, this approach cannot adequately explain the scope of the possibilities of

---

individual activation in an environment where the correlation of forces is certainly at the expense of individual's action.

It becomes evident that the shift of power from the ecumenical and universal forms of coverage of the post-war social policy systems highlights the inevitable admission to a new era, where the social policy systems in order to survive and maintain their political legitimacy become increasingly selective of the potential service users. Although there emerges currently no new factor that ensures the global prosperity of society, it must be noted that the state continues to maintain a significant portion of its power and may participate in this security by fulfilling its political role in the field of social protection.

As a conclusion it may be said that the issues concerning the form and the social role, the objectives and the measures that are adopted by the social policy systems, are not exhausted in the above analysis. Even more so since the internal differentiations of the individual approaches shape a sufficiently vague environment, so that the emerging positions are not necessarily attributed to a specific approach. Furthermore, there exist issues that occur in all approaches and therefore aggravate the ambiguity of the boundaries between them. Such issues, as ecology, or sustainable growth are linked to social policy systems and demand answers.

Simultaneously, issues emerge that are defined by who the potential beneficiaries of social protection services are. These issues are directly related to individuals' conditions of participation in society and the rights arising from such participation. At the core of the issue concerning the social state, one may find the debate around civil rights, since, as it has been noted, a central element of the ideological confrontation is the involuntary participation of the individual in the society and the individual responsibility towards society.

The reinforcement of the supranational institutions - that primarily reveals the continuous transformations in the wider European environment - has led to the revival of a debate in concerning the role of the local forces, the scope and the content of their action. The current debate concerning the role of the local forces inevitably includes the comprehension of the term «local» and its interaction with the wider environment, primarily with the

member-state. The crucial element of the analysis concerns the role and the power of the modern state, the fields of social policy that it undertakes, as well as the anticipated role for the local authorities. A dimension of the contemporary role of local authorities is the participation of the self-administration bodies in the social policy systems and the level of their intervention in them.

More widely in the European area particularly during the past years a mutual understanding has developed in reference to the role and the importance of social policy as an investment and productive factor. The passage cited from the important Statement of the Commission for the Social Policy Agenda, is characteristic: "...a guiding principle of the new Social Policy Agenda is to strengthen the role of social policy as a productive factor. The greater part of expenditures for health and education represents an investment in human resources, with positive economic results. As a result, a positive correlation between the scale of such expenditures and the productivity level of each country is possible. Social transfers that cover pensions and social insurance do not only contribute to a balanced and redistributed income throughout the lifetime course and between social groups, but also support a better quality in employment, with added financial gains".

The levels of social protection ensured by the "welfare state" are a definitive factor for the development of social economy. Specifically, in reference to the utilization of the social capital the necessity of coordinated and organized practices arises in order that both socially excluded individuals and those under the threat of exclusion, may be brought into contact and acquire tangible awareness of the tools for inclusion to community life and not to be caught in the trap of poverty and exclusion.

### **Social Economy and groups of EU Member states**

Hereby is given a description – quite abstractive – of four distinctive examples of social economy; these examples have an important relevance for the distinctive examples of social policy. The classification, even if it is susceptible to criticism and contestations in some cases, can be accepted especially regarding the connection between various systems of social

protection and the policies of active integration through social economy (Hadson and Williams, 1999)]. Four basic social models can be identified:

- The Anglo-saxon model
- The Scandinavian model
- The Continental European model
- The Southern European model

In this framework there may be identified at least three levels of diversity of the institutions of social economy.

**A. At legal level:** The legislative framework of social organizations / enterprises in the European Union is different from country to country. In some countries of the European Union (where traditionally exists the Common Law) there is freedom of movements with regard to the creation and operation/functioning of institutions of social economy. On the contrary, in other countries, the enterprises of the social sector have a concrete legislative framework for their operation and are deprived of the possibility of change (such as, company of limited responsibility, a non-profit-making civil society company etc.)

**B. At policy level:** In some countries with a tradition of collectivity (like France), institutions of social economy have been created aiming at their connection with the government mechanism, while other countries with a tradition of liberalism (like Great Britain) are more focused on their link with the local self-government.

**C. At ideology level:** at this level, there is discrimination between activities of concrete or collective interest. The activities of concrete interest are referred to the services providing for the members of institutions/associations of social economy, while the activities of collective interest aim at the services providing to the wider community.

The basic characteristics of all four models of social economy in Europe are:

- **The Anglo-Saxon model (Liberal system)**

The Anglo-Saxon approach of social economy is based on the notion of not profit organizations. This model distinguishes the social economy



from the private sector, due to the fact that it is based on the voluntary support while many of its benefits address to vulnerable regions or groups of people and sometimes, the growth of the community, both on financial and human resources grounds, are involved.

- **The Scandinavian model (Nordic / Social democrat System)**

The Scandinavian model of Sweden and Denmark focuses on covering the collective needs in the sector of social services and promotes the social solidarity and equality of gender. In this framework, the cooperatives/partnerships (being central actors of social economy) operate as collective representatives of the population and put social pressure on the decision processes while they create services networks with public bodies in favour of achieving these objectives.

- **The Continental European model (Conservative-Continental model / Collective regime)**

The continental Model of Social Economy focuses on the social support *via* the public systems. In Germany, Austria, France and Belgium, the cooperatives function as founders of services, recognizing the social needs and requirements, creating the suitable covering framework, under the relevant control of the State. This fact has led to the growth of cooperatives and their transformation into federations (in Germany, they have also been were connected to political parties, churches, the Red Cross and other organisations, while in France and Belgium have been connected to religious convictions). In Belgium, this system of big co-operative federations has been related to associations/unions of family support and services providing to the households.

- **The Southern European model**

The social model of the Mediterranean countries is not very much developed. It is based on the activities taken by associations and cooperatives - operating in the interests of their members - and it mostly aims at reducing unemployment.

---

Other additional forms of enterprises of the social economy that correspond to each one of the European social models are:

### **Anglo-Saxon Approach**

#### *Great Britain*

In Great Britain no concrete co-operative legislation exists; consequently, it is difficult to determinate the sector of co-operatives and to integrate it to the social economy field. In the framework of cooperatives, many different forms of organizations can be found:

- **Self help organizations** that have common needs (such as medical / nursing) and are funded by their own members, the Local Self-government or other associations for solidarity. Another example is the Inter-social security Fund, Benenden Healthcare Society; it is a complementary social security that may be used by the members in the case they cannot have other funding (for instance, long waiting list, financial problems, etc);
- **Community interest companies** that provide social support to special groups of people. These companies have the character of Limited Liability Companies, without any profit motivation or voluntary character. They mostly focus on fighting against poverty and social exclusion;
- **Charities.** Most organizations, at community level, are registered as charitable organisations and provide services to their members and the local society. The legal forms that the charitable organisations usually have are: Company of limited responsibility by guarantee, Unincorporated association, or Unincorporated Trust.

In case the charitable organization makes the choice not to have one of the abovementioned legal forms, it can be registered as Industrial and Provident Society or as an educational or religious institution.

*Ireland*

The long-lasting unemployment in Ireland, had led the country, in 1990s, to a strategy for development, in favour of the encouragement of local character under the support of cooperations for development. In this framework, enterprises of social economy have been created as local groups that aimed at finding the most effective solutions against social exclusion. There are five categories of Irish Social institutions:

## Enterprises of Social Integration

- Social enterprises in the sector of accommodation
- Social enterprises that provide personal and local services
- Credit cooperatives
- Local Developmental Organizations

**Scandinavian Model***Denmark*

Even if in the Danish national economy there may be found many cooperatives, Denmark is one of the very few countries that do not have a co-operative legislation. The status of co-operatives is part of the Commerce Law. The local self-government plays an important role. The 275 Local authorities are focused on decentralizing the administration, are responsible for the primary and secondary education, the advisory and special education as well as the provision of pre-school education and at the same time, they have the responsibility for the public libraries, the intellectual and athletic centres. One of their competences is also the services providing for fighting against social exclusion (immigrants and refugees), their integration into the job market, and the services providing for the elder men (domestic care, day centres, etc.). Also, they are in charge of drinkable water supply, working residences, development planning etc.

---

*Sweden*

Sweden, compared to Denmark, indeed has a co-operative legislation. Social economy in Sweden is activated in the sectors of culture, sports and education/training for adults. Since the decade of 1980s, service sector has been added. The forms of enterprises of social economy in Sweden are:

- Limited responsibility companies
- Economic unions
- Non-profit unions
- Institutions;

The sectors of electricity, gas and water supply, accommodation and other enterprising activities as well as health and social work are particularly developed in Sweden, the co-operative enterprises representing the 16.04%, 11.15%, 6.34% of the total number of enterprises respectively.

At the local level, the Municipalities play an important role. They develop services of social care (children, old men, disabled people etc.), they are responsible for the operation of kindergartens and centres of entertainment for children. Also they are in charge of the primary and secondary education, the advisory and special education and the development planning.

During the last few years, the local self-government is interested in the development of enterprises under the form of organization-institution. Apart from the development of companies, the Municipalities provide social services via private companies. Also, the Municipalities assign part of the implementation of programs/projects, mainly of entertaining character (such as stadiums), to NGOs.

### **The Collective regime - Continental model**

*Belgium*

In Belgium, a great number of NGOs are born every year, even if the majority of them are considered as paraspeculative or parastate organizations. Each enterprise, with commercial character, can be

considered as “social purpose company”, by adopting determined social objectives and seeking little profit.

The term “enterprise of social economy” has become synonym of social initiatives/ organizations that aim at promoting the professional integration of marginalized- from work- individuals. During the two last decades, a significant number of innovations has entered this field, gaining the recognition and support of the public sector. Social enterprises also exist in the “local services”, such as the social accommodation, the restructuring of places and the activities of care for children and households.

In the housing sector, associations/unions exist and operate as social broker's offices (renovation of not residential properties, public financing). There are also local cooperatives in the accommodation sector that receive public financial support. At the same time, the collaboration among municipalities, other public institutions and voluntary organisations for the administration of hospitals and centres of social intervention has been institutionalized. Finally, the centres of education/training for the employment belong to the regions, but still the local authorities play the major role in the job hunting at local level.

#### *France*

**A. Local Contacts (enterprises of social integration) - Régie de Quartier.**

They provide services of urban management and sign contracts with local regional institutions. These Contacts promote the integration in the labour market of unprivileged individuals by hiring them in local activities and services.

**B. Cooperatives (enterprises with social purposes and collective services provision)**

The French co-operative organisations - along with the affiliated co-operative commercial enterprises and the co-operative organisations of

---

commercial products distribution or craftsmanship - occupy directly or indirectly 700,000 workers. There are two categories of cooperatives:

- 1) **Non profit cooperatives:** such as consumers, accommodation, rural, craftsmanship, working productive cooperatives;
- 2) **Credit cooperatives,** such as popular banks, saving banks, organizations of co-operative credit etc.

Moreover, social initiatives of integration in the labour market have been developed for vulnerable groups of people, on economic and social terms, as well as initiatives of providing personal services (to children, old people) with particular activation of volunteers (parents, teachers).

### **The Southern European model**

#### *Italy*

In Italy, many enterprises of social economy were born in the decade of 1980s and afterwards, in 1991 the new institutional framework for the social cooperatives was created. Two categories of social cooperatives exist:

- A. Cooperatives that activate in health services, education, social care etc., for vulnerable social groups of people (Social Cooperatives of type A);
- B. Cooperatives that target the social incorporation of vulnerable groups of people (30% of the workers belong to disadvantaged groups, as people in jail, drug users (Social Cooperatives of type B).

The social cooperatives are considered as being part of the social enterprises. Generally speaking, the social enterprises in Italy can have any legal form as long as they deal with a social sector and the 30%, at least, of their workers are disabled people. Apart from the social cooperatives and the social enterprises in Italy, some voluntary non-profit organisations, institutions and public charity institutions exist (istituzioni pubbliche di assistenza e beneficenza - Ipab) that are going under way to turn into enterprises of social utility.

It has to be mentioned that the Italian legislation focuses mostly on supporting the cooperatives (tax reductions, exemption of national insurance etc). Other forms of social enterprises, like the Community enterprises, do not have the same recognition. This way, there is particularly one concrete form of social enterprise.

### *Spain*

Not only does Spain show a well-developed national legislation on social economy, but it has also created important legislation at local level. One of the types of social economy enterprises are the Social initiative co-operatives; they focus on individuals that face problems of exclusion from the labour market. These particular enterprises undertake the organisation of employment for the special enterprising centres (traditional enterprises) and reflect a modern enterprising spirit. The enterprises of the social sector, showing the best results, are those that have been recommended by businessmen of the private sector who see the social economy as a tool for the promotion of social objectives through the business know how of the private sector.

In an effort to combine all politics against social exclusion by promoting the development of social economy, one needs to bear in mind the following: the mechanisms of social protection formulate an environment of larger or smaller social insurance. This environment is essential so that the participants in any initiative of social economy could be protected through a network of social policies that ensure the necessary social capital. Obviously the suitable institutional environment should be simultaneously conceptualized so that initiatives of social economy would flourish.

The organisational structures of a State as well as the institutional dependence (path dependency) along with the particular characteristics of the social forms, shape the *data* where the initiatives of social economy are expressed and developed as parts, associated or independent from the mechanisms of social insurance, the State or the official institutions.

## Local Initiatives of social insurance and social inclusion in Europe

Based on the European experience, the geographic determination of regions that suffer from social exclusion generates the need of configuring the socio-economic policies on territorial terms<sup>3</sup>. The purpose of the comparative research in this particular field, is the standardization/formulation of best practices (under the form of functional methodologies or research tools and the relevant targeted interventions) via the analysis of relative national policies.

The conclusions of the comparative research in question reveal **three models of national practices** that will go under examination: the French model of "Free Urban Regions"<sup>4</sup>, the British model of the "Multiple Deprivation Index" and the Danish model of "Qualitative Approaches".

### A. The French model of "Free Urban Regions"

In 1996 in France, in the framework of legislative provisions on the application of the Pact of Revitalization of the City<sup>5</sup>, 750 "Urban Regions of Sensitive Character" (zones urbaines sensibles) had been determined, among which the 396 had been "Regions of Urban Invigoration" (zones de redynamisation urbaine) and the 44 "Free Urban Regions" (zones franches urbaines). The advantages for the abovementioned regions were mainly tax/credit facilitations and the most important advantages were given to the 44 more deprived urban regions of the French territory ("Free Urban Regions").

---

<sup>3</sup> The so-called «Area based policies».

<sup>4</sup> This specific model is related to the "Pacte de Relance de la Ville". The purposes of this specific policy are the determination of the Regions that suffer from economic and social problems and also, the policy-making relevant to each Region, so that the particular problems have particular confrontation solutions.

<sup>5</sup> Loi du 14 novembre 1996 de mise en oeuvre du Pacte de relance pour la ville.



### **Challenges and objectives of the “Pact of Revitalization of the City”**

The determination of the abovementioned regions has been realised with the aim of interconnecting the economic policy with the particular social and economic problems of the deprived urban regions. The particular Project has been shaped with the emphasis on the confrontation of the aggravation of social exclusion in specific urban regions. The main negative characteristics of these regions are:

- the mobility of the middle class population and the increase in the number of uninhabited apartments
- the particular difficulties the enterprises, activated in the regions in question, face mainly due to the reduction of the purchasing power for the residents
- the increase of unemployment and the consecutive enforcement of the sentiment of exclusion from the social, economic and cultural events of the country.

Concisely, the “Pact of Revitalization of the City” is based on six fundamental goals, that concern:

- the creation of economic activities and workplaces
- the protection of the public order
- the re-establishment of equality of opportunities in schools
- the re-establishment and differentiation of the residences
- the improvement and the active presence of public services
- the research and the support of partners for the concretization of the abovementioned goals;

The basic pylon of the Project is fighting unemployment by encouraging the enterprises located in deprived regions. For this reason, 44 “Free Urban Regions” have been targeted. The enterprises of at least 50 workers, located at one of these 44 regions, have been granted a series of important tax and social advantages (tax exemptions, etc.).

In parallel, important budgetary provisions have been available for the restoration of abandoned commercial centres in the abovementioned

regions with the aim of revitalizing the commercial and economic activities of the areas. Among other interventions in the regions, there are:

- the fight against criminality of young persons, as well as the prevention and fighting of distribution and use of drugs
- the encouragement of the construction of school buildings (mostly, the increase of human resources)
- the issuing of loans on particularly favourable terms for the re-establishment and the repairing of buildings
- the improvement of quality of means of transport;

Generally speaking, the “Pact of Revitalization of the City” constitutes a multidimensional project of fighting against social exclusion, on territorial grounds. It has to be pointed out that the determination and the enforcement of the “Free Urban Regions” obey to a rational statement of “positive discrimination on territorial base” (discrimination territoriale positive).

#### Box 5

##### **Criteria used to identify and designate the “Free Urban Regions”**

The choice of these particular regions has been realized on the basis of the following objective statistical criteria:

- the population (their population exceeds the 10.000 residents);
- the rate of unemployment (higher at least by 25% of national average);
- the percentage of young persons that live in these particular regions (at least 36% of the local population is young people);
- the percentage of young people up to 15 years old without degree (the relative percentage in the regions in question is higher at least by 30% of the relevant national average);
- a series of tax criteria.

Generally, in the 44 selected regions:

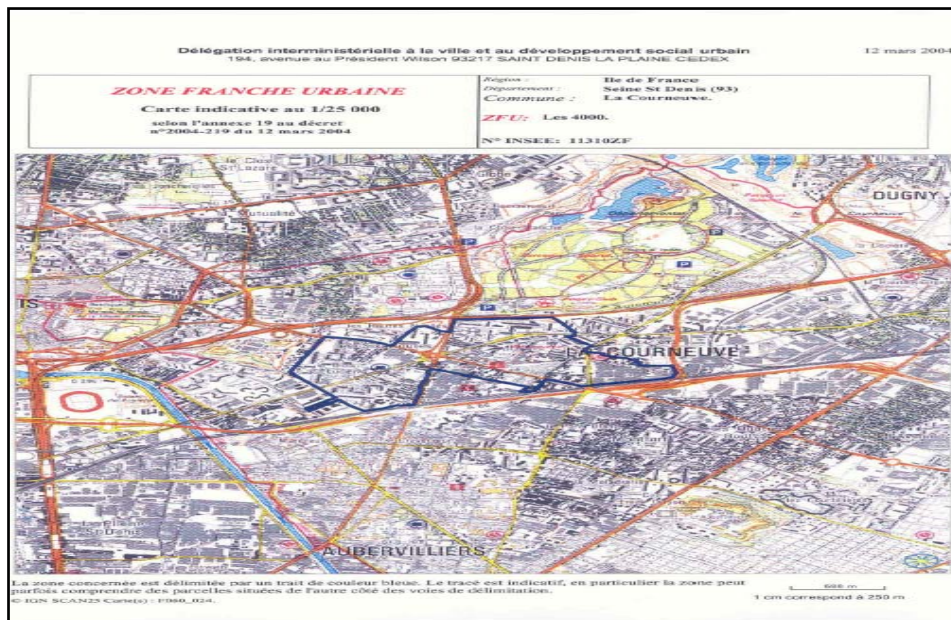
- the rate of unemployment was double of the national one

- the 46% of the population was young people
- a percentage of 44% of young people up to 15 years old were not graduates from a technical institution or lyceum;

The promotion of the “Pacts of Revitalization of the City” is based on the active participation of the Local self-government. In this context, local representatives are called to present any activity that is essential for the resolution of the social and economic problems their regions face. For each one of the regions an Action Plan is shaped that involves the governmental authorities, the local self-government, as well as other institutions (enterprises, social partners, not governmental organisations, organisations of social economy, etc.) that have the desire to contribute actively to the effective concretization of the Pact’s actions. The convention determines, with clarity, the objectives and the actions that correspond to each involved stakeholder.

The following map describes the dimensions of geographic delimitation of one of the 44 “Free Urban Regions” in France. The delimitation is given in blue line (<http://i.ville.gouv.fr.>).

Figure 1. “Free Urban Regions” (Zone Franche Urbaine)



Region: Île de France. Préfecture: Seine St. Denis (93). Municipality: La Courneuve.

---

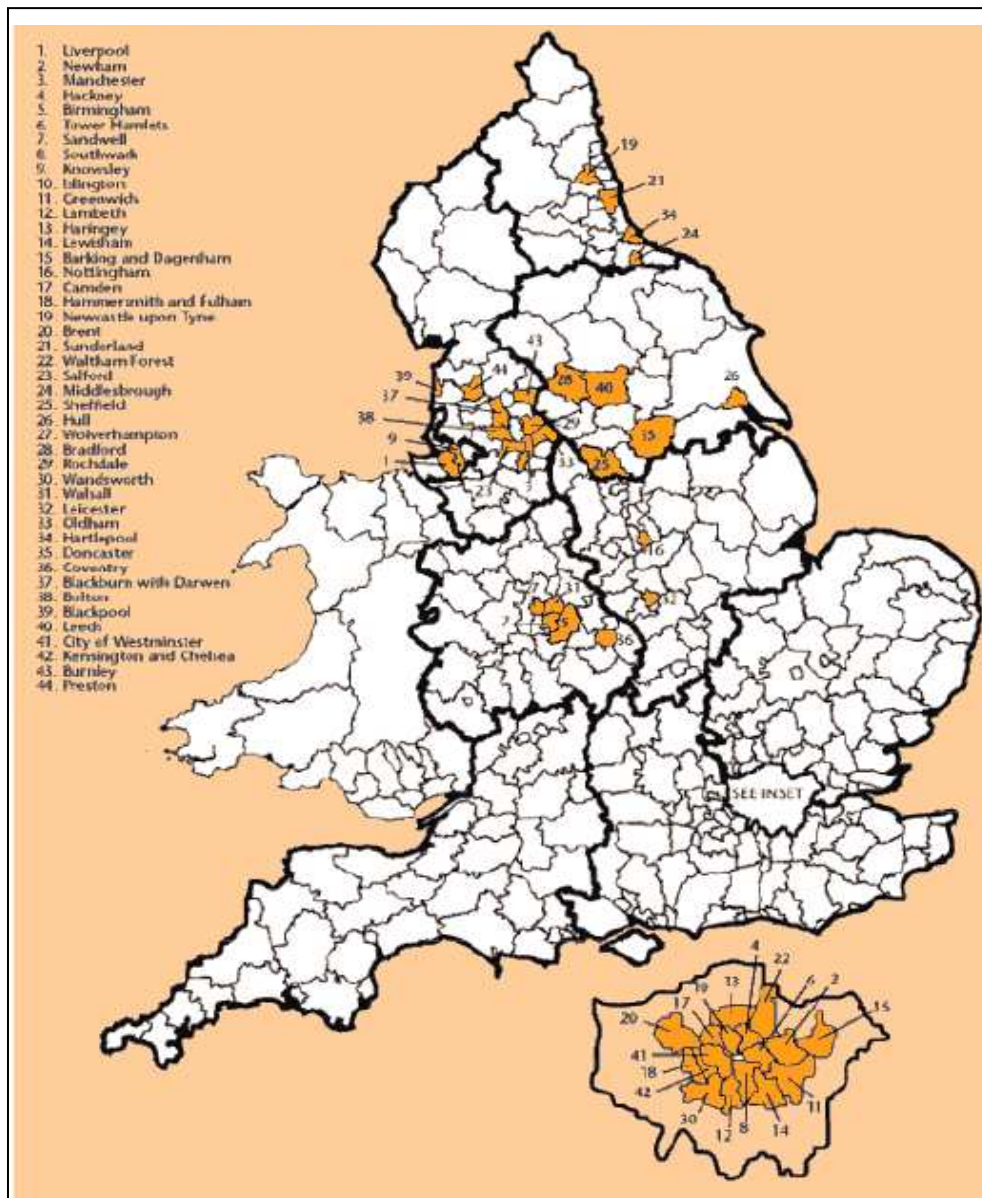
### **B. The British model: the index of Multiple Deprivation and the Strategy for the Revitalization of Neighborhoods**

The Index of Multiple Deprivation (IMD) is a methodological tool for the investigation of various levels of social exclusion on a territorial basis in the United Kingdom. Its final purpose is the comprehension of several factors that generate the social exclusion and the promotion of interventions, of institutional / sociopolitical character, for the confrontation of all dimensions of the phenomenon. Its development is directly related to models of measurement of deprivation, on territorial basis, that are used for the delimitation of basic policies (i.e. the percentage of the budget provisions, provided by the State to the organizations of local self-government, is calculated under a concretely shaped social indicator) (B. Robson; M. Bradford; R. Tye, 1991).

The Index in question is included in the general framework of Indexes of Deprivation that have been shaped with the aim of rationally mapping out the social policy at regional and local levels. Indicatively, it may be mentioned the example of the "National strategy for neighbourhood renewal of the Social Exclusion Unit. The Social Exclusion Unit, in its reports on this particular question ([www.socialexclusionunit.gov.uk](http://www.socialexclusionunit.gov.uk)), is repeatedly reported as one of the 44 most deprived regions in the United Kingdom, on the basis of relative indicators.

The Index of Multiple Deprivation was designed by the Department of Social Polity and Social Work of the Oxford University and it has replaced the Index of Local Deprivation that was previously adopted by the Social Exclusion Unit.

Figure 2. The 44 most deprived regions of the UK, on the basis of the 1998 Index of Local Deprivation (in declining classification)



Source: Social Exclusion Unit, Bringing Britain Together: A national strategy for neighborhood renewal (September 1998).

---

*The composition of the Index of Multiple Deprivation: the six research domains of the social exclusion*

The indicator of Multiple Deprivation consists of:

- **6 domains at ward level** (Income, Employment, Health and Infirmary, Education - Dexterities - Training, Accommodation and Geographic access in services), that is constituted globally by 33 indicators;
- **A total Index of Multiple Deprivation;**
- **Six summarizing indicators at regional level** (district level).

Briefly, the IMD (Index of Multiple Deprivation) is an innovative and multifunctional indicator, based on which can be estimated the levels of deprivation at ward level. The IMD shares the same characteristics with 33 different indicators. An advantage of the IMD concerns the possibility of renewing, on a regular basis, the data on which the indicator is based. A second advantage – compared with the previous indicator - is connected with the possibility of evaluating the deprivation in small geographic entities, providing consequently the possibility of localisation and confrontation of “hearths” of social exclusion. This particular aspect of the IMD is indeed an important advantage. The Social Exclusion Unit had already pointed out the weakness of the Index of Local Deprivation (ILD) with regard to the localisation of deprived districts that exist in regions with high standard of living. This fact rendered the results of ILD insufficient for an integrated recording and fighting against social exclusion on territorial base.

The Index of Multiple Deprivation is focused on the multidimensional form of social exclusion <sup>6</sup>, by distinguishing a series of “deprival” levels. Each domain is consisted of a series of indicators that have been selected according to:

- their possibility of renewing on a regular basis,

---

<sup>6</sup> Social exclusion constitutes a multifunctional and dynamic notion that deviates from the purely economic perception of the traditional evaluation tools, such as poverty”, “inequality etc.

- their validity,
- their availability at ward level of in its entirety territory and
- their focalization on one of the principle aspects of the evaluated “deprivation” level

Due to the insufficiency of data, the domains related to criminality, public order, as well as environment, are not included. Briefly, the Index of Multiple Deprivation is focused on the following six domains<sup>7</sup>:

- **Income** - this domain estimates the number of individuals that receive economic benefits (from institutions of social insurance, employment and welfare).

#### Box 6

##### Deprivation of Income: synopsis of indicators

- Adult beneficiaries of economic aid
- Minors beneficiaries of economic aid
- Adult beneficiaries of unemployment subvention
- Minors that belong to households where the income is based on unemployment subvention
- Adults that belong to households where the income is based on social insurance subvention
- Minors that belong to households where the income is based on social insurance subvention
- Adult beneficiaries with infirmity subvention
- Minors beneficiaries with infirmity subvention
- Persons who do not receive income (from pensions, benefits of infirmity etc.) from social subventions

<sup>7</sup> Some indicators have been adapted to the Greek reality. This fact entails a more comprehensible and applicable methodology.

- **Employment** - This domain estimates the number of individuals that cannot work due to a disability or an illness and the number of unemployed that are officially recorded.

**Box 7****Deprivation of Employment: synopsis of indicators**

- Number of unemployed
- Individuals from 18 until 24 years who participate in active programs of employment
- Number of beneficiaries with subvention of disability aged between 16 and 59
- Beneficiaries of subvention of serious infirmity aged between 16 - 59

- **Illness or Disability** - in this particular domain, the number of individuals who suffer from illnesses or a disability is referred.

**Box 8****Illness or disability: synopsis of indicators**

- Rates of mortality for men and women under 65 years old
- Individuals that receive public subvention of infirmity or disability for work
- Percentage of active population (16-59 years) with subvention of disability or heavy infirmity
- Percentages per age and gender who suffer from restrictive long-lasting illnesses
- Percentage of birth rate at low weight (<2500 gr.)



• **Education, dexterities and professional training** - in this particular domain there are calculated the deprivation, with regard to knowledge and dexterities of the adult and underage residents of a region.

**Box 9**

**Education, Dexterities and Professional Training: synopsis of indicators**

- Adults with no certified professional qualifications and dexterities
- Children up to 16 years old who are not included in the educational system
- Percentage of young persons between 17-19 years old that did not succeed in the entry exams of the university education
- Data concerning performance in the gymnasial education
- Percentage of children in the primary school, with the language of the country as a second language.

• **Geographic access to services** - this particular domain evaluates the access of individuals to the basic services such means of transport and dissemination of the services in question in the urban space.

**Box 10**

**Geographic access to services: synopsis of indicators**

- Access to post-office
- Access to restaurants
- Access to fuel station
- Access to educational institutions

• **Accommodation** - in this particular domain there are calculated the numbers of households that lack basic comforts, as well as the number of households that do not provide permanent shelter.

**Caseta nr. 11****Condiții de locuit: prezentarea indicatorilor**

- Numărul de persoane care nu au adăpost
- Familii alcătuite din mai mulți membri, care trăiesc în domiciliu care nu au dotările de bază

**The configuration of the Index of Multiple Deprivation**

The data analysis for each one of the abovementioned six domains leads to the configuration of relevant indicators at Domain Index level. Moreover, the particular indicators (Income, Employment, Health and Infirmary, Education-dexterity-professional Training, Accommodation and Geographic access to services) can be combined and shape the Index of Multiple Deprivation (IMD). Based on this particular indicator, the levels of deprivation are evaluated for each district. The combination of indicators (Domain Index) presupposes the evaluation of the domains, which can be standardized as follows:

- Income 25%;
- Employment 25%;
- Health and Infirmary 15%;
- Education, Dexterities and Training 15%;
- Geographic access to services 10%;
- Accommodation 10%.

Figure 3 shows the two basic stages for the configuration of the Index of Multiple Deprivation – IMD (Department for Environment, Transport and Regions, *Indices of Deprivation 2000, Regeneration Research Summary*).

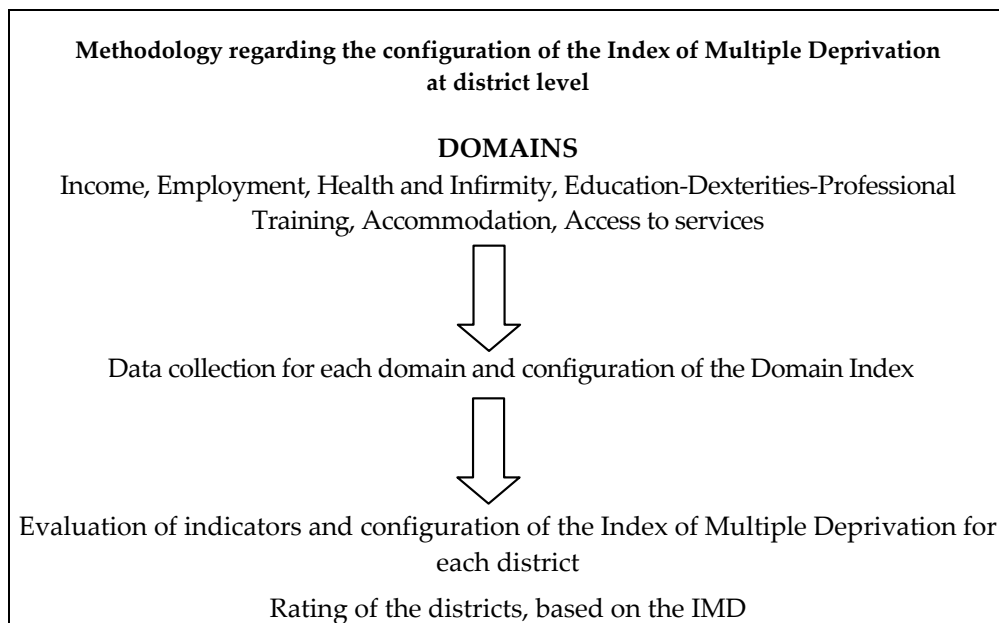
**Use the Index of Multiple Deprivation**

The Index of Multiple Deprivation can be developed at district level, but also at the regional one.

a) At **district level**, there may be found seven (7) indicators (six indicators that concern the abovementioned domains and the Index of Multiple Deprivation). For each indicator there is an attributed rating position (in Great Britain, as an example, exist 8414 districts: the most deprived region will hold the position 1 while the most flourishing the position 8414).

In this way, the users of this particular indicator have the possibility to evaluate one of the six dimensions of social exclusion in a concrete region, as well as to proceed to compare it with other regions. As it has been mentioned, the calculation of a particular indicator allows the localisation of the “hearths” of social exclusion, contrary to the previous researches that were limited to calculations at regional level.

*Figure 3. Index of Multiple Deprivation*



b) At **regional level**, the use of the indicator allows the investigation of the differences within and among regions. Concretely, the most

vulnerable groups of people and the most deprived districts have been determined, so that particularly crucial information is ensured concerning the territorial dimensions of the social exclusion for every region.

More analytically, the measurements at regional level referred to:

- the **local concentration** (this particular measurement allows that the contact points of social exclusion are located in the framework of the region);
- the **extent** (percentage of population of a region that live in the 10% most deprived districts of the area);
- **measurements for exact size of the individuals** that are deprived of a satisfactory income or workplace at regional level;
- the **average of the districts of a region**, based on the indicator IMD;
- the **average of the districts of a region** based on the results of each district in each one of the six domains (Income, Employment, Health Infirmary, Education - Dexterities - Professional Training, Accommodation, Access to services).

To conclude, the Index of Multiple Deprivation allows an objective recording of the phenomenon of social exclusion in its territorial dimensions, under the methodological measurements at three levels:

- six indicators at domain level 144 for each district (Domain Indices);
- the total Index of Multiple Deprivation, based on the six Domain Indices;
- six measurements at regional level.

Consequently, the possibility of focusing on concrete dimensions of the social exclusion at district level is ensured, dimensions that are immediately connected with the extended factors of appearance of the phenomenon that are not only limited to the lack of income or employment. More so, those who plan the interventions of social policy could promote new interventions for the abolition of any reasons or factors of exclusion.

### **C. The Danish model: the importance of qualitative data**

The Danish model is defined by the methodological framework designed and implemented by the Danish Building Research Institute concerning the dimensions of social exclusion and in particular the implications of this phenomenon in urban areas (eg buildings and natural environment). The main axis of the framework is the relationship between social conditions that prevail in a region and the existing situation of the buildings and other facilities of the neighbourhood (H. Kristensen, 1997).

Even if accepted the consequences of employment and unemployment in developing the phenomenon of social exclusion, the empirical research in Denmark shows that housing conditions and the quality of basic infrastructure in the neighbourhood are also important factors of exclusion (eg lack of space for food service or entertainment, that help the development of social relationships). Particular emphasis is given to apparently damaged buildings and related infrastructures (green spaces, streets, squares, cleaning, etc.), which reflect the deterioration of living in a specific neighbourhood.

In the framework of the Danish model the effectiveness of interventions that address problems of exclusion depends largely on their "visibility", meaning their ability to be easily understood by residents. This position conflicts partly with the methods analysis of social exclusion based only on statistical indicators. A purely statistical analysis of social exclusion is perceived as a technocratic approach of the problem.

Such an approach carries the risk that policies with a spatial reference for combating social exclusion would not respond to the needs and requirements of the local population, especially taking into account the fact that the evaluation of the living conditions by the residents of a deprived area focuses mainly on visually identifiable results and problems. More so, such an approach significantly affects the directions of the efforts of empirical investigation of social exclusion. The Danish model inhibits the development of composite indexes (eg the Index of Multiple Deprivation), choosing to adopt relatively simple indicators, the conduct in-depth interviews with key people in the region as well as participant observation in the specific region.

The Danish model of empirical investigation of social exclusion on a spatial base is implemented on the basis of evaluating:

**a) The data at local level** - the social housing organizations in Denmark keep extensive information concerning the conditions of rental housing available for their beneficiaries. These databases provide a series of very useful information about living in deprived areas.

**Box 12**

**Local Key Statistics – Danish model**

- Number and characteristics of cases of vandalism
- Complaints from the residents of the neighbourhood
- Delayed rents
- Unannounced apartment abandonment
- Violation of hiring conditions

**b) Information and data at central level** - the Danish central system recording personal data allows processing a number of interesting statistics in a spatial database.

**Box 13**

**Key Statistics – Danish model**

- Age composition
- Employment
- Income
- Nationality
- Frequency of apartment changing

**c) Research data** - here, there are used structured questionnaires or semi-structured interviews with the aim of ensuring an objective record of the views/representations of a sample living in a specific spatial area of reference.

**Caseta nr. 14****Questions and interviews – Danish pattern**

- Participation in associations and leisure activities
- Level of satisfaction with the neighbourhood
- Noise and other perturbing factors in the neighbourhood
- Evaluation of neighbourhood's image/reputation
- Will to change the neighbourhood

The sample comprises, on one hand, randomly selected individuals and, on the other hand, selected opinion leaders who live in the same area. Usually, the results of field surveys are combined with the evaluation of visual material on the situation of buildings and other infrastructure (photos, maps, etc.).

In conclusion, the use of the findings resulting from the application of comparative research in the field of spatial exclusion leads to a number of important observations that can develop the discussion regarding the spatial dimension of exclusion and to represent the starting point for the development of local policies of active integration that reap the benefits of social economy:

- The common aim of the three key European models is to develop interventions with a spatial orientation that tackle social exclusion (area based policies);
- The British model offers the most detailed model of recording social exclusion on a spatial base, and allows the definition of qualitative and local level, leading to the development of rational socio-political interventions with a spatial reference;
- The identification of the areas of social exclusion in France is based on a series of simple statistical criteria. The development of interventions based on active participation of local communities;

- 
- The Danish model highlights the importance of qualitative data by rejecting the methodologies based solely on complex quantitative indicators for the investigation and recording of social exclusion on a spatial base.

To conclude, the above analysis shows that the overall approach concerning social integration and exclusion concern a range of interventions from the part of official institutions, in this case at the local level. It is they who should set the conditions for the mobilization of local forces to gain the necessary power that need to be directed in the field of social economy and to take initiatives as well. The mobilization of the entire community is the one that can bring results and lead to an inclusive society. The agents of self-government can play a key role in this mobilization and in the implementation of a broader local plan concerning the re-inclusion of those marginalized and the protection of those at risk of exclusion.

### ***1.3 Social economy – element of integrated policy for active inclusion***

In this part of this chapter there will be summarized the conclusions that have been enunciated in recent research concerning policies that have attempted to develop initiatives in the field of social economy. The strategy regarding the development of the area of social economy didn't illuminate sufficiently the dimension developed above. The social economy is seen in most cases as part of a policy meant to increase employment or at best as a "starting point". But this does not represent a comprehensive strategy to fight against social exclusion and poverty. From the point of view of the holistic approach of the phenomenon of social exclusion, social economy may be regarded as part of a broader attempt to organize the mechanisms meant to prevent social segregation and the marginalization of vulnerable individuals or groups.

In this context, above, there have been developed the range of arrangements that may integrate policies to support and promote the social economy so that it may become an organic part of social inclusion. Moreover we attempted to provide an integration framework of the



existing social capital - especially at local level, so as to serve the goal of ensuring an *inclusive society*. Nevertheless, to achieve this, as experience has taught us, there must be fulfilled several conditions. Below there will be mentioned some conditions which may serve as a starting point of a series of policy proposals towards the active inclusion through social economy:

- The need for continuous updating of the institutional environment so that initiatives in the field of social economy may be manifested smoothly, while it is possible that frameworks in the area of social economy enjoy a privileged relationship with the state and official institutions (evaluation of social benefits);
- The need for cooperation between the actors so that initiatives in the social economy do not have the need for government guarantees to ensure their sustainability;
- Securing the support of the triptych a. Redistribution, b. Services for the community, c. Local development;
- The promotion of specific sectoral policies such as:
  - a. the «Strawberry Fields» models, whereby growth is encouraged by linking local ventures, whilst ensuring that local characteristics are retained;
  - b. the «Umbrella» approach with intermediary support structures created specifically to be the carrier agencies for growth and for support the growth process at the local level;
  - c. «Trailblazing» to infect the mainstream with innovative approaches.

In this framework activities the project WISE represent a prosperous but also complex model in the European panorama in the sense that different models respond to different needs and are the consequence of different cultural, social and political traditions and contexts.

Important, distinctive elements of WISEs have been identified, that should be acknowledged and promoted at local, national and European

---

levels. WISEs are an important component of the social economy and they represent an important economic actor at social level:

- As a key instrument in delivering integrated approaches for active inclusion, WISEs should represent a key priority for the Social OMC and the EU;
- More explicit recognition should be given to WISEs as particularly effective tools for inclusion within the Social OMC;
- WISEs should be the subject of specific Peer Reviews within the Social OMC, to deepen mutual learning;
- The importance of WISEs in delivering effective active inclusion approaches for people that are excluded from the labour market should be emphasised.

In conclusion and trying to set the broad objectives in the European space we indicate the following as proposals that may enhance the expansion of social economy so that it may become an organic part of the European integration strategies for active integration with the involvement of social actors:

- Support national policies aimed at providing services to regions that are difficult to reach and with very low residential density. In addition to the efforts to ensure the effective functioning of the internal market, it is necessary to give particular attention to the notion of services of general economic interest and to work towards a convergence in the definition of this concept across the EU, which is a precondition for its eventual regulation at the EU level.
- Support the development of social dialogue, so that the social partners truly participate in the social inclusion effort.
- Support investment in human resources, action that encourage both economic growth and employment, including employment of socially excluded individuals.
- Support and reinforce actions aimed at the integration of the disadvantaged citizens into the labour market (disabled people, graduates, elderly people, single parents, immigrants etc.), and in particular through social cooperatives and other types of cooperatives.

- Support the exchange of good practices across Europe in the field of cooperatives, and especially social cooperatives, also using the financial means of the Structural Funds and especially the ESF, not only targeted at the economic actors, but also at the policy-makers at national and local level.

#### ***1.4. Progress of the social economy in the European Union***

The effort to clarify the role of the social economy within the policies of social inclusion is supported by the development of specific elements within the forms in which this type of social economy operates within the European Union. Thus, the concept of social economy is in obvious expansion across the European Union, and the term is found to have varied connotations throughout the member states; there are situations in which different interpretations of the term coexist in the same country. The degree of concept recognition by the public authorities, by the structures of the social economy and by the academic/scientific world shows a variety of approaches within EU25 countries. Thus, three groups of countries have been identified in terms of level of recognition and acceptance of the concept of social economy (CIRIEC, 2007, p. 36-37):

1. *Countries with the greatest acceptance of the concept of social economy:* France, Italy, Portugal, Spain, Belgium, Ireland and Sweden, where the concept enjoys wide recognition by the public administrations and by the academic world, as well as by the specific structures of the social economy;
2. *Countries with a medium level of acceptance of the concept of social economy:* Cyprus, Denmark, Finland, Greece, Luxembourg, Latvia, Malta, Poland and the United Kingdom. In these countries the concept of the social economy coexists alongside other concepts, such as the Non-Profit sector, the Voluntary sector and that of Social Enterprises. In the United Kingdom, the low level of recognition of the social economy concept contrasts with the Government's policy of support for social firms. In Poland it is quite a new concept but is increasingly accepted, fostered particularly by the structuring effect of the European Union;

3. *Countries with little or no recognition of the concept of social economy:* Austria, the Czech Republic, Estonia, Germany, Hungary, Lithuania, the Netherlands and Slovenia. The related concepts of the Non-Profit Sector, Voluntary Sector and Non-Governmental Organizations sector enjoy a greater level of relative recognition.

From the perspective of the legal framework for the social economy, dimension of great importance given the necessity for recognition of this sector, three distinct levels are discernible at the European level:

- Explicit recognition by the public authorities of the different identities of these organisations which need a special treatment. The regulation of the legal framework, from this point of view, refers to the institutionalisation of these organisations as private agents;
- Acknowledgement of the capacity and freedom of these organisations to act in any field of economic and social activity;
- Acknowledgement of the role of negotiation within the process of development and enforcement of the different policies, thus setting a normative framework by which the social economy organisations become co-decision-makers and co-executants of the policies in this area.

Table 1 shows synthetically the main legislative progresses accomplished by some EU member states.

**Table 1**

**Legal forms for social economy companies and organisations in Europe**

Country	Legal forms for social economy companies and organisations
Belgium	Act on Social-purpose enterprises (Sociétés à finalité sociale)
Ireland	Credit Union Act, 1997
Italy	Social Enterprise regulations (D. Legs. 155/2006 Disciplina dell'impresa sociale) Non-Profit Organization of Social Utility (Onlus, D. Legs. n. 460/1997) Framework Law of Voluntary Work (Legge quadro sul volontariato 266/1991)
Portugal	Misericordias DL 119-83, 25.02.83
Spain	Act on Labour companies 1997 (Sociedades laborales)

Country	Legal forms for social economy companies and organisations
	Special employment centre for handicapped people, RD 2273/1985 (Centros especiales de empleo para minusvalidos) Act on Integration Enterprises 12/2001 (Empresas de insercion)
Sweden	Housing associations (economic associa), 30.05.1991
Finland	Social Enterprises, 30.12.2003 Co-operative Societies Act, 28.12.2001/1488 (Osuuskuntalaki)
Greece	Act 2190/1920 applies to "Popular companies" Acts 2810/2000 and 410/1995 for "Development Agencies"
Netherlands	Civil Law book 2 (legal persons) dates from 1850; updated in 1992
Denmark	Act on Housing Cooperatives and other Collective Housing Societies, updated in 2006
Czech Republic	Association of Common Benefits (NNO), 1995 5 Association of flat owners, 2000
Hungary	Non profit companies
Latvia	Credit Cooperative, 15.07.1993
Lithuania	Credit Unions, 1995 Social Enterprises, 2004
Poland	Social cooperatives, 2006 Act on Social employment for Centres for social integration, 13.06.2003 Act on Public benefit activity and volunteerism for public benefit organisations, 24.04.2004
United Kingdom	Community interest company

Source: CIRIEC, 2007, p. 69-70.

The rise of social economy has also been acknowledged by the political and legal circles, both at the national and international level. Although in many legal texts some EU countries and EU itself recognise social economy as such, together with some of its composing elements, progress is needed to delimit the legal dimension of the social economy and to define the conditions which its organisations must meet so as to avoid diluting its specific features and losing its social usefulness.

## CHAPTER 2

### METHODOLOGICAL ASPECTS REGARDING SOCIAL ECONOMY EVALUATION

#### *2.1. Methodological approaches to social economy mapping*

The contribution to the developmental needs of the social economy organisations requires evaluating the best practices in this field, as well as a feasibility study on the potential for the establishment of a social economy centre in South Muntenia and South-west Oltenia regions of Romania. It is therefore very important to **discuss and report the methodological approaches regarding social economy mapping** at the regional and local level. At the same time, this analysis is a stage regarding the **design** of methods and the development of the social and economic evaluation, of job creation, of the entrepreneurial initiatives in social economy. Thus, a basic material is formed, for the use of the project partners and for the other researchers involved in social economy mapping. Applicative desk research activities have been performed to this purpose, searching for research projects in this field and, particularly for the methodological approaches that have been used. The key outcomes are presented below:

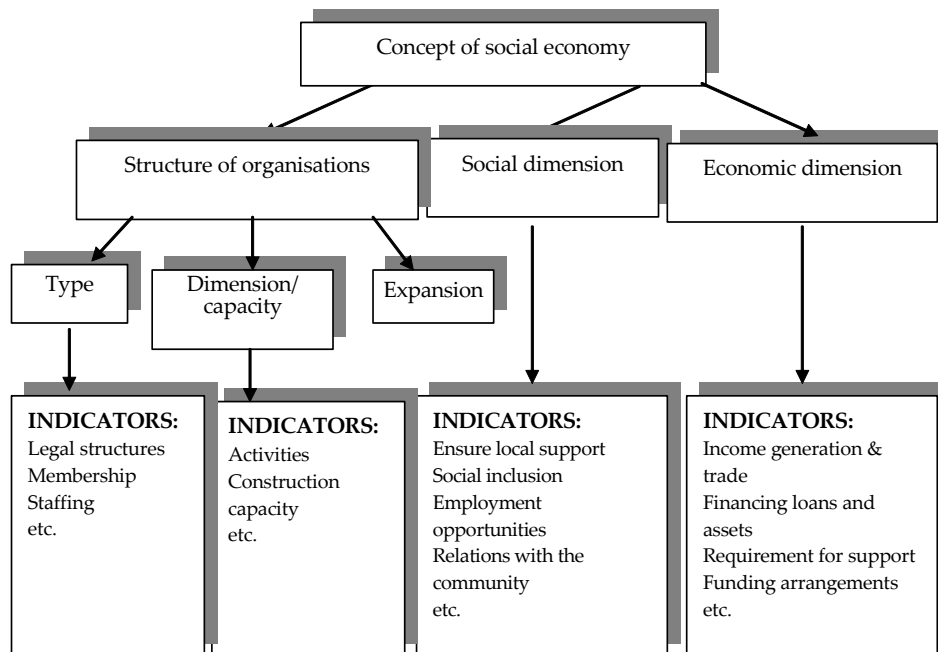
**Box 15****Theoretic background and methodological approaches**

In order to conduct the research, we must first translate the concepts of social economy and social inclusion in a form in which they can be measured. To this purpose, we must take three steps:

1. Clarify the concepts. Social economy and social inclusion do not have determined meanings, so that it is crucial to determine the concepts to be used by the research.

2. Develop the indicators. The process of shifting from abstract concepts to the moment when we can compile parts of the questionnaire in order to exploit the concept is well-known as “descent on the steps of the abstract” (Vaus, 2002e, p. 48). This involves changing from broad (meaning) to specific (meaning), from abstract to concrete. Clarifying the new concepts, we start to step down. A further step is to specify the dimensions and sub-dimensions. Before being able to measure the concepts, we need to descend from the lofty and vague heights of the social economy and social cohesion and take care of more ordinary problems, such as the ones below.

*Figure 4. Example of the process of indicators setting*



*Note: The indicators for social cohesion and thus the social cohesion can be adopted according to the common indicators of social exclusion and poverty<sup>1</sup>.*

When we get to the moment when we can develop the indicators, there are three questions to which we have to answer: how many indicators we should use; how to compose them; and how do we compile a questionnaire.

3. Evaluate the indicators. After the indicators have been composed, we must make sure they measure the concepts we think they measure (validity) and we must make sure that we can rely on the answers received from our interlocutors (trust).

### **Types of applied research**

The type of applied research is determined by the specific objectives of the research. The goals of this research are two. The first, we intend to make a descriptive and analytical information on the activities performed by the social economy organisations, the funding mechanisms of these organisations and their relations with the community and with other groups in the sector. There is no special interest to explore the problems confronting the organisations.

Second, the observations of the study will be used to clarify the effects of the social economy activities on the target groups, in order to inform the decision-making process and to guide practical actions through training courses and by running a centre for the social economy.

In agreement with these goals, the type of applicative research is both **descriptive** and **analytical**. The descriptive type uses intensely the surveyed samples and has an important function of "information and monitoring" (Bulmer, 1982a, p. 153). The social research supply the policy-makers with a wealth

<sup>8</sup> The European Council from Laeken, in December 2001, has determined a set of 18 primary and secondary indicators common to social exclusion and poverty, which cover key dimensions of the social exclusions: financial poverty, employment, health, education, which must be considered as a coherent whole.. The methodological framework consists of a list of primary and secondary indicators for a main portfolio and the three elements (social inclusion, pensions, health and long-term care). The primary indicators are a smaller set of major indicators which cover all the essential areas of the defined objectives. The secondary indicators support the primary indicators by supplying additional details on the nature of the problem. In June 2006, The Committee of Social Protection adopted a new set of indicators common to the processes of social protection and social inclusion ([http://ec.europa.eu/employment\\_social/spsi/common\\_indicators\\_en.htm](http://ec.europa.eu/employment_social/spsi/common_indicators_en.htm)).



of descriptive data on demographic traits, economic factors and social trends. One may also find out details about the changing social and political circumstances of some specific groups of the population, which can help identifying new areas of political intervention (Gilbert, 2001b, p. 31). On the other hand, *“the analytical research is problem oriented and, as form of the strategic applied research, it reaches much further than information and monitoring...Its purpose is to clarify a problem in such a way, so measures can be taken to change the observed situation”* (Bulmer, 1982a, p. 153). Using these two methods, **we will gather a wealth of data that can be used both to describe the current stage of the social economy, and to explore new and innovative ways to foster social inclusion.**

#### **Methods for data collection, combination of the qualitative and quantitative methods**

*Questionnaires with quantitative data.* The basic numeric data must be collected for each initiative, in order to understand the scale and scope of the activity. The questionnaire must provide details such as:

- Types of social economy organisations, their structure and activities;
- Beneficiaries;
- Wages, employment, income and growth;
- Barriers to the subsequent development and assistance;
- Profile of the people employed in social economy activities, such as gender;
- Links and contacts with other organisations;
- Opinions on the growth potential and on the type of assistance that should be provided.

*It must be remembered that when the survey data are analysed, two of the main independent variables must be the gender and the region.*

*Case studies.* The case studies must be conducted selectively, in order to examine the organisations of particular interest by the purpose and complexity of their activity, by the innovative nature of their activity, or by their potential for wider implementation. The case studies can be useful for the training courses and for the competition „The best idea”.

*Interviews.* The interviews can also be useful in order to identify the benefits which different participants in different project acquired. This method can be used to determine the wider impact of the social economy initiatives and the ways in which the social economy activities contribute to social cohesion.

*Focus-group.* This type of research involves the evaluation of the infrastructure available to support the local initiatives, including here the financial resources, knowledge and research, learning possibilities, the empowerment policies, partnerships and the sectoral support. The focus-group and the case studies can be used to explore the implications of the different political contexts on the ability of the social economy initiatives to prosper and achieve a significant economic and social impact.

The information obtained through interviews, focus-groups and case studies can be used to exemplify and deepen the observations of the quantitative research. A large scale research will be performed, at the regional level, and the collected information will provide valuable quantitative data on the type and nature of the social economy organisations, obtained both from representatives, and from beneficiaries. They will be useful for the suppliers (the project partners, the stakeholders and the public authorities), by facilitating the planning and evaluation of the future services. At the same time, when the survey identifies a social economy organisation which supplies services to the target groups of the project (women and/or Roma ethnics), in-depth interviews will be performed with representatives responsible for services delivery and with persons from the target groups. Due to the composite nature of the field work and because of the need to build a link with the interviewed people, interviews will be conducted with women, Roma ethnics, with informal social workers and with the directors, in order to investigate in detail the “sensitive” aspects. The areas to be explored include the problems confronting them in terms of supply or receipt of continuous services, financial and legal problems, judgements about the potential for further development, will to participate in social economy activities and interaction with the local community.

By applying micro- and macro-perspectives, the survey highlights the different dimensions of the social economy. At the macro level, the research will deliver an estimation of the stage of the social economy at the regional level and will identify those persons and organizations that will most probably be involved in social economy development. The quantitative data, collected via the 5,000 questionnaires, will be used to identify the geographic areas and the social actors towards whom the social economy activities must be directed. On the other hand, the interviews, focus-groups and case studies involving the stakeholders, social workers, social directors, women and members of the ethnic groups, may complement the picture by the supplied information which describe at micro level the actual needs and the potential of the social economy in South Muntenia and South-West Oltenia regions. This information, together with the data on the type, nature, dimension and activities of the social economy organisations are useful to analyse the current conditions of the social economy sector, to plan the future services, they are also useful for the training courses and to evaluate the impact of the project.

### Survey questions

Social economy mapping and the accurate determination of the dimension, scope and characteristics of the social economy, the survey questions used in this study must be described explicitly. The purpose of this study is very practical: visualisation and recognition of social economy organisations: which and how many they are, where are they, how did they develop, how large or how important are they, how are they seen by the public and by the government, which are the real problems which they solve and how do they contribute to social cohesion and welfare. These are the questions approached by the research project. It is very important to know why we are mapping, and what we are mapping.

Briefly, the existing studies and reports approach the survey questions as follows:

- *Which are the characteristics of the social economy organisations?*
- *How can we describe best this sector in conceptual terms?*
- *How many non-profit and voluntary organisations exist?*
- *In which areas do they operate?*
- *How many persons do they involve in their activity?*
- *Which are their sources of funds?*
- *Which are their challenges?*
- *Which are the regional necessities which social economy tackles?*
- *Can we understand social economy as something residual which serves to fill in the gaps where the government and the market can not meet the necessities?*
- *How can social economy play an important role in the social inclusion of the vulnerable groups?*

### Setting the samples: samples with multiple list

The survey needs to develop a database with all the social economy organisations from the two regions, using several sources. Because there is no ready-made sampling framework for the social economy sector, the research team will have to put together a sampling framework using several sources.

Sample setting might involve the use of a combination of samples, using both the probabilistic techniques, and target-directed techniques. The first preliminary study of the survey might use a purpose-directed sampling technique, which would allow the research team to identify the social economy organisations. Purpose-directed sampling is a non-probabilistic form of sampling, in which the cases are judged to be typical for a specific category of interest for the researchers. They are not selected randomly. (Vaus, 2002, p. 90). Thus, in the absence of a clearly set sampling framework, the selection of social economy organisations may supply valuable information, even if they are not representative. However, within each organisation, the sample of beneficiaries and professionals to be surveyed must be selected using the probabilistic sampling technique.

Thereafter, the network of snowball sampling technique may be used to determine samples of ethnic minorities and of other vulnerable groups. This method presumes contacting the members of the population to be surveyed and questioning them whether they know someone meeting the required characteristics (women, unemployed, Roma ethnics, or members of other minority ethnic groups):

“The nominated people are interviewed in turn if they can identify other members of the sample. This operation continues until no other persons can be identified for inclusion in the sample. After this, another member of the targeted population is identified, preferably in another region, and the process of searching new contacts with the required characteristics starts again”. (Gilbert, 2001, p. 63).

The conducted analyses revealed the following important aspects concerning the way in which social economy practices are mapped:

1. The scientific literature shows that **there is not just one way to do research on the social economy sector**. All the research and reports adopted a mapping strategy that fits best the local reality and there is no common pattern to be used. The main factor that led to this result is the absence of a single definition for social economy, which influences the research strategies. Hence, all the research we reviewed adopted first a working definition of the social economy and clarified explicitly the

criteria to be used to identify the sector organisations. Thus, one of the main challenges of this first stage of any study on social economy is to identify a working definition of the social economy and to identify the organisations that meet the qualifications criteria for the social economy organisations.

2. Most existing mapping projects have **classified and categorised the social economy organisations** rather according to their **purpose**, than according to their type. This happens especially because of the complexity of their legal and institutional framework (for instance, legally, a social enterprise can also be a non-profit organisation). Thus, the use of the legal form of the organisations, not of their function or purpose, may lead to wrong representations.

3. All the relevant projects that we examined **used both primary and secondary research approaches**. This is because these projects refer to western societies, United Kingdom and Canada, where there is plenty of official statistic data available for research. In Romania, social economy is an emerging sector and hence there are no official statistics useful for secondary analyses. There are very few primary data available; hence, all information must be collected in the field. This is the basis for the research strategy. The collected data may be used thereafter for further research and for prospective comparative analyses.

4. The research strategy will therefore rely on the **methods of primary research**. As mentioned earlier, we decided for a **combination of quantitative and qualitative research methods**. Overall, the project **Proactive – from marginal to inclusive**, financed by the European Social Fund through the Sectoral Operational Program, Human Resources Development, 2007-2013, will use case studies, 5,000 questionnaires, 2,000 in-depth interviews and 3 focus groups. At this early stage it is crucial to describe the way in which this combination of research methods can be implemented directly, as well as to identify the ways in which all these methods (indicators) of data collection can be used.

5. Because the research project relies mainly on the primary research, we need to draw up a comprehensive calendar of activities, which to be observed with scrupulousness. Below is a proposal for a way in which this

calendar of activities can be designed in agreement with the main stages of research (set the theoretical bases, identify the methodological approaches, design the methods for data collection, sample determination, data collection and report writing, evaluation and monitoring).

6. Regarding the methodology, a very useful source in the *Guidance on mapping social enterprises*, published by ECOTEC Research and Consulting Limited in the United Kingdom (2003). This report relies on the experience of 33 mapping studies, all of them trying to map to some extent social enterprises and which issued recommendations of the type of data that must be included in the projects of social economy mapping. Briefly, this guidebook separated the mapping projects according to their purpose. Four key-purposes are identified: strategy development, program delivery, assessing economic contribution and drawing a directory:

- Strategy development often involves a qualitative information sample to supplement published data sources
- Programme delivery uses detailed, often codified, information to be gathered in relation to specific aspects of social enterprise support
- Assessing economic contribution requires detailed income and employment information and has been attempted in a number of studies to generate a range of estimates
- Developing a directory requires accurate and updated contact details and systematic categorization

Furthermore, the guidebook identifies four broad types of methodology used for mapping the social enterprises: regional methods, bottom-up local methods, membership based methods and process-based methods.

- Regional methods have used public data sources together with sample surveys for qualitative aspects
- Bottom-up local methods use existing knowledge and networks within the sector
- Membership based methods use existing membership lists and need to guard against double counting when aggregated

- Process-based methods have appeal given the dynamic nature of the sector as well as the potential to establish on-going mechanisms

Finally, five data fields are suggested, to form the core of any social economy mapping exercise:

- number of social enterprises
- number of employees (part-time / full-time)
- geographical location of social enterprise by postcode
- core trading activity of social enterprise
- turnover (incl. proportion from trading / non-trading activities).

#### Box 16

##### Similar research programs that were examined

**1. *State of the Sector Panel Survey*** (Great Britain) shows the key-features of the research methodology and provides a summary of the main characteristics of the participant organisations. The panel reflected the range of voluntary and community social enterprises in the Great Britain, focusing on those supplying public services. The panel members were contacted each year to take part in the research by mail and by phone interviews, about 3,600 members taking part in each of these stages. A more detailed description of the research design and of the used methodology can be found in the Technical report. The research outcomes are presented in four analytical reports.

**2. *Assessment of the Social Economy of the Highlands and Islands*** (Great Britain). Evaluation of the social economy done by Highlands and Islands Enterprise (HIE) in 2001 includes a brief but useful questionnaire, at page 72, appendix C.

**3. *Review of the Social Enterprise Strategy*** (SES) this is a final report of a structured program of work which aimed to describe SES policy in terms of inputs, activities and outputs. The working program included analysis of the literature, including academic materials, politic materials and other types of materials; mapping the main activities conducted by SES within the government; semi-structured interviews with 60 representatives of the stakeholders, including from the government's departments; decentralised administrations and organisations supporting the social enterprises;

semi-structured interviews with three representatives of the financial institutions funding social enterprises; two workshops with the participation of (i) some representatives from 14 social enterprises, and (ii) over 30 representatives of the political decision-makers and with social economy decision-makers; case study, East Midlands, which examined policy implementation at the regional level in the urban area from Nottingham and in the rural area from Lincolnshire.

**4. *ReValuing the Social Economy*** (VSE) relies on a large scale research whose purpose was to observe the strengths and the potential of the Scottish social economy. This research project used three main research methods: research by mail/phone of a large sample, case studies and focus-groups.

**5. *Mapping the Social Economy in Moray*** is a research project aiming to obtain in-depth information about the social enterprises in Moray and to identify the requirement for support for this sector. This report is anticipated to help the development of a strategy for the development of the social enterprises in Moray. The used methodology was a combination of secondary and primary research.

**6. *Measuring and Mapping the Impact of Social Economy Enterprises: The Role of Co-ops in Community Population Growth***. This report is a summary of an empirical research conducted with the purpose to measure and map the impact of the social economy (cooperatives) on the economic vitality and quality of life in the communities operating in Canada. The research focused particularly on four main areas: a) evaluate the impact of cooperatives on the change of the community population; b) identification of the spatial variations in the impact of cooperatives; c) differentiation of the way in which different types of cooperatives impact on the local community and, d) visual description of the incidence and impact of the cooperatives.

**7. *What We Need to Know about the Social Economy*** (Canada) is a guidebook of political research on the social economy, which provides a basis for the social economy, identifies research aspects and provides research suggestions, also mentioning several valuable sources of information.

**8. *Mapping social enterprises: Do social enterprises actors draw straight lines or circles?*** Is a study exploring the way in which the key actors active in social enterprises use their location, ethos, practices and possibilities using drawings and models in the Great Britain.



**9. *Research Decisions in Mapping the Social Economy in Alberta and British Columbia, BALTA Mapping Working Paper No. 2*** is a document showing the process of developing the mapping research used by BALTA mapping team during the initial stages of the project mapping social industry (stage 1). The purpose of the article is to describe the way in which BALTA conducted the mapping, in order to document the process and to frame it within the context of similar works in progress in the field of social economy.

**10. *Co-operatives and the Social Economy: An Approach to Mapping in Atlantic Canada*** is a paper presenting broadly the mapping activities conducted in the Atlantic Regional Node on social economy.

**11. *A Survey of Social Enterprises across the UK*** is a report detailing the observations of a novel research on the social enterprises in the United Kingdom. The report describes the characteristics of the enterprises, highlighting what makes them “social” enterprises, the way in which they get funds and the number of employees. The research was conducted by phone interviews with a total of 8,401 organizations. The work also presents the questionnaire used for the field activity (pg. 48, Appendix 2).

**12. *Evaluation of the Social Economy Programm*** (WRC Social and Economic Consultants, 2003). The objectives of this evaluation are a better understanding of the social economy, its program and objectives, analysis of the program at the national, local and enterprise level, advices on the criteria for the “second round of financing” of the social economy enterprises; advice on the future funding needs and on the way to determine how other public and private organizations can contribute to support the program, financially or otherwise.

**13. *Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*** (Caledon Institute of Social Policy, Canada, 2006). This evaluation framework describes the nature of social economy, identifies the challenges associated to social economy evaluation. The work also presents a logic model that can be used to conceptualize the work in social economy, including its broad social objectives, the main inputs or investments needed to support the activity and the outcomes at household, organization, community and sector level.

**14. *Strengthening communities through social enterprise*** This report is an evaluation of the program for social economy development. The purpose of the evaluation is to quantify the social impact of the program for social economy development in North Down area. The report investigates whether the understanding of social economy evolved and whether the capacity of the groups/individuals increased after their involvement in this program.

---

In conclusion, the above information is useful and can be used as support elements for the research process. However, in the absence of an ideal way of mapping social economy, a combination of elements extracted from all the projects presented above can be used complementary to the limited national sources of data available for this field in Romania, in order to capture the present situation of the social economy in the areas of intervention and to enhance social inclusion.

## ***2.2. Monitoring and evaluation of the societal aspects of the social economy***

The manner of monitoring and evaluating (M&E) social economy is an important aspect with many challenges for the main levels of the politic, economic, social, government, accounting, funding agencies, for the involved societies and communities, for the participants and for the members of the social economy organizations, for the beneficiaries of the goods and services supplied by these organisations.

There are two major challenges for an efficient, consistent and accurate monitoring and evaluation of the social economy in Romania. The first one concerns the institutional invisibility of the social economy sector, which is due to the lack of a clear and rigorous definition of the social economy (at the national and international level) and to the structure of the national accounts which prevent the identification and accounting of the social economy companies and organisations. Furthermore, there are no internationally acknowledged monitoring and evaluation methodologies which to yield a comprehensive and integrant measure of the societal impact and viability of the social economy.

Therefore, social economy monitoring and evaluation must be approached on at least two separate, yet complementary levels:

- First, by the currently existing international methods used to collect accounting data, based on the national account systems, particularly by implementing the *Manual for drawing up the satellite accounts of companies in the social economy: co-operatives and mutual societies* (CIRIEC 2006) (for EU member states) and of UN

*Handbook on Non-Profit Institutions in the System of National Accounts* (NPI Handbook) (CIRIEC, 2007, p. 29); this approach tackles comprehensively and consistently the issue of monitoring the various economic activities and results of the social economy at the national, regional and sub-regional levels, composing the main set of statistic data.

- Second, by the development of methodologies, instruments and indicators of monitoring and evaluation, which are in agreement with the available data from the satellite accounts, but which approach particularly in a *qualitative manner the societal aspects* of the social economy sector, which are not captured by the data collecting system from the satellite accounts.

Following are suggestions based on the survey of several worldwide examples of positive initiatives, on our knowledge, on our sociological and evaluation experience, on project necessities and on our experience in Romania. Generally, there is no extensive literature, worldwide, on social economy monitoring and evaluation in terms of international standard models, largely because of the conceptual difficulties of defining and classifying by categories the social economy at the national level.

The limited understanding of the concept of social economy in Romania (both at the political and public level) and the limited development of the sector, as far as we can infer from the bibliographic papers and from the answers received from the project partners, question seriously the attempt to monitor and evaluate social economy. At the same time, we consider that this situation offers a very good opportunity to construct several conceptual instruments, methodologies and practices, either starting from scrap, or building on everything already available, with the valuable contribution of the main actors from each relevant sector of the social economy. The contribution of the main actors to any monitoring and evaluation is vital in order to make sure that the critical parameters that must be covered are included, and in order to legitimate the process and its outcomes.

Thus, we can not develop or suggest a single method to monitor and evaluate the social economy in Romania. Our approach is, therefore, to

identify several key subjects or basic principles to be considered, which will aid us *synthesize* the approaches of monitoring and evaluation. Although we endeavoured to draw a list of the subjects in logical order, it can not be taken as a plan or step-by-step approach.

### Conceptual approaches of monitoring and evaluation

The field of evaluation is very broad and it is simply beyond the scope of this work to make an ample discussion about the different approaches, such as the evaluation of changes, *ex-post*, *ex-ante* evaluation of the development ([http://ec.europa.eu/dgs/secretariat\\_general/evaluation/](http://ec.europa.eu/dgs/secretariat_general/evaluation/)). It is important, however, to mention, as starting point, CE guidelines on the evaluation of the *programs* for foreign aid and for the European Social Fund (ESF). Although the European Commission's project *Cycle Management Guidelines* (PMC) (2004) (<http://ec.europa.eu/europeaid/multimedia/publications>) refers particularly to the evaluation of CE programs for external aid (outside the EU), this is an extremely significant publication, which is worth reading, because it provides an important theoretical framework for monitoring and evaluation, and to highlight the instruments used within this process. Another publication, the *Indicative Guidance on ESF Evaluation Quality Standards* is a non-normative document for the EU member states ([ec.europa.eu/social/BlobServlet?docId=2301&langId=en](http://ec.europa.eu/social/BlobServlet?docId=2301&langId=en)).

A distinction has to be made between monitoring and evaluation. While both monitoring and evaluation collect, analyse and use information to help making informed decisions, it is useful to understand too the differences between the two terms (who is responsible, when they are done and by whom etc.).

The World Bank defines **monitoring** as: "A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds". Thus, monitoring embodies the regular supervising of the inputs, activities, production, outputs and impact of the development activities at project, program, sector and national level.

PMC gives a useful definition of **evaluation**: ([http://www.worldbank.org/ieg/ecd/what\\_is\\_me.html](http://www.worldbank.org/ieg/ecd/what_is_me.html)): "the process of determining the worth or significance of a development activity, policy or program to determine the relevance of objectives, the efficacy of design and implementation, the efficiency or resource use, and the sustainability of results. An evaluation should (enable) the incorporation of lessons learned into the decision-making process of both partner and donor".

The basic principles of an evaluation are:

- **Impartiality and independence** of the process of evaluation from the functions of programming and implementation;
- **Credibility** of evaluation, by using independent experts with proper training, and by the transparency of the evaluation process, including the wide dissemination of the outcomes;
- **Actors participation** in the process of evaluation, to make sure that there is a sufficient number of perspectives and opinions to take into consideration;
- **Usefulness** of the evaluation observations and recommendations, by providing, in due time, relevant, clear and concise information to the decision-making factors.

Thus, an evaluation has two precise purposes: to determine *what went right and what went wrong*, whether there is efficiency or inefficiency in relation with the expected results, and *what has been learnt* from a specific effort (Which seems to be a successful intervention? What factors contributed to its success? Why were some interventions not efficient? What could have been done differently, in order to obtain a positive outcome?). Thus approached, the evaluation contributes to a higher responsibility and to a stronger practice in the field (Caledon, 2006).

Due to the dynamic and complex nature of the social economy, both monitoring and evaluation, must be conducted on a continuous basis, which will allow watching the progress, responsibility, impact and viability, as much as possible, in real time, and *ex-post* (evaluation of the finished activities).

---

### **What must be evaluated?**

An activity, economic or social, is characterised by three main elements: inputs, process(es) and outcomes. All these three elements must be monitored and evaluated separately and in combination. What are them? (this is an indicative list):

- **Inputs** – they can be: financial resources, work (paid or unpaid), knowledge/research, capacity building, learning possibilities, state policies, state legislation, infrastructure, community organisation etc.
- **Process(es)** – efficiency and efficacy are two important evaluation criteria for the processes. They may include: how work is done, including the values they embody and the relations which it fortifies; how are the administrative practices, partnerships, participation in decision-making (for instance, the democratic processes), human capital development, results (services, products etc.), innovation, etc.
- **Outcomes** – the main evaluation criteria which usually have a major importance are the impact and the viability. Within the context of the social economy, there are two main outcomes that we want to measure, the economic and the social one. However, there are also important non-socioeconomic outcomes, such as sector development.

### **Draw a statistic directory of the social economy companies**

As mentioned in the *Manual for drawing up the satellite accounts of companies in the social economy: co-operatives and mutual societies*, drawing up a statistic directory is the starting point of the highest importance for the development of an exhaustive catalogue of the different classes of social economy companies, based on the conceptual delimitation and on the criteria set by the Manual. Without a directory, or at least a catalogue based on the above-mentioned criteria, social economy monitoring and

evaluation would become problematic and might lead to outcomes which the social reality invalidates.

We are not sure whether the statistical structures from Romania know the detailed aspects of the Manual, if they already use it, or if there is the capacity to start the process of developing a system of satellite accounts for social economy organisations. If the statistical structures don't have the capacity, on the short or medium term, to draw such a directory, maybe they will try, if possible, to draw a directory (at least in the target areas of the project) using a questionnaire (some questionnaires) which to use the working definition from the Manual and the characteristics of the cooperatives, mutual societies and other similar organisations active in social economy, as well as other definitions which the statistics office will recommend.

### **Risks and challenges**

The field work conducted within the project "Proactive – from marginal to inclusive" identified so far several risks and challenges concerning the social economy status in the target areas of the field, such as the low capacity of the local communities to establish social economy companies, the lack of funds, the low number of social-economic organisations etc. Recording these risks and challenges would help identifying, among other, the areas of interest to be monitored and evaluated, the strategies, methodologies and resources to be used, the studies to be conducted, the involved actors and the statistic data that have to be collected. Therefore, a thorough and in-depth identification of the risks and challenges and, of course, of the way to tackle each of them, would minimise any gap in knowledge and in the social reality and would supply inputs for policy, a practical aid for the local/regional areas that want to develop social economy, having a positive sustainable impact on all actors, at all levels.

The document *Evaluation Framework for Federal Investment in the Social Economy* (p. 12) offers a useful list of the challenges to social economy, while formulating a working guidebook, removing the impractical elements or adding new units. These challenges include:

- 
- *Initiatives are diverse and evolving:* Each social economy initiative is different, shaped by unique local circumstances
  - *Different types of results are pursued simultaneously:* Social economy initiatives frequently pursue results simultaneously at various levels of activity – benefits to individuals and households, organizational and enterprise capacity, and broader community and systemic changes
  - *Attention to outcomes must be balanced with attention to process:* Social economy initiatives enable citizens to participate more fully in shaping their own affairs
  - *Goals are often long term in nature but near-term signs of progress are required:* There can be a mismatch between the time frame for funding social economy initiatives and the long-term nature of the goals being pursued
  - *Different types or levels of results are to be expected depending on whether initiatives are new and emerging or mature and expanding, and whether the policy supports and other infrastructure are in place:* Anticipated outcomes must be adjusted to the different starting points for various communities and organizations, and the projects they decide to pursue
  - *Both quantitative and qualitative data are required to capture the multiple facets of these initiatives and to satisfy the information needs of various stakeholders:* Different kinds of data are needed to reflect work undertaken in the social economy
  - *The demand on time, energy and resources can be overwhelming:* The resources required for multifaceted, community-based initiatives are always stretched to the limit
  - *Key outcomes, such as community capacity-building, lack commonly accepted measures and do not readily lend themselves to quantification:* While further work is needed, significant progress has been made. In the area of community resilience, for example, valuable work has been undertaken in Canada and applied both domestically and internationally



- *Due to the holistic nature of social economy initiatives, a wide range of results may be appropriate for different initiatives:* Program and evaluation design must be clear about the type and range of desired results. It may be necessary to specify that priority is being given to a limited, focused set of outcomes or, alternatively, to illustrate the menu of acceptable results that different efforts may achieve
- *Some initiatives are likely to require technical assistance to enable them to effectively design and conduct evaluation:* Many community organizations have only limited understanding and capacity for evaluation, and may need external support to undertake this work
- *Practitioners may feel alienated from evaluation processes that prioritize funders' need for accountability over practitioners' desire for learning and improvement or that judge success of an initiative only at its conclusion:* Evaluation processes should support both accountability and learning

### **Monitoring and evaluating the societal aspects of the social economy in Romania**

In order to monitor and evaluate all three elements of the social economy activity – inputs, process(es) *and particularly* outputs – we need to draw a framework which will identify the key objectives of the social economy in Romania, the expected outcomes and the indicators to monitor and evaluate. As already shown, social economy activities produce economic and social effects, as well as other types of effects – this “other type” being assignable to any of the first two categories.

Following is a suggestion for a framework with the *societal* objectives, expected outcomes and social economy indicators. There are several reasons to do this: the societal objectives require the collection and analysis of qualitative data in order to understand the operation and impact of this type of objectives, which can not be reduced to accounting figures or inferred from such figures. By setting several societal objectives, we go farther from the often usual, but limited, practice to narrow the measurement of social economy impact to indicators such as employment

results, because of the stress set by the Lisbon employment strategy on the employment dimension of the social economy. By definition, social economy organisations deal with some social results which neither the private, nor the public sector address, and which therefore have to be identified.

The paper of the Canadian researchers proposes a very interesting and useful framework for the identification (and measurement) of the societal objectives, the outcomes and indicators of social economy activities (*Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*, p. 11-23). The paper identifies four broad categories of societal objectives taken over from OECD publication *Society at a Glance: OECD Social Indicators*<sup>9</sup>. The four societal objectives are:

- Enhancing social cohesion;
- Fostering self-sufficiency;
- Promote equity by overcoming social or labour market disadvantages;
- Improve the health status of populations.

Also, a new societal objective was added in order to introduce the distinctive contribution of the social economy: *wealth generation through social ownership*.

The number of these societal objectives can be increased and/or modified if, for instance, they don't include any key societal objective, at EU or national level, or other objectives related to social economy.<sup>10</sup> Anyhow, the use of OECD societal objectives certainly is a good thing,

---

<sup>9</sup> Romania is not OECD member state, but we consider that these indicators are very suitable. Below is a link to see the latest reports on the progress of the OECD social indicators: <http://www.eurofound.europa.eu/ewco/2009/07/EU0907049I.htm>.

<sup>10</sup> It is also worthy exploring RE/CE information to see whether there are more critical societal indicators that might be included. For instance the *European Observatory of the Social Situation* monitors four thematic areas – demography, social inclusion and income distribution, social capital and health status, life conditions. <http://ec.europa.eu/social/main.jsp?langId=en&catId=750>.

because they are in agreement with the accepted international standards and they provide a comparative and trustworthy framework of objectives and expected outcomes.

The next step of the process is the identification of the expected outcomes in specific areas, which have to be measured in relation with each objective and/or between objectives. The paper identifies the expected results in four areas, as well as several subgroups for each result, as shown in the table below.

Table 2

### Evaluation results and sub-results

<i>Results by area</i>	<i>Sub-results</i>
1. Economic and social benefits for households	<b>Economic results</b> <ul style="list-style-type: none"> <li>• <i>employability</i></li> <li>• <i>employment</i></li> <li>• <i>enterprise development</i></li> <li>• <i>funds</i></li> </ul> <b>Social outcomes</b>
2. Organizational capacity building and enterprise development	<b>Human resources</b> <ul style="list-style-type: none"> <li>• <i>Recruitment and retention</i></li> </ul> <b>Technical capacity</b> <ul style="list-style-type: none"> <li>• <i>Organisational management</i></li> <li>• <i>Community organizing and development</i></li> </ul>
3. Community and systemic changes (for instance, policies, attitudes or organisational structures)	<ul style="list-style-type: none"> <li>• <b>Community organisation and structures</b></li> <li>• <b>Human and financial resources</b></li> <li>• <b>Support context</b></li> </ul>
4. Measures for building the social economy sector	<ul style="list-style-type: none"> <li>• <b>Sectoral planning and development</b></li> <li>• <b>Peer learning and effective practices</b></li> <li>• <b>Relations with the government</b></li> </ul>

The above results can be used, modified or enhanced in order to reflect the special requirements of a country or region. For instance, the social outcomes may include vulnerable social groups and minorities and/or the reference to these groups can be made in all types of results. Finally, we present a table with the social economy objectives, outcomes

and their indicators (*Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*, p. 28). The indicators have a demonstrative character and must be developed accordingly

Table 3

### Social economy objectives, results and indicators

<i>Societal Objectives</i>	<i>Results (Illustrative)</i>	<i>Substantive Indicators (Illustrative)</i>		<i>Process Indicators (Illustrative)</i>	
		<i>Near Term</i>	<i>Longer Term</i>	<i>Near Term</i>	<i>Longer Term</i>
<i>Greater social inclusion</i>	<ul style="list-style-type: none"> <li>• Increased participation in civic affairs and community decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Number of marginalized residents who participate in community planning and/or share ownership of social economy enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Increased participation rates</li> <li>• Reduced crime rates</li> </ul>	<ul style="list-style-type: none"> <li>• Project partnerships formed</li> <li>• Detailed project plans established</li> <li>• Dollars leveraged</li> <li>• Capacity building supports provided</li> <li>• Strategies implemented</li> <li>• Lessons learned and policy implications identified</li> </ul>	<ul style="list-style-type: none"> <li>• Social economy infrastructure established or strengthened locally, regionally and nationally</li> <li>• Effective social economy strategies disseminated and brought to scale</li> <li>• Appropriate changes made to public policy</li> </ul>
<i>Enhanced Self-sufficiency</i>	<ul style="list-style-type: none"> <li>• Upgraded training and education (e.g., life skills, literacy, customized training)</li> <li>• Increased income through employment</li> <li>• Increased financial assets</li> </ul>	<ul style="list-style-type: none"> <li>• Number of years of formal education</li> <li>• Improved literacy scores</li> <li>• More workplace training</li> <li>• Number of jobs created</li> <li>• Use of social assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Increased educational/training attainment</li> <li>• Improved literacy/numeracy</li> <li>• Higher employment rates</li> <li>• Improved asset levels</li> <li>• Reduced use of income assistance programs</li> </ul>		
<i>Greater equity of outcome</i>	<ul style="list-style-type: none"> <li>• Improved employment opportunities for people with limited incomes</li> <li>• Increased</li> </ul>	<ul style="list-style-type: none"> <li>• Increased savings</li> <li>• Improved wages for low-income participants</li> <li>• Reduced</li> </ul>	<ul style="list-style-type: none"> <li>• Lower poverty rates</li> <li>• Reduced inequality ratios</li> </ul>		

<i>Societal Objectives</i>	<i>Results (Illustrative)</i>	<i>Substantive Indicators (Illustrative)</i>		<i>Process Indicators (Illustrative)</i>	
		<i>Near Term</i>	<i>Longer Term</i>	<i>Near Term</i>	<i>Longer Term</i>
	financial assets for people with limited assets	wage differentials • Improved access to affordable housing			
<i>Improved human health</i>	<ul style="list-style-type: none"> <li>• Access to basics such as housing and food</li> <li>• Enhanced environmental well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Numbers with access to good quality, affordable food</li> <li>• Increased use of public transit</li> <li>• Number who participate in local recycling programs</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced homelessness and number of households living in core housing need</li> <li>• Lower incidence of food insecurity</li> <li>• Decrease in environmental illnesses – e.g., respiratory ailments</li> </ul>		
<i>Wealth generation through social ownership</i>	<ul style="list-style-type: none"> <li>• Strengthened role for civil society in economic and social affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Number of social economy enterprises and other structures through which civil society controls economic resources</li> <li>• Level of economic assets within social economy</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced partnering among private, public and social economy sectors in pursuit of broad societal objectives</li> </ul>		

Examples of indicators used to monitor and evaluate the economic and social activities, as well as social economy results are presented in the study of some Greek authors, *Functions planning and technical requirements of*

*the active observer for social economy in Greece* (Greek Ministry of Labour and Social Protection, EQUAL Program 2006, p. 49-51). Some of these indicators are shown below.

**Table 4**

**Indicators to monitor and evaluate social economy activities**

Type of indicators	Measure
A) General indicators	<ul style="list-style-type: none"> <li>• Percentage of the different types of social economy companies compared to the total number of social economy companies</li> <li>• Proportion of social economy companies by the type of activity (national/regional/local etc.)</li> <li>• Other</li> </ul>
B) Economic indicators	<ul style="list-style-type: none"> <li>• Average income</li> <li>• Average expenditure by social economy company/type of company/geographical location</li> <li>• Percentage of funding of the turnover by social economy company/type of company/geographical location</li> </ul>
C) Employment indicators	<ul style="list-style-type: none"> <li>• Average percentage of the employees by social economy company/type of company/geographical location</li> <li>• Average percentage of job creation by social economy company/type of company/geographical location</li> <li>• Other</li> </ul>
D) Indicator of visibility, promotion	<ul style="list-style-type: none"> <li>• Percentage of the way of visibility-promotion of the products/services of social economy companies on the market</li> </ul>
E) Indicator of innovation	<ul style="list-style-type: none"> <li>• Percentage of social economy companies which, during the past 3 years, introduced innovative activity for their products/services, by type of company</li> </ul>
F) Indicator of organisations/authorities which cooperate	<ul style="list-style-type: none"> <li>• Percentage of companies which have cooperation ties with EU/public authorities/other social economy companies, by type of society/geographical location</li> </ul>

Some of the following instruments can be used for monitoring: activity/work programs and resources/budget programs; employment/human resources practices; suppositions for risk management; visits;

interviews; meetings; reports (annual, progress); standards and quality criteria; operational work/business plans, etc.

Briefly, we need at least two things for an efficient, consistent, accurate and trustworthy monitoring and evaluation of the inputs, processes and *particularly* outputs of the social economy: a directory of the social economy companies classified according to the EU Manual criteria and (where necessary) of UN Manual for the satellite accounts, as well as a framework with the societal objectives, expected results and indicators of social economy activity in Romania.

### ***2.3. Definition and identification of good practices in the field of social economy***

The “evaluation’ and “the best practices” are, and can be analysed in detail on the interdisciplinary and very broad social field, which requires, for rigour and clarity, a brief definition of these concepts and an analysis of those conceptual areas approaching the relation between evaluation and good practices.

Thus, as mentioned above, both at the micro-social and at the macro-social level, the only type of analysis which measures and shows rigorously the progress, is evaluation.

The decision-making factors of the international organisms wanted to acquire a faster access to information on the finality of some funding programs, and to ensure, for the public at large, the transparency of the decisions of funds allocation. Therefore, it was necessary to develop “instruments” which to satisfy this requirement, and the first step was to compile collections of financed projects abstracts by project. Subsequently, because it was noticed that these abstracts didn’t yield enough information, detailed descriptions were added, even case studies of some projects, using as selection criteria the data collected when projects implementation was monitored, as well as the public visibility of the projects (often erroneously mistaken for the concept of “impact”). Recently, the valuable practices are increasingly regarded as “good” or “best” based on evaluations which take

into consideration not just the successful implementation of a social intervention, but also its impact determined after a specific interval from its implementation.

As mentioned previously, the extraction and collection of the valuable practical experiences was done and still is done randomly, sometimes without too much analytical and reflection effort, considering that there are three main causes for this:

1. lack of clarity of the conceptual framework;
2. methodological lack of knowledge;
3. absence of resources for a rigorous analysis.

We will try hereinafter to clarify the conceptual framework which defines the practices regarded/promoted as being valuable. Five terms are used in practice to designate the valuable social interventions:

- good practices;
- successful stories;
- the best practices;
- standards;
- „lessons learnt“.

The use of the term of “good practice” is taken from the Anglo-Saxon literature. We consider that even this original form doesn’t accurately reflect the meaning given to it. This is because, in the definition of this concept, the focus is on the idea of **usefulness** of an intervention and on the fact that it should also be useful to others. The utility of a good practice may also derive from its failure which, by negative feedback, might produce a correcting intervention that might become a practical solution to solve other problems. Furthermore, between the two ideal directions, (plus and minus infinite) which we call “full success” and “total failure”, which are never met in practice, there is a continuum of interventions whose value (“good” or “bad”) depends only on the location of the reference point. This can be determined only if we analyse the estimated impact. But, if we expand our analysis to the unexpected impact, we might find out that,



although not foreseen, this impact caused important and beneficial changes for a specific target group/community/society in its whole.

Perrin (2003), considers that a good practice is *any social intervention which functions (totally or partially) and which proves to be practically relevant at any level and in contexts different from its context of application (transferability)*. Any type of activity, process, strategy, technique, at any level, of a project or program, which proves to have planned or unexpected impact, may be regarded as a potential good practice. What determines the classification of an intervention as being good practice is its capitalization in relation to specific criteria. Thus, in order to term a social intervention as a good practice in relation with other interventions in the same area, this intervention must be analysed and classified accordingly function of a set of criteria. For instance, the International Labour Organisation defined a set of criteria to determine the good practices in its International program to eliminate children work (Box 17).

Several observations can be made regarding the use of this concept, which is altogether empiric and at the intersection of several disciplines (social work, organisational management and behaviour, sociology and political sciences), only recently approached by the analysts:

- Often, there is confusion between „good practices” and „standards”;
- Project description is included under the term of „ good practices”;
- The term of „ good practices” is replaced by the term of „the best practices”;
- The semantic sphere of the concept of „good practices” intersects, but not overlaps, with the semantic sphere of the terms of „lessons learnt” and „successful stories”.

For the validity of concept definition, we will discuss each of these for aspects mentioned earlier.

**Box 17****Criteria to determine the good practices**

- **Innovativity** – describes by what is that specific intervention different from other existing interventions in that area and what makes it of interest for others; this doesn't mean that it has to be a completely new intervention; it may be intervention which is not too widespread or which not yet been applied in different contexts yet (geographical, for instance).
- **Efficacy** – describes the impact of the intervention in relation to its general objective, proposed initially; this criterion refers to two aspects: occurrence of unexpected changes and existence of a relation of causality between that specific intervention and the emerging changes.
- **Transferability** – analyses the possibility of applying that practice in other situations/contexts, under what conditions is that practice functional, which are the elements required for its replication.
- **Continuity/durability** – refers to the duration of the impact.
- **Relevance** – analyses the manner in which the objectives set for that intervention responded the needs of the target group/community/area of intervention.
- **Observance of the ethic norms/standards in the field.**
- **Efficiency of implementation** – refers to the used resources, costs of the intervention and to their maximal use in accomplishing the impact

Thus, the good practices in an area contribute to the improvement of the **standards** specific for that area. The good practices supply new models of practices which observe, however, the standards which define the minimal acceptable/admitted for the quality of services in that specific area. The standards have a normative, prescriptive, role being defined through the laws and regulations which accompany the enforcement of some laws. The good practices have the role of exploring and innovating practice, bringing to the attention of the practitioners and researchers new patterns for social change. Standards observation is not optional, while the replication of good practices is a fact which depends on the motivation and resources of the practitioners. The good practices can become standards, by shifting them from the stage of experiment, of pilot social project, to the stage of

norm. The standards can not become good practices, but the application of standards with minimal costs or by the innovative mobilization of community resources, may be a good practice.

Often, the programs with social character which were implemented with external financial support end with the development of a "Manual of good practices" in that specific area. Most times, these manuals are a collection of descriptions of projects or project outcomes (improved legislative framework, improved institutional framework, improved provision of services in that area), which are useful because they give details on the specific projects, but they are descriptive, without analysis and conceptualisation. The good practices are the result of analyses which go beyond the framework of a single project, expanding over the context of projects implementation.

In practice, the term of "best practices" is also used to designate successful practices or innovative projects which yielded very good results. Patton (2110) considers that the superlative introduced in this term involves a comparison which suggests the unconditioned superiority of an approach over the other approaches in the field, irrespective of the context and circumstances. It is rarely mentioned for whom is that practice "the best", under what conditions, and which are the values or criteria of evaluation. This term often appears in absence of any empirical evidences, in the absence of a thorough analysis of what else exists on the "market" in that field, hence the term is regarded as a political assertion.

The program management also synthesises the knowledge acquired by program implementation as the "lessons learnt" and "success stories". Closer to the semantic sphere of the concept of "good practices", the two terms are usually met as part of the intermediary or final reports of a project/program or in the annual reports of the organisations. They also have a strong descriptive, less conceptualised character; yet they can offer valuable information in the collection of data for the purpose of defining the good practices.

The purpose of applying social economy principles in everyday practice is accomplished through a new pattern of management: the management of knowledge. It consists in the "generation, identification,

collection, distribution and application of knowledge. This pattern of management focuses on the generation of that way and climate of work in which knowledge is the basic product, resulted from the permanent prospecting, active imagination, unlimited collaboration and fast application". The institutional framework in which knowledge management is constantly applied is the "learning organisation", which has the following characteristics:

- It ensures the employees the possibility to dedicate time to reflection on the innovative practices;
- It supports the development of abilities which the employee need in order to accomplish this;
- It removes the barriers (internal or external) that might make the effort useless;
- It creates forums for learning.

Therefore, the innovative evaluation of the professional experience in social economy, passed through an analytical filter, is a potentially inexhaustible resource of valuable practices, limited maybe just by the imagination and motivation of those who issue them or adapt them to their own organisational context.

The concept of "good practice" can also be briefly defined function of its two main purposes: instrument of knowledge collection and transfer. A detailed analysis of each of these two roles demands first clarifying the concept which is the "matter", "content" of the good practices: knowledge. According to Probst, Raub and Romhardt (2000), knowledge is the whole system of data, information and abilities which the individuals use to solve problems. It also includes the quotidian theories, practices and rules, as well as indications for action. The problem is that knowledge is often hard to identify and specify. The lack of visibility and transparency of knowledge is related to its intangibility (Vlăsceanu, 2003). Many criticisms of the knowledge management were directed towards the limits of exceeding the intangible and inexplicit character of knowledge. According to Nonaka and Tagueuchi (1995), the western management should pay more attention to the less formal and systematic aspects of knowledge and start

focusing more on the subjective understanding. Also, the use of tacit knowledge, such as the knowledge based on experience and intuition, which doesn't come from the conscious application of the innovation techniques or of some scientific problem solving methods, should become increasingly important for the organisations. The concept of tacit knowledge, introduced for the first time by Polany in 1966 (Vlăsceanu, 2003), is difficult to formalise and communicate because, in many cases, the people who developed it are not even aware of the abilities and expertise acquired by exercising or practicing quotidian activities. This type of context specific, personal knowledge must be differentiated from the explicit knowledge, of what we formally know. The explicit knowledge refers, according to Nonaka and Tagueuchi, to that knowledge which is communicable in a formal, systematic language.

Perin (2003) made a differentiation between the tacit knowledge and the explicit knowledge, which is relevant for the development of good practices:

- the explicit knowledge is that form of knowledge for which forms of recording exist within an organisation;
- the tacit knowledge is, by its nature, difficult to encode;
- the tacit knowledge involves the transfer of "tricks", "intuitions", contextual information, which have a decisive contribution to success;
- sharing and transferring the tacit knowledge involves "face-to-face" interactions, or interactions intermediated by workshops or by online discussion forums.

Cracknell (2001) shows that the research on the way in which the adult people learn within the organisations led to the conclusion that "learning by direct involvement/learning by action" is much more efficient than "learning by communication" (by reports, or by participation in seminars)

Therefore, the "learning organisations" facilitated establishment of informal networks of specialists which work in the same field and encouraged the establishment of the "practicians communities" (termed

within World Bank structure, for instance, as “thematic groups”). The result is that, when conditions are set up to share tacit knowledge, particularly within the group context, part of the tacit knowledge turns into explicit knowledge. For instance, World Bank’s thematic groups issue publications and news bulletins resulting from the informal discussions and reflect several good practices. Thus, although they belong to the explicit knowledge, the emergence of good practices is stimulated by tacit knowledge “catching”.

According to Perin (2003), there are two trends in the knowledge management on the way in which a specific social intervention might be designated and promoted as good practice:

- there are researchers who claim that it is not legitimate to promote a social practice as a model of “good practice” until that specific intervention is evaluated as having success in different contexts and situations; this trend presumes thus, a high methodological standard in exchange of good practices, involves high costs and requires a longer period of validation;
- according to the other trend, given the pressure on the practitioners and on the decision-makers to solve social problems, one can not expect a “perfect answer” or a “ultimate proof” for the success of a social practice resulting from its in-depth evaluation. The fact that it can not be evaluated, doesn’t mean that the specific practice was not useful; according to the supporters of this trend, the decisions are often adopted based on incomplete and/or imperfect information, while having information in due time, even under imperfect conditions, is much more useful than having no information at all.

Therefore, we may consider two types of good practices: good practices defined by evaluation and good practices defined instantly, with the following characteristics:

Table 5

## Types of good practices

Good practices defined by evaluation	Good practices defined instantly
<ul style="list-style-type: none"> <li>• tested and validated practices</li> <li>• high level of trust</li> <li>• high level of replicability</li> <li>• high methodological standard</li> <li>• high costs</li> <li>• long interval of validation</li> <li>• long period of development and dissemination</li> <li>• uses and produces explicit knowledge</li> <li>• relevant for big programs, for large target groups, for generalized social interventions</li> <li>• useful for the top level decision-makers</li> <li>• attractive for researchers</li> </ul>	<ul style="list-style-type: none"> <li>• „raw“ practices</li> <li>• low level of trust</li> <li>• relative replicability</li> <li>• doesn't involve methodology</li> <li>• low costs</li> <li>• fast validation</li> <li>• short period of development and dissemination, often informal</li> <li>• uses tacit and explicit knowledge and produces explicit knowledge</li> <li>• relevant for small projects, small target groups, personalized interventions</li> <li>• useful for practitioners</li> <li>• uninteresting for methodologies, but attractive for the researchers investigating pilot, innovative social interventions</li> </ul>

Both types are legitimate and can be successfully used, according to the situation and necessities, and the users, function of their role, can ask different types of information, with different levels of elaboration and validation, therefore with different levels of trust, for instance:

- the practitioners testing on a daily basis pilot projects, new approaches to the challenging problems, use/develop simple solutions, readily adaptable to the context of their activity, without conducting additional tests and validations to their practice, to the practice of their colleagues;
- the people involved in strategy analysis, in policy development or those responsible for the adoption of new strategies or policies, therefore the people who have to take decisions which are hard to

---

change in case of failure, need tested, validated, highly trustworthy information;

- the people involved in programs development are interested by both approaches because, function of the available resources and of the allowed time, both variants are relevant.

In order to respond to the different requirements of information and documentation, the definition of the good practices should respond to different levels of trust. According to Perrin (2003), there are two important aspects that have to be taken into consideration:

- if the good practices are not defined on the basis of documentation and evaluation, those interventions defined as good practices may not be as valuable as reckoned and have, therefore, very limited contribution to knowledge;
- the experience of those organisations in which there is concern for knowledge management in terms of good practices, proved that most social interventions are not evaluated; therefore, not taking them into consideration might mean the loss of valuable experiences.

Some organizations prefer thus to group the social interventions by categories, so as to have a balance between validity and innovation. Thus, the international program for the elimination of children work, following the pattern of the US Red Cross, divided the social interventions in three categories:

1. **Innovative practices** – belonging to this category are those practices that were not subjected to evaluation but which, according to some criteria (for instance, the seven criteria mentioned previously trying to define the good practices), prove to be relevant.
2. **Practices with determined success** – such a practice is evaluated and considered to be successful. Even if it has not been transferred within other contexts too, a practice from this category has transferable traits.



3. **Replicable practices** – the practices in this category have proven their efficiency within various contexts (different communities, countries, organisations etc.).

For categories 2 and 3, the practices must be first evaluated. The first category, which corresponds to the good practices defined instantly, has the purpose to encourage the practitioners to exchange experience and to find innovative solutions to the challenging problems, without being deterred by the idea that what they are doing is not a “good practice”.

The classification remains, therefore, the major challenge confronting those who want to use knowledge management through the use of good practices.

In order to define a social intervention as being good practice (replicable or successfully proven) we have already mentioned that the intervention has to be evaluated. However, between evaluation and good practices there is a biunivocal relation, meaning that not just the evaluation can be used to define the good practices, but reciprocally, the good practices can be used to define an evaluation. The good practices can be used in four types of evaluations:

- In ex-ante evaluation, because they can be models used to plan interventions yet to be applied;
- In impact evaluation, because they may show the directions of analysis of the impact of a specific intervention (Perin, 2003);
- In the summative evaluation, because they can supply indices of the merit of an intervention, which the decision-makers use when reporting on the allocated resources;
- In the formative evaluation, because of the valuable information particularly on the processuality of an intervention, which can contribute to the overall improvement of the intervention.

The evaluation grids of most funding organisations include a criterion named “innovativity of the proposed intervention” (or other similar phrasing). Because the competition for funds is fierce, the level of innovativity of a project should be at least medium to high, if it is to stand chances for funding. Actually, the number of the really innovative

interventions, after the selected proposals are funded, is extremely low. Where do the innovative solutions get lost?

There are two directions of analysis for this fact:

- One which refers to the way in which the innovative interventions are evaluated, meaning that there are limits derived from the classical approaches to evaluation (Perin, 2002);
- The other derives from the statement of Karl Popper (1974), according to which in social life nothing is accomplished according to planning; therefore, the consequences of a planning are determined by its application, not by the initial planning (Vedung, 2000).

The evaluation of the social interventions uses the same methods, irrespective of the level of intervention, so that the same methods are used at the micro or mezzo level, preponderantly quantitative, as the methods used for the macrosocial level, where the policies are developed (Arundel, 2000). Often, the people proposing social interventions at the micro level, propose just quantitative indicators to measure the success of their project. Most interventions of such kind respond, including as way of conceiving the management, to the standards of the funding parties which, in turn, demand too little qualitative information. A contradiction emerges, thus, between the expectations of the funding party to receive innovative proposals, and the way of measuring the performance, which they impose. For the second situation, quantitative methods are preferred which, however, catch too little the innovative component of a social intervention. Furthermore, measuring the innovativity of an intervention becomes relevant in relation with the medium and long-term effects, therefore, in relation with its impact. The short-term outcomes, the so-called outputs, as termed in project management, are performance indicators for that intervention, but they are relevant only on the short-term: they either may not be sustainable, or may not lead on the long term to the expected changes.

Most evaluation approaches acknowledge too little the reactive nature of a social intervention. Measuring the performance indicators uses

the short-term results, in relation to the initial planning. The unexpected impact, which is the very essence of innovation, is ignored. What happens, is that the really innovative interventions are deterred (Perin, 2002). At the organisational level, there are attempts (The British National Audit Office, 2000) to encourage innovation by promoting the risk management so as to overcome the “culture of guiltiness”, allowing the managers to take risks and innovate. The observations taken after this measure was adopted have shown that the general perception is that risk management refers to reducing the risk, not to trying new work methods. The same situation was observed with the EU funding programs.

Drucker (1998) stressed that the unexpected failure is a major source of opportunities for innovation, because innovation has unexpected ways to manifest. The evaluation of the innovative practices should follow the same pattern as the one used by the businessmen when they evaluate their investments. In their expectations, they reckon that just a small proportion of their investments will bring the bulk of their profit. Therefore, the evaluation of the innovative practices should analyse (Perin, 2002) what attempts have there been to:

- Learn from failures as much as from successes;
- To identify the implications for the future;
- To adopt measures based on the gained experience.

According to Stern (1999), the level of social interventions innovativity should be itself a criterion when they are evaluated. The very ambitious projects and activities, which propose new ideas, should be acknowledged and capitalised as such, not in relation to what they accomplished in comparison to the initial planning. Therefore, the success criterion should refer not to what the project succeeded to accomplish compared to the initial planning, but to 1) the degree of using new ideas; 2) whether it identified if something new can be done; 3) whether it put new idea into practice and 4) whether it extracted innovative experience, so that it can be transmitted.

The development of knowledge through good practices involves several actions which are done in relation with specific information

---

undergoing transformation and which produce one or several good practices. Hence, recently, dome analysis (for instance, Perin, 2003) referred to this multidimensional approach of information, calling it the system of good practices, which presumes the following:

- A framework for the collection and transfer of the good practices;
- A set of basic rules for the collection and transfer of the good practices;
- Identification of the good practices
- Their validation;
- Their dissemination, and
- The use of good practices.

The social economy organisations which have a learning-oriented culture encourage explicitly sharing, distributing and developing knowledge. But, unlike the formal ways of transmitting knowledge, the informal ways are much more efficient (Centre for Work Force Development, 1998), because through informal interaction, not just knowledge, but also information on the processes used to develop the information is transmitted. The formal systems don't have the capacity to store and retain knowledge which is not readily describable or encodable, even if this is essential for accomplishing the activities. The results of most studies and researches have shown that the entire system of generation development, sharing, distribution and application of knowledge within organisations is influenced by the values, strategies, principles, ideologies and by the abilities and mental models, by all the components or elements specific to the organisational culture (Vlăsceanu, 2003). The systems of knowledge management seem to function best in the organisations in which the people which generate knowledge are the same who memorize, store and explain it to other people (Pfeffer and Sutton, 2000). There are authors (Perin, 2003) who sketch their „profile”: be practitioners with direct contact with concrete activities, have analytical capacity (may be supplemented by a consultant), show the will to learn from/share

experience , and their position within the organisation must allow him/her to initiate the replication of good practices.

The system of good practices presumes considering the individual and cultural barriers that may prevent its efficient use. The removal of these barriers is tightly linked to the way in which an organization defines its values, priorities, strategies and the manner of relating to knowledge, the manner in which these essential elements for company's culture are transmitted and received. On the other hand, the culture of an organisation plays an important role in the way of confronting with the individual barriers. The individual barriers are of two kinds (Vlăsceanu, 2003): those which influence the capacity to share and disseminate knowledge and those expressing the lack of will to do this. If in the first case there is mainly the problem of the personal ability to share, communicate or transmit own experience, in the second case we deal rather with situations pertaining to the egotism of expertise holders to preserve the "copyright" of information, or with the alleged lack of time, or fear that the communication of their knowledge to other people endangers their position within the organisation.

As shown before, the characteristics of validation vary in the definition of the good practices, function of the complexity of the good practice. If it is an instant definition of a good practice, its validation, even if it implies analysis, reflection, description and elaboration, is faster and doesn't presume a process of evaluation. If there are good practices defined by evaluation, then validation is more complex and with a longer duration. The definition of the evaluation criteria, as well as the classification of the good practices are the most methodologically sensitive aspects in the validation of the good practices.

There are three directions of analysis of the way in which social economy good practices are used: the users, the end purpose and the context. From the perspective of the system of good practices, there are two large categories of users: those who also participate in the other processes included within the system of good practices (collection and validation), and the users who just benefit of the good practices, without taking part

directly in their collection and validation. The second category poses the biggest challenge, and it may be subdivided according to the role they play in political decision-makers, managers, researchers and practitioners. The end purpose can also be different: supply of information for policy development, development of applied interventions, research, development of international programs (Perin, 2003). The use of good practices becomes relevant in the following situations: 1) when a new intervention is launched (those proposing this intervention must demonstrate that they also relate themselves to others' experience, that they considered the existing results); 2) when programs/projects are reviewed and 3) when there are problems or when there are clues to take into consideration alternative approaches.

#### ***2.4. Models to evaluate the good practices of the social economy***

The working group „Good Practice through Exchange“ issued a pioneering paper on the examples of good practice in social economy – project Social Economy Exchange Network (SEEN), financed through the EQUAL program of the European Social Fund. The purpose of the project was to analyse the good practice in the partner countries – Finland, Italy, Poland and Scotland – their development possibilities, the adaptation to other national contexts and the methodology of presenting the outcomes. Initially, the task was almost impossible to accomplish because of the significance of the terms of social economy and social project, concepts that were significantly different in the partner countries. After preliminary discussions and even some diverging opinions, a conclusion was reached, that irrespective of the definition, it is much more important to establish and develop ideas in the field of social economy to the benefit of all. Additionally, by contact with different teams which initiated and developed successful projects, a strong current developed which acknowledges the importance of the exchange of knowledge and expertise and of the international cooperation. During July 2005-May 2007, the teams worked to draw a catalogue of good practices in the field of social

entrepreneurship, structured according to a methodology which allows understanding the key aspects of the surveyed organisations, as follows:

- Determine the requirements for information in this field;
- Set the sessions for exchange of experience during the working visits, with the purpose to consolidate learning;
- Draw standard formats, which ensures a consistent approach and allows the material to be published;
- Draw standard post-evaluation questionnaires with the purpose to obtain a personal perspective on the program of exchange of experience and on the ways to use the acquired knowledge.

The working visits were conducted in the four countries during October 2006 - January 2007, with 40 people participating in these sessions, 29 of which returned the evaluation questionnaires (73% response rate).

**Table 6**

**Working visits within the project „Good Practice through Exchange” -  
project Social Economy Exchange Network (SEEN)**

<b>Country</b>	<b>Period</b>	<b>Participants</b>
Poland	25-28 October	8
Scotland	5-10 November	9
Italy	8-11 January	13
Finland	22-26 January	10

The working visit sessions in the four countries were set up as meetings with 3-5 social enterprises, meetings with the development agencies on the field of social economy, reunions with the local authorities, with educational structures having specific responsibilities in this field, with employment offices, with experts and employers, and with financial institutions involved in social economy; below is the guide for interviews.

**Box 18****Example of grid for good practices evaluation**

What is relevant for the visited organisation?

- *What is considered to be good?*
- *What impresses?*
- *What interest have there been?*
- *What is and how was the added value achieved?*
- *What key-challenges and barriers have been identified?*
- *What recommendations can be made, following the national expertise of the participants?*

What was the relevance in comparison with the situation from the countries of the participants?

- *Own working situation*
- *National working context*
- *Are they confronted with the same problems?*
- *Is it possible that similar initiatives are developed?*
- *Which are the differences between the conditions for case adaptation in the countries of the participants and in the visited country?*

What was learnt and how can this experience be used?

- *What barriers are in front of what was learnt?*
- *What has been done to assist – support, training, information, changes in policies?*

Which would be the recommendations for the European Union in support such initiatives at the European level?

Are there any specific actions/follow-up, planned as result of this visit? How will these initiatives be supported?

Following is a synthesis of the good practices presented in this project; these elements are the grounds for the elaboration of the own evaluation grid of the good practices in Greece and in other EU member



states. Each evaluation card for three practices identified in each of the four countries included the following coordinates, to be found in the subsequent presentations:

**Table 7**

**Grid for good practices evaluation**

Contact data	
General description	
Inspiration/influence of the project	
Outstanding aspects of the project	
Project implementation	
Added value	
Challenge	
Description of a good practice	
Learning	
Usefulness/next stages	
Participants' opinions	

*Finland*

The term of social economy doesn't have a clear definition within the Finnish context, while the cooperative sector, which is generally appreciated as important to this area, is not perceived as being "very social", because of two reasons: 1. the cooperative sector is very well structured within the traditional economic system (80% of the Finns are members of a consumption cooperative, and the credit cooperatives hold 35% of the market); 2. the public sector has always administered many services which represent an important activity of the social economy.

A more used term is that of the "third sector", which doesn't define clearly what types of organisations are included, but which is characterized by the use of general interest words, ethics, social, non-profit and

volunteer. The third sector organisations are supported with public funds, many traditional associations for the people with handicap operating as extension of the state, their manner of operation resembling to that of the public sector organisations. These associations have the right to supply only the services that are periodically dictated by the state. In Finland it is customary to have cooperation between the public sector and the welfare associations, centralised relation, which determines the large scale activities of these associations. Some associations don't have special democratic features and they provide services funded by the public sector, under the close scrutiny of the state, while other organisations supplying services can be hardly distinguished from the private sector suppliers.

As of 2004, a clear definition of the "social enterprise" is mentioned in the Law of social enterprises 1351/2003, being regarded mainly as a business, an enterprise among other enterprises. The legal form of the enterprise can be any legal form approved by the trade directory; it tries to make profit by the production of goods and services for the market in a certain sector. The definition of the social dimension refers to the obligation that at least 30% of the total work force should consist of people with handicap, or a combination between handicap and long-term unemployment. The Ministry of Labour gives subsidies both to the social enterprises, and to other enterprises which are not registered in order to receive automatically these forms of support. The duration of this support is important for the social enterprises: two years to hire a person which was unemployed for more than two years, and three years for a person with handicap. The payment of the subsidy refers to 50% of the costs incurred with the activity of that person, but not more than 1300 euro. Another form of support is granting subsidies for business development by job creation, covering 50% of the costs for a maximal period of 3 years. In practice, the use of the subsidy for development for the social enterprises is limited by the interdiction to use the funds to cover the direct costs of the business.

Despite the initial enthusiasm, only a few social enterprises have been established. At the end of June 2007, there were 115 enterprises recorded, 3 of which being included in the visits for good practices evaluation within the project Social Economy Exchange Network (SEEN).

Table 8

**LAUREA – Educational program for social enterprises**

Contact data	<ul style="list-style-type: none"> <li>• Irma Sarekoski: +358 98868 7556, Sari Haapa: +358 98868 7535</li> <li>• Email: otaniemi.info@laurea.fi</li> <li>• Internet: www.wlc.fi, www.laurea.fi</li> <li>• Address: Metsänpojankuja 3</li> <li>• Mailing code: 02130</li> <li>• Town: Espoo</li> </ul>
General description	<ul style="list-style-type: none"> <li>• The training program for social enterprises in Finland organised by Laurea University of Applied Sciences aims to improve the business abilities for the social and welfare enterprises.</li> <li>• The project develops an innovative approach and new abilities to develop social business structures addressed to the public and private sectors and to the third sector.</li> </ul>
Inspiration/influence of the project	<ul style="list-style-type: none"> <li>• There is a rather large number of small; welfare enterprises in Finland, which are in the situation to improve their image due to the competition between the existing enterprises.</li> <li>• The social enterprise is an opportunity for innovation, a way to stress the <i>corporate social responsibility</i> and an alternative for the accomplishment of business activities; the purpose of the social enterprise is oriented towards successful activities with social objectives, using varied business strategies. Partial solutions to the present day needs of the enterprises can be provided by the long-term unemployed and by the people with handicap</li> <li>• The Finnish universities focus on three areas: education, research and development, which is why LAUREA has developed an integrated learning system base on an adequate infrastructure and on horizontal and vertical networks for knowledge transfer</li> </ul>

Outstanding aspects of the project	<ul style="list-style-type: none"> <li>• It provides opportunities for social innovations, focusing on the changes of the social structures.</li> <li>• It promotes the acknowledgement and development of a business and growth pattern with the purpose to activate and support the new social and welfare enterprises.</li> <li>• It distributes abilities and know-how in agreement with the objectives set at national level.</li> </ul>
Project implementation	<ul style="list-style-type: none"> <li>• The planning of the educational program started with the use of good practices from other European projects of development.</li> <li>• The information collected with questionnaires were used to write the courses, under the coordination of two specialists.</li> <li>• The didactic staff and the professors of the university run a survey via questionnaires sent electronically and via phone interviews, with the purpose to determine the functioning mechanism of the social enterprises and to substantiate the program's seminars (grouped in five sessions and ending with a final evaluation).</li> </ul>
Added value	<ul style="list-style-type: none"> <li>• The seminars on social enterprises facilitated the establishment of a new structure of the enterprise, by transferring some business knowledge adapted to the individual requirements of the participants.</li> <li>• Acknowledgement of the importance and influence of a solid network of social enterprises.</li> <li>• Acknowledgements of some business principles function of the necessities prompted by the special characteristics of the staff.</li> <li>• Encourages the development of new working methods and examines own values and attitudes.</li> </ul>
Challenge	<ul style="list-style-type: none"> <li>• The lack of an educational pattern is the biggest challenge</li> <li>• Knowledge of the legislation on the social companies was almost null among the audience.</li> </ul>

Description of the good practice	<ul style="list-style-type: none"> <li>• The process of developing an educational program based on surveys was a good practice.</li> <li>• The factors which highlight the main context of the educational program, by presenting the profile of the social enterprises, of their basic legal aspects, staff motivation and management.</li> <li>• The methods of quality management, the business patterns for the social enterprises, the roles of enterprise developers and of the people with responsibility, as well as the ethical aspects also were covered during the program. By the educational program, the enterprises became more aware of their role within their own process and they acquired a better training to forecast changes and react to them.</li> <li>• In the welfare sector, the social enterprises are divided between job creation and creation of the services sectors.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>• Before the development of the questionnaire and before the responses were analysed, experience showed that the welfare sector had different approaches than the social enterprises. When the answers are analysed, the correctness of the answers was not measured, only the way in which the respondents decided to focus on the questionnaire. A social enterprise is seen, in a modern society, as an innovation, and in the society undergoing changes innovativity is necessary so as the enterprises are much more efficient as services to the society. In the questionnaires, the information was collected and analysed so as to reveal the way in which the welfare entrepreneurs relate to the social enterprise.</li> </ul>
Usefulness/future stages	<ul style="list-style-type: none"> <li>• The educational program will be implemented again and developed further together with the curricula or the social and welfare areas. Relying on the national group of the Equal program, it</li> </ul>

	<p>was suggested that a cross-nation program is developed.</p> <ul style="list-style-type: none"> <li>• Support the innovation in the field of welfare by the development of welfare sector structures; this is to be done by changing the operation modalities. LAUREA will supply adequate support for the establishment, growth and development of social enterprises in the future, by counselling and educational management in the sphere of business abilities.</li> </ul>
Participants' opinions	<ul style="list-style-type: none"> <li>• Inclusion of the subject on social economy in the curricula of LAUREA was evaluated as innovative and interesting.</li> <li>• It is important to expand and disseminate knowledge in the field of social economy, so that the people know both the opportunities create for the business sector, for the long-term unemployed and for the people with handicap.</li> <li>• It is very important to systematise and organise methodically the knowledge on the young sector of the social economy in Finland, as an educational program.</li> <li>• There is demand for education from the social entrepreneurs.</li> </ul>

### *Italy*

In Italy, the concept of social economy is known, but not as widely used to put under the same umbrella its four forms.

The cooperative movement is structured properly, it has a long tradition and it is considered as part of the economic system, even if it is non-profit. To highlight the importance of these units, the competency for the coordination of cooperative activities was transferred from the Ministry of Labour to the Ministry of the Industries.

The role of the cooperative movement is acknowledged by the Constitution, and during the years, strong representative, horizontal

organisations developed, which have similar functions and structures, but different ideological approaches (for instance, Legacoop, Coonfcooperative and AGCI).

The mutual associations are not very well developed, while the associations and foundations are most often perceived rather as part of the third sector, than as part of the social economy. The term of the “third sector” became popular because it is considered to be neutral, free of any *a priori* link to any theoretical or ideological tradition, its official acknowledgement being simultaneous with the establishment of the Third Sector Forum.

The Italian third sector is the sector working to the public benefit and which doesn’t distribute profit. It includes the following main categories or organizations:

- Non-recognized associations („associazioni non riconosciute”) which refer to the cultural associations or to the associations representing interests, often called “for social promotion” („di promozione sociale”). Usually they are cultural and leisure nonprofit associations („circoli ARCI”) in which cultural structures, restaurants, bars and other similar units operate;
- Volunteer organizations („organizzazioni di volontariato”) refer to the services provided by them.

Without being incorporated and with unlimited responsibility, the associations of both types may actually work as enterprises.

Other main families of organisations are:

- Social cooperatives;
- Non-governmental organizations working with the developing countries;
- Recognized associations and foundations.

The social cooperatives are the linking element between the cooperative movement (where they represent the organisations promoting not just the mutual interest of the members, but also the general common interest) and the third sector (where they bring in the forefront the specific business approach in the accomplishment of the social goals).

---

The social enterprises have a long history in Italy, more precisely in the field of the social cooperatives. The social cooperatives developed strongly in the late 70s, when the subsidies to the mental health system were cut drastically and there was an acute need of health care for the patients leaving these centres. A major development occurred later, after the enactment of special laws on the activities of the social cooperatives in 1991 (Law no. 381/1991) and, more recently, the law for the nonprofit social enterprises (Law no. 118/2005). It is estimated that the social cooperatives accounted in 2007 for an important share of the local welfare system, covering in some sectors 60-70% of the total; within the policies of inclusion on the labour market, they also hold a relevant position, by the employment of 20,000 disadvantaged persons.

In the vision of the Italian authorities, the objective of the social cooperatives is to aim the general interest of the community by promoting people's interests and by social integration, through:

- Social, educational and health services management (type A of social cooperatives);
- Accomplishing various activities – agriculture, industry, business or services, with the purpose of employing disadvantaged persons (type B of social cooperatives).

Law no. 381/1991 identifies two main types of social cooperatives:

1. Type A of social cooperatives, which supply social services in the fields of health care, elder people care and education; the beneficiaries are people with handicap, old people, minors, people with mental disorders, socially excluded, drug addicts and other disadvantaged people.
2. Type B of social cooperatives, which create jobs for some disadvantaged groups, such as people with handicap, people with mental disorders, psychiatric patients (former or present), drug or alcohol addicts, young workers coming from families with problems and delinquents which are subjected to alternative detention.



The workers with special status must account for at least 30% of the total workforce of the cooperative. Complementary to the public role of the cooperatives, Law no. 381/1991 stipulates benefits and tax exemptions such as:

- Total tax exemption for type B cooperatives for the disadvantaged subjects, if they prove that they represent 30% of the total number of employees;
- The possibility for type B cooperatives to have the right to supply services to the public administration and directly to the public companies;
- In specific situations, VAT exemption for type A cooperatives.

The Italian cooperatives usually are of small dimensions, with an average number of employees of 40-50 people, which leads towards local, regional and national consortium-type of association forms. The consortium ensures to the cooperative members advantages deriving from the economic and support services, playing an important role in the accomplishment of the social economy needs as a whole, opening new markets, closing relevant contracts and supply of specialised services. The main problems identified at the level of the social cooperatives are:

- The need to find ways to promote the new types of services and a mixed economy to offer public services (for instance, new opportunities to finance their activities);
- Encouraging the adoption of new methods and instruments which to show the economic and social benefits of the relevant actors for the public sector and local community;
- Promote the development of the public-private partnership, whose purpose is to implement the social inclusion and employment policies which respond efficiently to the needs of the disadvantaged people.

In statistical terms, the social economy sector refers to about 11,000 units and includes (CIRIEC, 2007):

- 7,100 social cooperatives;

- about 2,000 of the 10,000 volunteer associations (even though, theoretically, they shouldn't provide services on permanent basis);
- few hundreds of other associations;
- between 1,000 and 1,500 other cooperatives operating for the public interest, but which don't define themselves as being social cooperatives;
- about 200 of the 800 public institutions for charity and social care, which converted into private foundations;
- some conventional companies.

**Table 9****La Nuova Cooperativa**

Contact data	<ul style="list-style-type: none"> <li>• Donatella Gannio: +391 1773 2212</li> <li>• Email: dgannio@lanuovacooperativa.it</li> <li>• Internet: <a href="http://www.al-lavoro.it/lanuovacooperativa.htm">www.al-lavoro.it/lanuovacooperativa.htm</a></li> <li>• Address: Via Capelli 93</li> <li>• Mailing code: 10146</li> <li>• Town: Turin</li> </ul>
General description	<ul style="list-style-type: none"> <li>• The cooperative has been established in 1980, as a means to control work exclusion and marginalization; as the other cooperatives its purpose is to create adequate working conditions for the insertion on the labour market of the disadvantaged and excluded people, by economic activities</li> <li>• It is the largest cooperative in Piedmont, with 515 workers, of which 191 are people with handicap or disadvantaged persons.</li> <li>• The cooperative is economically and financially independent, operating in different market sectors, such as recycling (selective garbage collection), cleaning services (public offices, schools, town parks, green areas).</li> </ul>
Inspiration/influence of the project	<ul style="list-style-type: none"> <li>• The cooperative has been established in 1980, via a pilot project developed in partnership with the Turin municipality and two local health services. At that time, the purpose of the project was to provide life and</li> </ul>

	<p>job searching support for the patients after the asylums and psychiatric hospitals from the area of Turin were shut off. After a period, because of the increasing social needs, the activities of the cooperatives were expanded.</p> <ul style="list-style-type: none"> <li>• The organizational values are continuous sources of inspiration: efficiency in meeting the needs of clients, development of a feeling of belonging to the cooperative; capacity to answer the needs and interests of the cooperative members, increase cooperative responsibility and the responsibility of the workers as a whole, by an environmentally-friendly attitude.</li> </ul>
Outstanding aspects of the project	<ul style="list-style-type: none"> <li>• Social integration was achieved by acknowledging the role of employment as instrument asserting the right of the people to work in agreement with their specificity. Efforts have been made to make all the workers feel that they belong to the cooperative and that they work in a properly paid job, which develops a sense of responsibility and strengthens the personal relations</li> <li>• Encourage the cooperative members, workers and owners, to take part in cooperative management (for instance, election in the management team and budget approval).</li> </ul>
Project implementation	<ul style="list-style-type: none"> <li>• As of 1980, when it started by offering assistance to patients in their search of a job and of therapeutic support, the cooperatives developed gradually and now they provide the following services: Cleaning services: <ul style="list-style-type: none"> <li>- Civil, industrial and sanitary cleaning, (schools, offices, libraries);</li> <li>- Administration of the public green areas;</li> <li>- Community activities.</li> </ul> Environmental services: <ul style="list-style-type: none"> <li>- Selective garbage collection;</li> <li>- Cleaning the food markets in the area of Turin district;</li> <li>- Selecting the goods in supermarkets;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Garbage collection, selection and transportation;</li> <li>- Transportation of the industrial garbage;</li> <li>- Collection of the worn-out computer parts;</li> <li>- Other environmental services (hygienizing, disinfection).</li> </ul> <ul style="list-style-type: none"> <li>• The cooperative is organised in 8 work places in Turin and in the peripheral areas such as Collegno, Settimo Torinese, Savonera, Val Pellice, Val Susa and Grugliasco. Also included are some green areas for parks and garden administration from most municipalities from Turin district. In each work place, the activity is performed by different teams which operate under the supervision of a social manager. The incomes come from contracts for the provision of services of public utility for the local administration; some of these services are provided only by the organization, other by a consortium. There also are contracts with private institutions, societies and municipal agencies; they work in partnership with other cooperatives, voluntary organisations, public sector organizations and public institutions</li> <li>• In 1993, La Nuova Cooperativa assisted the establishment of Self Consortium (consortium consisting of type A and B cooperatives) which, in 2000, was renamed Regional Consortium of Social Co-operation (15 of the main social cooperatives from Piedmont joined this organisation, which in turn is part of Legacoop – national association of cooperatives – and of Lega Nazionale Cooperative e Mutue. As of 1999, La Nuova Cooperativa became member of the National Council for Services (Consorzio Nazionale Servizi s.c.r.l. C.N.S.), which represents important cooperatives from the activity of production and services belonging to Legacoop.</li> </ul>
Added value	<ul style="list-style-type: none"> <li>• The activity of the cooperative, tries to meet the needs of the different important segments of the community: workers, disadvantaged people, clients (companies, public administrations and private users), social services and other suppliers of goods</li> </ul>

	<p>and services. The cooperative is committed to provide more efficient services and to ensure a full and exhaustive cooperation. All community pillars evaluate the extent to which the cooperative endeavours to meet peoples' needs and the extent to which its activities correlate with its mission.</p> <ul style="list-style-type: none"> <li>• La Nuova Cooperativa customers may be final consumers, usually when the cooperative wins local tenders for the supply of services of public utility. In this case, a direct relations builds between the cooperative and all the citizens, men and women workers, ill persons and children.</li> <li>• The relation of complex communication is important for the cooperative, in order to overcome the communication barriers with a large number of persons. The relation with the public administration has a commercial nature, but in this case too, the partnership element is identified as characteristic of the social cooperatives sector.</li> </ul>
Challenge	<ul style="list-style-type: none"> <li>• Along 25 years of activity, the cooperative witnessed different stages of development, each of them with its own difficulties and problems.</li> <li>• The main problem of each stage was the uncertainty of continuing the activity, within the context in which most services provided by a social cooperative rely on public tender and finish at a fixed date.</li> <li>• Each new activity demands proving the capacity to supply high quality services, relying on accumulated knowledge, as well as the capacity to purchase the necessary financial instruments. In this way, the social mission is accomplished by facilitating the insertion of the disadvantaged persons on the labour market, within a real working environment.</li> <li>• The difficulty caused by the lack of stability of the activities became pressing, and the cooperative members learned to live with this anxiety by developing a strong motivation, flexibility and organisational competencies. This situation led the cooperatives to being competitive in a similar way with the profit companies.</li> </ul>

Description of the good practice	<ul style="list-style-type: none"> <li>• From 1980 to 2007, over 1,200 people worked or still work in this social cooperative, and 100 of them reached the retirement age and benefit of the pension guaranteed by the national system.</li> <li>• In 2007, the total number of employees, including members and contractual staff, exceeded 500 workers: 37% of them were disadvantaged people in agreement with Law no. 381/1991 (more than 10% in excess of the percentage stipulated by the law). The value of the production was 12,000,000 euro, according to the last balance of 31 July 2006.</li> <li>• The continuous increase of the production is the positive economic result deriving from an attentive management of the assets, cautious investments, validity and high quality of services, which allowed the preservation of jobs and the creation of new jobs.</li> <li>• In terms of work protection, La Nuova Cooperativa applies the national collective labour agreement for all its members and for the permanent staff, which ensures 14 months of wage.</li> <li>• Training courses on specific subjects are organised periodically for own staff, with the view to encourage the people to update their knowledge in the areas of interest.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>• Over the time, the context in which the cooperative operated has changed; an increasing number of social cooperatives shifted from the culture of grants to the culture of contracts, in order to securitize their activity or to invest, like any other company. For La Nuova Cooperativa, this meant changes in its structure and manner of working, so as to adapt to market competition and to the new conditions.</li> <li>• La Nuova Cooperativa proved to be a model of success by the way in which it managed to overcome different challenges: <ul style="list-style-type: none"> <li>- Rapid acquisition of new competencies and technical capabilities (qualification and training for own staff);</li> <li>- Select and supervise the disadvantaged workers in achieving the tasks that require high levels of</li> </ul> </li> </ul>

	<p>continuity and commitment;</p> <ul style="list-style-type: none"> <li>- Building balanced teams;</li> <li>- Support own staff to follow the mission of the cooperative.</li> </ul> <ul style="list-style-type: none"> <li>• Another learnt lesson refers to the relevance of the cooperation networks with other social cooperatives and with the consortium in developing and planning new services. La Nuova Coopeartiva always worked in partnership with other cooperatives, at the local, regional and national level.</li> </ul>
Usefulness/future stages	<ul style="list-style-type: none"> <li>• The prospective objectives of La Nuova Cooperativa are as follows: <ul style="list-style-type: none"> <li>- Maintain the existing activities, while trying to open new sectors and markets;</li> <li>- Strengthen the partnership with other social cooperatives with which it shares values and objectives;</li> <li>- Organise training courses for own staff;</li> <li>- Enhance the activity in the field of the selective garbage collection and the activities of environmental protection;</li> <li>- Offering properly structured networks of services for the most vulnerable persons in partnership with the local social services.</li> </ul> </li> </ul>
Participants' opinions	<ul style="list-style-type: none"> <li>• Strong ties between the different social cooperatives.</li> <li>• A and B-type cooperatives are essential elements of the performed activities.</li> <li>• Partnership of six cooperatives in public tenders and the way in which they share the roles and responsibilities.</li> </ul>

### *Poland*

The Polish social economy is defined as an activity of the organisations, both with economic and social purposes, the latter bearing, however, a higher importance. Social economy covers the gap which the traditional enterprises can't fill because of the insufficient profitability. Social economy institutions are social businesses or entities which operate

---

in all fields and which can take different forms: banking cooperatives, mutual insurance, cooperatives, guarantee funds, regional development agencies, associations and foundations. These types of institutions are active in key areas: social protection, social services, health care, banking, insurance, agricultural production, handicrafts, household sector, services for the citizens, training and education, culture, sport and leisure.

Even though they take a multitude of legal forms, these entities have a group of common features: priority of the individual and social purposes over the profit, voluntary and transparent participation, democratic control of the members, meeting the needs of the members or of the service users, the management is independent and autonomous from the public authorities, the generation of profit leads to the accomplishment of specific goals such as sustainable development, services for the cooperative members etc.

The most important entities of the social economy in Poland are:

- Cooperative organizations and employment cooperatives – 13,000 cooperatives and 13 cooperative branches, the most numerous being the household cooperatives;
- The banking cooperatives cover more than one third of the market, they produce 7% of the overall profit of the banking sector and hold more than 5% of the assets of this sector;
- The credit and saving cooperatives – they have in excess of one million members;
- The companies of mutual insurance – they cover 0.5% of the insurance market;
- Non-governmental organizations – over 40,000 societies and foundations employing 1% of the total number of employees nation wide.



Table 10

**Social enterprise Allozaur Sp. Z.o.o.**

Contact data	<ul style="list-style-type: none"> <li>• Jarosław Kuba: +48 41 264 12 93</li> <li>• Email: biuro@baltow.info</li> <li>• Internet: <a href="http://baltowski-park.pl">http://baltowski-park.pl</a></li> <li>• Address: Bałtów 55</li> <li>• Mailing code: 27-423</li> <li>• Town: Bałtów</li> </ul>
General description	<ul style="list-style-type: none"> <li>• The social enterprise Allozaur has been established by the Balt association for the development of Baltow town. The main goal of the company is to create educational and employment opportunities for the long-term unemployed; thus, the company employs women and young aged 18-24.</li> <li>• The staff employed by the company provides services of tourism, with a stress on preserving the environmental balance and on promoting the local cultural heritage.</li> </ul>
Inspiration/influence of the project	<ul style="list-style-type: none"> <li>• Baltow is a rather small town, characterized by high unemployment rates, progressive degradation of the community (alcoholism, violence, apathy, disaggregation of the public involvement) and by the lack of community infrastructure. The unfavourable changes of the socio-economic structures determined the community to seek and identify innovative ways for local development.</li> <li>• As of 2001, a series of initiatives were run by the Balt association to encourage the local socio-economic development. The decision to rely the socio-economic development on tourism was taken after a survey conducted in the region of Swietokrzyskie. They took into consideration the advantage of selling artisan products which, by attractiveness, universal nature and availability, can be sold competitively on the free market.</li> </ul>

Outstanding aspects of the project	<ul style="list-style-type: none"> <li>• Acknowledging the importance of nature and of the cultural heritage as source for the local development.</li> <li>• The local population was involved in products manufacturing, which decreased the long-term unemployment, and had a positive influence on the development of the entire community.</li> </ul>
Project implementation	<ul style="list-style-type: none"> <li>• The social enterprise Allozaur was established through a series of successful initiatives which stimulated the local development in Baltow: establishment of the tourism infrastructure by capitalising on the local potential, according to the recommendations received from the Academy of Sciences and from the Polish Geological Institute. Thus, the first Polish Jurassic Park was established, which meant legitimating Baltow town as an attractive tourist area, as confirmed by the large numbers of tourists.</li> </ul>
Added value	<ul style="list-style-type: none"> <li>• The success of the enterprise can be measured by two important dimensions: jobs for the long-term unemployed, particularly women and young people, the inclusion of Baltow on the tourism map of Poland.</li> </ul>
Challenge	<ul style="list-style-type: none"> <li>• The legal obstacles were time consuming (almost one year was necessary to obtain the operation licences);</li> <li>• The local infrastructure and the seasonal character of the tourism activities are elements which require the identification of complementary solutions.</li> </ul>
Description of the good practice	<ul style="list-style-type: none"> <li>• Promotion of civic involvement and decreasing unemployment.</li> <li>• Establishment of a local market supporting the socio-economic development.</li> <li>• Cooperation between the local public administration and the non-governmental organisations.</li> <li>• The financial perspective proved feasible (after four months of activity, there was a profit).</li> </ul>

---

Learning	<ul style="list-style-type: none"> <li>• The vital elements of the social enterprise were defined as early as during the planning stage: the activity of training the beneficiaries to acquire new qualifications, development of the individual abilities of the employees and improving the economic profile of the company.</li> </ul>
Usefulness/future stages	<ul style="list-style-type: none"> <li>• Expansion of the business and attraction of more tourists.</li> <li>• Improve the quality of services.</li> <li>• Offering packages of tourist services and complementing their range (ski lane, safari).</li> <li>• The services will become more attractive by the development of the tourism infrastructure on a field of 20ha, during 2009-2011.</li> </ul>
Participants' opinions	<ul style="list-style-type: none"> <li>• The visionary role of the founder and of the managing team is the central pivot of the registered activities.</li> <li>• Mobilization of the whole community, having a common goal.</li> </ul>

The presentation of these models of evaluating the social economy sector by mapping, monitoring and evaluation, and by the identification of some practices using a specific model, offers the possibility to clarify the importance of correlating the knowledge which accumulated in the field and of the transfer of the best ideas between the promoters of social economy, both at the national, and at the European level.

# CHAPTER 3

## RESEARCH ON THE BEST PRACTICES IN SOCIAL ECONOMY IN GREECE AND IN OTHER COUNTRIES OF THE EUROPEAN UNION

### *3.1. Structure of the evaluation grid for the good practices in social economy*

The purpose of this paper is to identify and present a series of good practices of companies and organizations in the European social economy sector. Particularly, it is a preliminary study which aims to select and present good practices in the evolving field of social economy, to disseminate the knowledge obtained and to raise visibility of the sector. An important task of this study is to collect most comprehensive information on the situation of the social enterprise sector in European countries, and to collect and describe measures that have been adopted in these countries to promote social economy.

The paper aims to underline best practices in the social economy from Greece and other EU countries. It intends to become a supportive component for the implementation of appropriate actions to reinforce social entrepreneurship at the regions of South Muntenia and South West Oltenia in Romania.

Particularly it aims to disseminate and transfer acquired experience both to other organizations active in the field of social economy to adopt and incorporate the practices and policies (horizontal mainstreaming) and to policy makers to incorporate the successful practices, into the policies for employment and social inclusion (vertical mainstreaming).

Accordingly, the objectives are:

- Disseminating the best practices and exploiting the results generated by the activities and general initiatives of the social economy.
- Inform stakeholders on actions related to the prospects of social economy in rural and urban areas and demonstrate new partnerships.
- Explore the applicability for development of social economy in the regions of South Muntenia and South West Oltenia.

It is fact that in each European country we meet different practices of social economy. A brief study of bibliography shows that the term of social economy as well as its scientific concept, is not unambiguous across the different countries of the Union, and in some cases not even within a single country, but usually coexists with other terms and similar concepts. Accordingly, companies and organisations that form part of the social economy concept are based on different legal and institutional framework in each European national system.

According to the report commissioned by the European Economic and Social Committee (EESC) *"The social economy in the European Union"* (2006), which covers the EU-25 (it doesn't cover Romania and Bulgaria as they joined the EU in 2007) in the EU-25, over 240,000 co-operatives were economically active in 2005. They are well-established in every area of economic activity and are particularly prominent in agriculture, financial intermediation, retailing and housing and as workers' cooperatives in the industrial, building and service sectors. These cooperatives provide direct employment to 3.7 million people and have 143 million members. Health and social welfare mutuals provide assistance and cover to over 120 million people. Insurance mutuals have a 23.7% market share. In the EU-15, in 1997, associations employed 6.3 million people and in the UE-25, in 2005, they accounted for over 4% of GDP and a membership of 50% of the citizens of the European Union. In the year 2000 the EU-15 had over 75,000 foundations, which have seen strong growth since 1980 in the 25 member states, including the recent EU members in Central and Eastern Europe (according to EESC report, 2006).

### **Criteria that have been applied for the identification of good practices**

To complement the macroeconomic data, the dynamism and socioeconomic richness of the social economy in Europe is also apprehended through specific cases that testify to the plurality of responses which the social economy offers to the multiple needs and aspirations of European society, reveal the wealth of forms that these organisations adopt and make it clear that despite the diversity of specific dynamics it is possible to identify a number of shared threads, which we will explore in this paper.

Nevertheless, respectfully of the heterogeneity of social economy practice in Europe, for the needs of the paper the best practices presented are selected according to the following criteria:

#### **Box 19**

#### **List of criteria that have been applied for the identification of good practices in Greece and in other EU member states**

- **Innovation of activities.** An innovative activity may be a new form of cooperation or communication between partners and beneficiaries, new systems or procedures such as monitoring tools, new ways of gathering information, new ways of promotion and advertising and new ways of approaching the target groups. An activity could also be innovative if it activates or emulates in other organizations or entities wishing to operate in the same field.
- **Bottom - up approach.** Contribution to addressing the needs of target groups in the field of intervention (environment, culture). It is important when planning activities to ensure participation of relevant local bodies and social partners in the specification of the characteristics of individual actions (types of activities, priorities, quantifying objectives, beneficiaries' categories, etc.) according to the needs and characteristics of local societies.
- **Promoting complementarity of assistance provided by other actions and policies implemented at local level.** Actions to promote social entrepreneurship should also take into account activities already supported by the European Community in the same area (i.e. activities of

the European Regional Development Fund and national sources). They could also participate in integrated and multidisciplinary projects that enhance local economic and social development.

- **Sustainability.** The project should ensure continuity with previous actions or policies to strengthen the local employment. (Capability for further operation, efficient management, organization and functioning).
- **Encouraging business initiatives.** The stimulation of new business initiation at the local level, with the participation of social economy structures, is an advantage for the community and offers employment opportunities for the socio-economic vulnerable groups.
- **Transferability/Replicability.** The action/project should be transferable or replicable to other countries or regions with similar geographical and socioeconomic characteristics.

By using these criteria this paper aspires to attain a depth demonstration of the most effective practices (good practice) and the ways that they can be applied in the regions of South Muntenia and South West Oltenia in Romania.

To achieve this aim, the good practices presented are divided into two key categories:

- **Incubators** - Thematic networks of social economy and Structures for mentoring and consulting activities in the social economy sector;
- **Social cooperatives, non governmental organizations, social enterprises and foundations.**

All practices presented bellow share the common aim of providing employment opportunities for vulnerable groups of population and therefore contributing to social cohesion. An attempt was also made to include some unique but significant examples of the forms the social economy takes in certain European countries. Each one is unique in relative factors, organizing history, scale, incubation processes, capitalization and financing, and focus of production work.

### ***3.2. Best practices in the Social Economy from Greece***

In the last twenty years Greece was faced with the social problems accompanying the macroeconomic adjustment. An increase in unemployment, widespread long-term unemployment and marked regional differentiation in the effects on employment were and still are among the characteristics of this adjustment. In addition, the great increase of migration to Greece from 90s until today triggered an increase in situations of social exclusion.

Recently, in Greece there is an intense action in the field of social economy through the emergence of a wide range of initiatives aimed at promoting of social inclusion on the labour market in general. 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 Community Support Framework (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 counselling 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.<sup>11</sup>, 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

---

<sup>11</sup> The EQUAL Initiative is a laboratory for new ideas to the European Employment Strategy and the Social inclusion process. Its mission is to promote a more inclusive work life through fighting discrimination and exclusion based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. EQUAL is implemented in and between Member States and is funded through the European Social Fund.



recipients or not. Under the 'Social Economy' strand of the EQUAL Initiative, in particular, actions were 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, this is the only relevant public policy initiative in Greece aiming at promoting employment through the activities of the Social Economy sector; the practices presented below have been established under the implementation of such criteria.

### 3.2.1. Support Structure for the development of the Social Economy in Crete" "KRI.K.O.S."

#### 1. Brief description and activities

This support structure of Social Economy focuses firstly on **providing support to the unemployed people** to enter on the labour market by developing entrepreneurial activity in the social economy, and secondly on **providing support to members of existing social co-operatives** to retain their jobs and further develop their activities.

Table 11

Support Structure for the development of the Social Economy in Crete" "KRI.K.O.S."

NAME OF THE ORGANIZATION:	<i>Support Structure for the development of the Social Economy in Crete "KRI.K.O.S."</i>
LOCATION:	<i>Crete, Greece</i>
YEAR OF ESTABLISHMENT:	<i>2007</i>
LEGAL STATUS:	<i>Non-for-profit organization</i>
AIM:	<i>Advisory and support services</i>
TYPE OF ACTIVITIES:	<i>Web network</i>
TARGET GROUPS:	<i>Unemployed, women, members and/or employed of existing social organizations</i>

For achieving this aim a **Centre for Social Economy** and **four support structures** were established, one in each of the four counties of Crete island. The team of these structures was continuingly in contact with unemployed of the region. Particularly they informed and advised unemployed to set in a business activity in the social economy sector and support members of existing organizations in social economy.

## 2. Target groups

The target groups were mostly **women** living in remote areas, **unemployed** and also **members of existing social enterprises and co-operatives**.

## 3. Involvement in the needs of the target groups

All the above actions have involved to finding resolutions for social problems of unemployment that were faced in this region and thus contributing to social cohesion. The major difficulties unemployed faced were mainly the following:

- **Limited opportunities for information** related to the geographical distance from the capital and the limited internet access;
- Many were **frustrated** finding no support among the many and different providers which implement European and national programmes for employment;
- The requirements for a successful collective enterprise regarding to the achievement of a satisfy level of collaboration between its members;
- **Serious complications coming from bureaucracy** and particularly the complicated requirements for setting an enterprise.

Regarding to all these obstacles the Centre for Social Economy has contributed to overcoming the above by these ways:

- By **transferring information** to interested parties;
- By **providing an overall and analytical briefing** of current opportunities in social economy sector and by responding on particular requests individually;

- **Personal advices and support** to interested parties for gaining an in deep understanding of obligations and requirements which the role of a social manager demands;
- By **providing mediation for a better collaboration** between all interested parties and managing conflicts between them;
- **Encouraging and boost interested parties** for responding to requirements of their new role successfully;
- By providing technical assistance for an **effective management**;
- By bring them in contact with respective local and national authorities and agencies.

#### 4. Concrete outputs

As a result of this good practice **thirteen social enterprises** were set in, under the legal framework of association, in which **125 persons** participated in total. In addition it contributed in raising awareness and a large number of citizens are now informed about the business opportunities in the social economy sector.

#### 5. Why is it a good practice?

This particular activity can be seemed as a good practice since:

- The consultative procedure was not limited to information and technical support. It also focused on **psychosocial issues** such as developing self-awareness, professional skills and goals and thus **enhances cooperation among members**, managing conflicts and other relative issues. All these issues are essential for the viability of organizations mostly in the Social Economy sector.
- The team of the Centre of Social Economy carried out **a large number of meetings** and telephone contact with the unemployed and the members of existing organizations.
- For overcoming the obstacle posed by distance mostly regarding remote areas the team used to **visit the places** of residence of the unemployed and the offices of existing social enterprises.

- To meet the various requirements **experts were brought in to advise** both the unemployed and the members of existing social enterprises such as sociologists, social workers, psychologists, lawyers and economists.
- **Open workshops and seminars** were organised for the unemployed and other interested parties in collaboration with municipalities and other Local Agencies.

Furthermore, to attain a great degree of participation the following actions were taken place:

- All municipalities and local agencies **were informed** about the events and invited to express their interest to participate.
- Any municipality which was interested collaborated with the members of the corresponding support structure for **co-organising an open workshop in each particular county**.
- Then, the open workshop was taken place and **unemployed discussed** with the experts and the staff of Local Authorities.
- Next, **meetings were following** and the unemployed had the opportunity to meet the experts and the advisors personally and discussed one by one the appropriate steps for setting a social enterprise in.

It should be noted the significant role played the local agencies, which provided technical assistance to the new business teams (e.g. supply of working places and human resources).

**Table 12**

**Accomplishment of the good practice criteria 1**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Tranferability/ Replicability</b>	√

### 3.2.2. Centre for support and certification of social enterprises

#### 1. Brief description and activities

The “Centre for Support and Certification of Social Enterprises” aims to provide a **certification mark** to social enterprises for making them recognisable by the general public.

**Table 13**

#### Centre for Support and Certification of Social Enterprises

<b>NAME OF THE ORGANIZATION:</b>	<i>Centre for Support and Certification of Social Enterprises</i>
<b>LOCATION:</b>	<i>Magnesia, Greece</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>2007</i>
<b>LEGAL STATUS:</b>	<i>Created by the Training and Research Centre of the Prefecture of Magnesia (KEKANAM SA) and operates as a separate section of it</i>
<b>AIM:</b>	<i>Support and Certification services</i>
<b>TYPE OF ACTIVITIES:</b>	<i>Networking, certification</i>
<b>TARGET GROUPS:</b>	<i>Companies which developed in the social economy. These are mainly cooperatives, non-profit organisations, foundations, etc.</i>

The certification mark certifies social enterprise of any type, which producing products, providing services and the members of those involved in the joint production process and derived a proportional share in the profits of the organization. This certification mark certifies not the quality of the products or services but also the existence of democratic and equal spirit in the production process. For gaining this mark a cooperative should meet the “Rules of Certification of Cooperative Social Enterprise Centre”.

Through an intensive promotion and particular an advertising campaign the certification mark has become recognisable to the general public and the consumers are now aware about it.

## 2. Target groups

The target groups are any type of organizations in the social economy, mainly cooperatives, non-profit organisations, foundations, etc.

## 3. Involvement in the needs of the target groups

The benefits of the certification mark - CE have been specifically acknowledged at the regional level by:

- The cooperative acquires a distinct brand identification market;
- It provides a competitive advantage to the cooperative, since the mark is a means to promote and display the products of the cooperative;
- It creates a relationship of trust to the general public.

## 4. Concrete outputs

So far, the centre has granted certification mark in five (5) Cooperative Social Enterprises. All of them are women's agricultural cooperatives in the prefecture of Magnesia. In total these five cooperatives have 210 women as members. Particularly):

### *A) Women's Agricultural Association Pteleos "The FTELIA"*

Year of establishment: 2000, Number of members: 24, Production of goods: jams, sweets and dish, delicious cookies, and wheat noodles, anchovy fillet, fragrant olive oil, olive oil soap, handmade pies with foil). Website: <http://www.ftelia.net>

### *B) Agricultural Cooperative - Women's Group in Anilion Pelion*

Year of establishment: 2000, Number of members: 9, Production of goods: traditional sweets, fruity jams, homemade drinks and other traditional dishes of the local area.

### *C) Women's Agricultural Cooperative "The Glossiotissa" in Skopelos*

Year of establishment: 1999, Number of members: 24, Production of goods: In Skopelos 10 years ago 24 women formed the cooperative in order to preserve local tradition and cultural heritage. With local and natural ingredients such as almond and plum prepared traditional island almond

based sweets, plum cake, marmalades, jams, baking pans and other sweets, women produce savoury dishes like the famous pies of Skopelos and a large variety of pickles (capers, bulbs etc).

*D) Women's Agricultural Cooperative "To rodi" ("The pomegranate")*

Year of establishment: 2007, Number of members: 9, Production of goods: Jams, marmalades and vinegar of pomegranate are some of the products manufactured by women of the cooperative, while the long list complement traditional pastries, homemade pasta, pastries, cookies and salty delicacies (capers, anchovies, pickles). Future pursuit of the cooperative is to create a pilot farm for the cultivation of pomegranate and a standard herb garden. Website: <http://www.iolkosrodi.gr>.

*E) Women's Agricultural Cooperative of Portaria*

Year of establishment: 1997, Number of members: 33, Production of goods: a wide variety of jams and marmalade with fruit of the region, sweets from pure ingredients, pasta made with the old recipe for tasty and easy dishes, delicious fruit liqueur extracts of Pelion, and with pure herbal packaging nature of Pelion. Website: <http://www.portaria-pelion.gr>.

### 5. Why is it a good practice?

This activity can be seen as a good practice since it is **an innovative** idea, **unique** in the country. It also **encourages business initiatives** and disseminates the role of social economy to the general public. In addition this idea can be easily transferred to other areas.

**Table 14**

#### **Accomplishment of the good practice criteria 2**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Tranferability/ Replicability</b>	√

### 3.2.3. Pilot Urban-City facilitators

#### 1. Brief description and activities

“Urban-City facilitators” is team which aims to improve the quality of urban life. Today it operates as a part of Hellenic Agency for Local Development and Local Government SA (EETAA) and functions as pilot. The aim is to turn it into a social enterprise in the future.

**Table 15**

**Pilot Urban-City facilitators**

<b>NAME OF THE ORGANIZATION:</b>	<i>Pilot Urban-City facilitators</i>
<b>LOCATION:</b>	<i>Magnesia, Grecia</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>2007</i>
<b>LEGAL STATUS:</b>	<i>Part of Hellenic Agency for Local Development and Local Government SA (EETAA)</i>
<b>AIM:</b>	<i>Work integration, improve of quality of life</i>
<b>TYPE OF ACTIVITIES:</b>	<i>Public services</i>
<b>TARGET GROUPS:</b>	<i>Women and youth</i>

The team engages eight members whose activity is to visit and supervise neighbourhoods in the city of Volos in Magnesia region. Through their everyday present in the city, their constant and continuous communication with the citizens, city-facilitators are able to record city problems and try to find out possible solutions with the support and coordination of local agencies.

The main objective is to supervise all neighborhoods but they also offer tourist information, support athletic and cultural events, inform about the water-use and they distribute flyers and promotion materials.

#### 2. Target groups

City facilitators are **women, youth** and other **people in need**.



### 3. Involvement in the needs of the target groups

This activity is a professional way to socialize vulnerable groups, strengthen solidarity and social participation. At the same time it creates and consolidates employment (consolidation of 8 employment full time jobs).

### 4. Concrete outputs

The actions of the “Urban-City facilitators” produced various outcomes:

- Exploration and promotion of new ways of awareness, cooperation, solidarity and participative intervention (e.g. volunteering, sponsorships etc.);
- Pilot operationizing of all city-facilitators services under a protected environment in order to detect possible deficiencies and assessing the possibility of setting social enterprises up;
- Familiarization of local population with the city facilitators;
- Raise awareness among beneficiaries in order to support that new service and thus make possible the proposed business initiative to be sustainable.

### 5. Why is it a good practice?

“Urban-City facilitators” can be seen as a good practice since **it creates new types of employment** for vulnerable groups and **enhance social cohesion** by creating links between the local populations. In this context, the urban-city facilitators can contribute to stimulation of local economic development and instil new dynamism in the area. It is an **innovative activity** which can be easily transferred into any urban location. In addition, the pilot operation of it shows that “Urban-City facilitators” can successfully turn into a **sustainable** social enterprise.

Table 16

**Accomplishment of the good practice criteria 3**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Tranferability/ Replicability</b>	√

### 3.2.4. Social cooperative of the Dodekanissa Islands

#### 1. Brief description and activities

**Social cooperative of the Dodekanissa Islands'** is a social Co-operative with Limited liability <sup>12</sup> (Koi.S.P.E.), which is located on Leros Island and it is the first cooperative with this particular legal framework has established in Greece. Leros is a small island in the south-eastern part of the Aegean Sea, the economic life of which has been, for decades, closely linked with the existence of the large public mental health hospital. The hospital remains, even today, the largest employer on the island. At the same time the differentiation of the island's economy is confronted with its geographical isolation and with serious difficulties in any attempts for integration into the national and international markets of both products and services.

---

<sup>12</sup> Koi.S.P.E. is under of the supervision of Ministry of Health and the Department of Mental Health.

Table 17

**Social cooperative of the Dodekanissa Islands**

<b>NAME OF THE ORGANIZATION:</b>	<i>Social cooperative of the Dodekanissa Islands' mental health sector (Leros Social Cooperative)</i>
<b>LOCATION:</b>	<i>Leros, Dodekanissa Islands, Greece</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>2004</i>
<b>LEGAL STATUS:</b>	<i>Social Co-operative with Limited liability (Koi.S.P.E.)</i>
<b>AIM:</b>	<ul style="list-style-type: none"> <li>• <i>providing employment to an excluded group of local people</i></li> <li>• <i>enhance social cohesion by creating links between the local population</i></li> </ul>
<b>TYPE OF ACTIVITIES:</b>	<ul style="list-style-type: none"> <li>• <i>Cultivation and distribution of agricultural products</i></li> <li>• <i>Operation of pastry-making shop</i></li> <li>• <i>Operation of snack-shop</i></li> <li>• <i>Operation of the processing, packaging and distribution of honey</i></li> </ul>
<b>TARGET GROUPS:</b>	<i>People with mental health problems</i>

Social Co-operative serves the urgent need for the restructuring of the island's economy, by creating new and favourable conditions for the development of innovative and entrepreneurial initiatives and for absorption of surplus of human labour in new economic activities.

**Operation of Processing – Packaging and Distribution of Honey** is the first independent operation that Koi.S.P.E has undertaken. The main purpose of the unit is to create quality standards for the honey that is supplied by producers of the island of Leros, and to distribute it to local and other markets. Honey making operation was chosen because Leros has an abundant amount of premium quality Thyme honey. Before Koi.S.P.E.'s productive unit, the local honey producers were unorganized and were unable to afford the packaging and distribution, opportunities that social enterprise can now offer them).

## 2. Target groups

The target groups of Social Cooperative are people **with mental health problems, employees in the mental health sector** and also the **local community**. Since 2004, a number of workers from the first category (persons with psycho-social problems) and from the 2<sup>nd</sup> category (the employees) are occupied on a full-time basis.

## 3. Involvement to the needs of target groups

The main focus of the social enterprise has been to **add value** to the local products (i.e. honey), **and make best use of the endogenous resources** of the island. The social enterprise has provided **employment and income to an excluded group** of local people, it has built on equal opportunities and has enhanced social cohesion by creating links between the local population (many of whom are working in the hospital) and the psychiatric patients.

## 4. Concrete outputs

The outputs of the project include a wide range of results:

- creation of five jobs: since 2004, people with psychosocial disabilities and employees in the mental health sector have been employed;
- Promotion of Koi.S.P.E. and other social partnerships to the general public;
- Local honey producers and the whole local economy being supported and introduced into new activities;
- New young farmers have already started honey producing activity;
- A new occupation being created for people with psychosocial disabilities;
- Increase in and guarantee of quality of the honey (HACCP certification);
- The project being put forward for a national award;
- The competitiveness of the local economy being improved;

- Inequalities being reduced by providing quality employment for a disadvantaged group.

#### 5. Why is it a good practice?

In 2007 this operation selected as one of the best practices of LEADER+ program. It has been selected because of the followings, which are also corresponding to the criteria used in this study:

- The project has had an **area-based approach**, since the initiative has built on endogenous resources. The area's profile has been enhanced by supporting local producers, improving the quality and marketing of their products and developing local human resources. The initiative has created jobs for people with psychosocial difficulties.
- This **bottom-up** project was initiated by the honey farmers of Leros. They needed to add value to their raw product through processing, quality control and marketing, but had neither the time nor facilities. They approached the Koi.S.P.E. cooperative, which buys their honey and undertakes the processing and certification.
- The initiative has managed to improve the operation of the local mental hospital in an **innovative way**. The project has successfully combined the development of local products with support provided for psychiatric patients, which has been a unique approach.
- Furthermore, the project has demonstrated a strong **networking and cooperation approach**, as it has brought together a wide range of actors (i.e. local honey producers, the state mental hospital and psychiatric patients) for the benefit of all, thus it engages **business initiatives** in the area. This has strengthened networking activity on the island of Leros, particularly amongst honey farmers. At the same time, efforts have been made to link the relevant stakeholders from outside the island in order to establish quality certification and improve market access.

Table 18

**Accomplishment of the good practice criteria 4**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Transferability/ Replicability</b>	√

### ***3.3. Best practices in the Social Economy from other EU countries***

Four other models of good practices in social economy are presented hereinafter. They were initiated in other EU member states, thus completing the previous image on the good practices in social economy in Greece.

#### **3.3.1. House of Art/ Artisan Association**

##### **1. Brief description and activities**

The Artisans Association of Sao Pedro do Sul (a non-profit organisation) was formed in 1999 by eight local artisans from the region, with the support of the City council of Sao Pedro do Sul and the Fight against Poverty Project "Serra Nostra" project (a project supported by ESF). Prior to the formation of the association (between 1997 and 1999) three training courses (on weaving, tile painting and "works in roots" - i.e. sculptures prepared in tree roots) were carried out in the framework of the Fight against Poverty "Serra Nostra" project. Six of the students who participated at the training courses, joined by two other craftsmen later created the Artisan Association, with the active participation of the City Council of Sao Pedro do Sul and Vila Maior Social Center.

Table 19

**House of Art/ Artisan Association**

<b>NAME OF THE ORGANIZATION:</b>	<i>House of Art/ Artisan Association from Sao Pedro do Sul</i>
<b>LOCATION:</b>	<i>Spain</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>2002</i>
<b>LEGAL STATUS:</b>	<i>Non-governmental organization</i>
<b>AIM:</b>	<i>To promote local products and create new ways of selling and distributing them</i>
<b>TARGET GROUPS:</b>	<i>Women (employed and unemployed)</i>

The main objective of the Artisan Association is to promote local products and create new ways of selling and distributing them. In the initial period of its operation the project was based in Solar da Lapa, in the premises of the *Fight against Poverty* project, where products such as weave and tiles were made. These artisan products were sold in fairs and in the "kiosks" of spas. However, this way of selling products became difficult due to the long-distance transportation of products to fairs.

The House of Art project aims to recover the old railway station building, which holds a strong architectural and historical value, in order to provide the Artisan Association with a workspace. The inside area has been remodelled in a way to provide spaces for exhibitions, reception, small bar and kitchen, pantry, administrative services, sanitarium and ateliers for tile painting, basketry and weaving workshop (with four looms). At the same time the facade and roof of the building have also been renovated and the area surrounding the building has been rearranged.

**2. Target groups**

The main target group is mostly **women (employed and unemployed)** and also **other local people in need**.

**3. Involvement in the needs of the target groups**

This project aims to provide the association with new working space, through the conversion of the old railway station in the village. The converted railway station building provides **working place for several local people (mainly local women)**.

#### 4. Concrete outputs

The main results of the action include:

- The **maintenance of 5 jobs** (women working in the kitchen, making local sweets and women providing administrative services) and the **creation of 3 new jobs** (for unemployed women);
- The creation of a space for the preparation, exhibition and commercialisation of the local products (craft, traditional cakes and sweets);
- The restoration and utilisation of the abandoned old railway station building that has enormous architectural and historical value;
- **Sustainable results** and creation of new local values with the use of endogenous resources;
- Contribution to the **revitalisation of traditional activities** and crafts and arts products (basketry, honey, ceramic, works in cork and wood, decoration objects - such as small model houses made of schist, candles and tapestry – and tile-painting);
- Contribution to the **strengthening of the tourism industry** in the local area, through the promotion of local craft. Products in national and international fairs, and through synergies with the activities of Termas of Sao Pedro do Sul (health and spa, care treatments and recreation activities) - the tourist train of Sao Pedro do Sul has now stops at the Station of Arts and Flavours;
- Promoting equal opportunities through providing job opportunities for women.

#### 5. Why is it a good practice?

The project has been initiated by local artisans (who promoted this project idea for several local stakeholders, including the LAG, City hall of Sao Pedro do Sul, ASSOL, Sao Pedro do Sul Workcenter and other companies), so it utilised a **bottom-up approach** and **encouraging business initiatives**.

In addition, the conversion and restoration of the old building into the Arts and Flavours Station receives support from the City Council and



ADDLAP (Association of Development Dao, Lafues e Alto Paiva). The strong partnership of local stakeholders played important role to the success of the project. **It promotes complementarily of assistance provided by other actions and policies implemented at local level.** It is an action which promotes social entrepreneurship by taking into account integrated and multidisciplinary projects and also it enhances local economic and social development:

- The City Hall of S. Pedro do Sul offers premises in Termas for selling the products produced.
- The Fight against Poverty Project provided some of the equipment, (e.g. for the cakes and sweets making activities).
- Sao Pedro do Sul Workcenter has been involved through its "Job Creation" program".
- ASSOL and Compozela supplied of candles and compotes; artisans produced the local crafts products.
- The farmers of Oliveira of Frades, Sao Pedro do Sul and Vouzela provided ingredients for sweet production.

Finally, the project has managed to combine local resources in an **innovative way**:

- turning profitable an old railway station building and at the same time ensuring the survival of local artisan activities.
- creation of business project owned only by local women.
- contributing to the success of local tourism activities.

**Table 20**

**Accomplishment of the good practice criteria 5**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Tranferability/ Replicability</b>	√

### 3.3.2. Ealing Community Transport (ECT)

#### 1. Brief description and activities

Ealing Community Transport (ECT) formed in 1979 as part of Ealing Voluntary Service Council. ECT started life with a couple of second-hand vehicles, providing a transport service to Ealing residents whose needs were not being met by other transport provision. 30 years later, ECT has grown into a leading social enterprise owned by the charity Ealing Community Transport providing high quality community transport services across the country.

**Table 21**

**Ealing Community Transport (ECT)**

<b>NAME OF THE ORGANIZATION:</b>	<i>Ealing Community Transport (ECT)</i>
<b>LOCATION:</b>	<i>London, United Kingdom</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>1979</i>
<b>LEGAL STATUS:</b>	<i>Social enterprise owned by a charity</i>
<b>AIM:</b>	<i>Provision of public services</i>
<b>TYPE OF ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• <i>recycling and sustainable waste management street cleaning</i></li> <li>• <i>healthcare i</i></li> <li>• <i>public and community transport community railways</i></li> <li>• <i>Vehicle and railway engineering</i></li> </ul>
<b>WEB SITE</b>	<i>www.ectgroup.co.uk</i>

The ECT Group is the UK's largest community interest company, provides a range of high-quality, cost-effective public services. These include recycling and sustainable waste management, street cleaning, healthcare, public and community transport, community railways, and vehicle and railway engineering. ECT is one of the UK's leading social enterprises and the UK's largest community recycling organisation. The ECT Group has a clear purpose: to provide outstanding, socially responsible, environmentally aware, and financially sustainable public services to local communities.

## 2. Concrete outputs

The ECT Group (which includes the charity Ealing Community Transport) operates community transport services in Ealing, Milton Keynes, Cheshire and the 195 bus service. It will maintain its joint venture with Hackney Community Transport (E&HCT), transporting construction workers within the Olympic Park, on behalf of the ODA. In addition, ECT Recycling - part of the ECT Group - Gurney, one of the UK's most successful maintenance and support services companies and listed on the London stock market (AIM).

**Milton Keynes Community Transport (MKCT)** is a joint venture between ECT and Age Concern Milton Keynes. MKCT started operations in June 2006 after winning a contract to provide door-to-door transport for elderly, disabled and vulnerable people within Milton Keynes. MKCT represents an innovative partnership and has proven to be flexible in its approach. MKCT's journey scheduling expertise has led to an impressive increase in efficiency and within the first 2 years of operations, MKCT have been nominated for a National Transport Award. MKCT provides a range of community transport services.

The **PlusBus** service is aimed at those people who find it difficult to use the local bus service. It offers door-to-door transport, using accessible vehicles and trained drivers. The service works on a membership basis.

The **Lunch club transport** operates 25 lunch clubs in the Milton Keynes area. Lunch clubs offer older people the opportunity to have a hot lunch and socialise. For older people with mild confusion or depression there are 14 clubs that offer extra help.

**The HealthConnect**, Door to door transport for healthcare appointments particularly focused on helping residents of rural areas. It is a new trial service which aims to make it easier to get to healthcare appointments.

The **Group Transport** service helps community and voluntary groups hire accessible minibuses, with driver, at affordable rates. The aim is to provide a high quality service, with fully trained drivers and well maintained vehicles, at the lowest possible cost. The service is open to any

community group, for example youth clubs, sheltered housing schemes, schools or churches).

### 3. Why is it a good practice?

ECT can be seen as a good practice since is a profitable and sustainable enterprise and the UK's largest community recycling organisation. ECT's Cheshire operation has been awarded 'Best Urban CT Scheme' by the Community Transport Association UK. The award relates to ECT's door to door PlusBus service in the Chester, Ellesmere Port and Neston areas. Within it's first year of operation, ECT transformed the delivery of this service. Introduced in October 2007, it achieved a 39% increase in the number of passenger trips in its first year of operation.

It works **with a diverse range of organisations and partners** throughout England, such as London Borough of Ealing, London Borough of Hounslow, Milton Keynes Council, Cheshire West and Chester Council, Olympic Delivery Authority, Transport for London, Ealing Council for Voluntary Services, Community Transport Association UK etc., and it focuses on long term partnerships and operating a **sustainable business**. It delivers social and environmental suitability in everything it does, alongside its financial goals. A key goal is to reduce its carbon footprint. This year, with the help of colleagues from the University of East Anglia, it measured its carbon footprint and developed action plans to reduce it on an ongoing basis. Most of its services are strongly **innovative** and can be easily transferred to other locations.

**Table 22**

#### **Accomplishment of the good practice criteria 6**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Transferability/ Replicability</b>	√

### 3.3.3. Cooperative training and handicraft services Estudio Gloria, Sdad. Coop.

#### 1. Brief description and activities

The Adefo Cinco Villas is located in a pretty Spanish region and has important land characteristics such as agricultural, hydrological, natural and cultural resources. The area has suffered from depopulation in some of its smaller villages and there have been difficulties for young people and women to find jobs. It is very much dependent on the agricultural sector but it is not integrated fully into the area's overall economic development. However, there is great potential to build the agro-industrial, rural tourism and the service sectors in the region by improving the organisation and participation of stakeholders in the local economy.

The promoter at the heart of this cooperative has been working in the handicraft industry for the past 30 years and is based in a rural area. She is a woman with many years of experience and has passed on her knowledge to others by training individuals in arts and crafts practices.

**Table 23**

#### Cooperative training and handicraft services Estudio Gloria, Sdad. Coop.

<b>NAME OF THE ORGANIZATION:</b>	<i>Cooperative training and handicraft services Estudio Gloria, Sdad. Coop.</i>
<b>LOCATION:</b>	<i>Zaragoza, Spain</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>-</i>
<b>LEGAL STATUS:</b>	<i>Cooperative company</i>
<b>AIM:</b>	<i>Improve the quality of life most to those who are more disadvantaged and isolated and develop the skills and techniques of those participating in training whilst assisting in improving entrepreneurial and self-employment opportunities</i>
<b>TYPE OF ACTIVITIES:</b>	<i>Training and selling contemporary handicraft products in rural areas</i>
<b>TARGET GROUPS:</b>	<i>Rural women</i>
<b>WEB SITE</b>	<i>www.grisalla.com</i>

---

The cooperative itself offers unique arts and crafts products which are coupled with a training service available mainly to rural women. It aims to develop the skills and techniques of those participating in training whilst assisting in improving entrepreneurial and self-employment opportunities.

The cooperative overall objective is to improve the quality of life in the area most notably to those who are more disadvantaged and isolated. A range of activities have taken place including the establishment of the craft shop, which has been adapted to serve the specific needs of the business.

The shop space has been divided up into different zones to make sure there is sufficient space to sell and exhibit products; and also an area accommodating tables for training and learning purposes, including computers and materials. There are specific equipment for the production of arts and crafts such as kiln ovens for ceramic and porcelain, and electronic devices for cutting and shaping.

A specific marketing plan has also been put into place so that the cooperative can effectively commercialise its products, for example through a project website, catalogue, newsletters and advertising, etc.

**2. Target groups:** Rural women.

**3. Involvement in the needs of the target groups**

The cooperative has successfully developed a business that creates innovative and individual arts and crafts in and around the region. It has produced a variety of results including the participation, motivation, socialisation and inclusion of local women into the labour market by supporting and teaching them in training courses. It has created a quality brand which promotes the local region as well as the cooperative itself. More importantly it has assisted the sustainable employment of women in the local community and its training school is unique to the region of Aragon.

**4. Concrete outputs**

The cooperative has been certified by the regional government of Aragon, which is a great achievement for the promoter. The training courses are now offered to an array of individuals including unemployed

women, different municipalities and local development agents across the region. A large selection of handicrafts are produced during the training and teaching practices, and because of the creativity of the individuals, this allows many unique products to be sold in the project shop. Some of the more creative products have been selected for the Zaragoza international crystal handicraft exhibition.

### 5. Why is it a good practice?

The cooperative's activities clearly target one of the key objectives of the region by **helping to increase female employment**. It forms part of a wider group of projects which add value to local products by linking with tourism, heritage and environmental projects where local products play a key role. It also links with other projects where raising the quality of life in rural areas is an important issue such as the provision of services in rural areas.

A **clear bottom-up approach** is demonstrated within the activity as the original idea came directly from a rural woman who decided to capitalise on her own experience to help others by providing training courses on handicrafts.

The project demonstrates an **innovative element** as its development and results are unique to the region. Innovation has been observed in many aspects of the project whether it is to do with the cooperative, the involvement of rural women or in the creativity of the arts and crafts products. There is also a multiplier effect as the trained women can themselves become entrepreneurs using the new skills that they have gained.

**Table 24**

#### **Accomplishment of the good practice criteria 7**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Tranferability/ Replicability</b>	√

### 3.3.4. Jupiter Foundation

#### 1. Brief description and activities

**Jupiter Foundation** was founded in 2001 by social economy enterprises and non-profit organisations, public authorities, the regional waste management company and a parish with the aim to bring together different experiences, knowledge, skills and other resources in order to develop the best possible employment and inclusion services for disadvantaged parts of the population.

**Table 25**

**Jupiter Foundation**

<b>NAME OF THE ORGANIZATION:</b>	<i>Jupiter Foundation</i>
<b>LOCATION:</b>	<i>Vaasa, Finlanda</i>
<b>YEAR OF ESTABLISHMENT:</b>	<i>2001</i>
<b>LEGAL STATUS:</b>	<i>Foundation</i>
<b>AIM:</b>	<i>Social inclusion services</i>
<b>TYPE OF ACTIVITIES:</b>	<ul style="list-style-type: none"> <li>• <i>job consulting</i></li> <li>• <i>recycling business</i></li> </ul>
<b>TARGET GROUPS:</b>	<i>Unemployed and other vulnerable groups (youngsters, long-term unemployed, immigrants, people in need of mental or physical rehabilitation)</i>

The objective “inclusion into society and into the labour market” was combined with principles of environmentally sustainable development. Recycling became the main business of the foundation. Jupiter’s mission is to support youngsters, long-term unemployed, immigrants, people in need of mental or physical rehabilitation prior to entering the labour market and others who need help in finding a job, training or rehabilitation.

The purpose of the Jupiter Foundation as a work orientation centre is to employ long term unemployed (more than 2 year unemployment), young people and other groups (e.g. disabled people and immigrants) having weak possibilities to get a job and provide special services for



youngsters (17-25 years) having problems to continue the school or to get a job to create high quality subsidized work places and during the work period give the client individual support and counselling as well as activating group activities.

## **2. Target groups**

The target groups of Jupiter are **unemployed and youngsters, immigrants and people in need of mental or physical rehabilitation**: adults with an average of four years unemployment before coming to Jupiter and youngsters participating in projects or schemes including work and many kind of personal support offered by the nurse, personal counsellor, job consultant, psychologist, group activator and the work trainers at the five work departments. The personnel altogether is 36. The clients have problems with control of life, with alcohol or/and drugs, mental or physical problems, lacking social skills etc.

## **3. Involvement to the needs of target groups**

Jupiter Foundation provides multi professional as well as multi sectoral support. This meant in the counselling work in the foundation and on the other hand in the steering groups of the projects and in the negotiations with the authorities. These new forums have proved to be a natural way of taking to discussion problems and development proposals concerning the employment and social service processes.

Social economy actors are the particularly part of the economy, which provides jobs, better income and social inclusion for people in the most disadvantaged situation with complex problems. These people do not have enough capacity or willingness to search help from many different offices and places. The **practical transversal (local vertical & horizontal co-operation)** is an efficient method to increase effectiveness of any local social inclusion process.

## **4. Concrete outputs**

During the three years existence Jupiter has had 1000 clients, of which 200 have got a job, 80 have started some vocational training, 300 have started some rehabilitation, e.g. quitting alcohol or drugs or starting mental rehabilitation.

Support includes work at seven work departments or at outside working places, individual coaching and group activities. Work departments include the EKOCENTER (dismantling and reparation of electronic household and office machines, recycling of construction materials, management of the city reception point of problematic waste, car wash for trucks and other vehicles), handicraft (upholstery of furniture, recycling of clothes, fabrication of Jupiter-brand textile products, cloth printing etc.), carpentry and construction (renovating of wooden furniture, fabrication of new wooden products, small scale construction and house restoration), management of the Jupiter Recycling Boutique and of CAFÉ JUPITER (140 lunches and cafe products for Jupiter staff and for clients outside) as well as cleaning services.

It should be noted that from the time when the local waste management company became a founding member in the foundation, meant it benefits to both: the company got rid of the recycling centre requiring a lot of subsidised work force and the local economy got ca 60 new quality subsidised jobs when Jupiter enlarged and developed the recycling business as the core for the jobs created.

### **5. Why is it a good practice?**

#### *Sustainability*

In Finland a calculation model has been developed (SYTA - the analysis of social enterprises and social firms) which compares how much it costs to the society to arrange subsidised work for the long term unemployed and youngsters and what are the alternative costs if the people just lay home without doing anything useful. The results tell that if Jupiter-kind of social employer can cover 30-35 % of its gross expenses with the income from its own production, the organisation is profitable to the society in monetary terms and not mention the indirect positive impacts, which are difficult to calculate but are unquestionable.

When the long term unemployed (more than 2 year unemployment) work in Jupiter at least 6 hours, most of them get a salary of 1100 /month. This means that they do not need the income subsidy from the local

municipality plus the value of the work done in Jupiter makes **value added to local economy** in many ways.

The city of Vaasa buys employment services from Jupiter by 1,1 million euro per year and according to the SYTA-mechanism the city social services save early the same amount in the income subsidies. But as valuable aspect as the financial aspect is the human aspect it is possible to take care of the disadvantaged groups and give them the human right to work and to earn their living by own work and to feel themselves useful for the society.

The private companies accept Jupiter s existence and the local co-operation with them works very well both in producing products and services as well in using Jupiter as a source to recruit work force to companies.

#### *Bottom-up approach*

The founding members of the Jupiter Foundation were 8 partners who agreed to put their existing activities, ideas and some financial resources together and start the work with the most disadvantaged unemployed groups in Vaasa. The founding members of the Jupiter Foundation were city of Vaasa (run earlier the workshop for youngsters), municipality of Mustasaari. the association of unemployed (run earlier a kitchen and different kind of courses), the parish, the Social psychiatric association, the Association of Handicapped, the Settlement association (run earlier the carpentry workshop), the regional waste management company Stormossen (run earlier the recycling centre), The structure is a real local partnership, public, semi-public (the parish) and third sector actors combined all or part of their activities, ideas and financial resources in order to create a modern place to work for work integration and that way combat against social exclusion and certain kind of poverty. The local government employment body, Vaasa employment office could not be a founder but gave its honest support to the idea of the foundation.

Therefore it is a multidisciplinary activity that enhances local economic and social development. **It also promotes complementarily of assistance provided by other actions and policies implemented at local level.** The economy of the foundation has been based on different kind of

project financing from government, EU, National Insurance Company and The slot machine association. The budget in 2005 is 3.2 meuro. 1/3 of the income comes from the city of Vaasa (buying of work integration services), 1/3 from the government employment authorities, national insurance company or EU as project financing and employment subsidies. 1/3 of income comes from selling of own products and services produced by the people in work orientation services. As planned in the beginning the percentage of income coming from selling service packages for agreed groups by daily price is increasing.

Table 26

**Accomplishment of the good practice criteria 8**

<b>Innovation</b>	√
<b>Bottom – up approach</b>	√
<b>Complementarity</b>	√
<b>Sustainability</b>	√
<b>Encouraging business initiatives</b>	√
<b>Transferability/ Replicability</b>	√

***3.4. Social capital – common resource of the good practices in social economy***

The good practices presented above give us the opportunity to evaluate the potential of the various forms of social economy, evaluating from many perspectives the innovativity of the local communities in initiating a wide range of activities (Table 27).

Table 27

## Good practice activities

<i>Good practice</i>	<i>Activity</i>
<i>Support Structure for the development of the Social Economy in Crete - "KRI.K.O.S."</i>	<ul style="list-style-type: none"> <li>• Advisory and support services</li> <li>• Development of the entrepreneurial activity in the social economy</li> <li>• <b>Provide support to the members of the operating social cooperatives</b>, to preserve their jobs and to further develop the activities of the cooperatives</li> </ul>
<i>Centre for support and certification of social enterprises</i>	<ul style="list-style-type: none"> <li>• Networking, certification</li> <li>• Provide a <b>certification mark</b> for the social enterprises</li> </ul>
<i>Urban-City facilitators</i>	<ul style="list-style-type: none"> <li>• Public services</li> <li>• Improve the quality of urban life</li> </ul>
<i>Social cooperative of the Dodekanissa Islands</i>	<ul style="list-style-type: none"> <li>• <b>Operation of the processing, packaging and distribution of honey</b></li> <li>• Creation of standards of quality for the honey supplied by the producers from Leros island and distribution on the local market and on other markets</li> <li>• Cultivation and distribution of agricultural products</li> <li>• Operation of pastry-making shop</li> <li>• Operation of snack-shop</li> </ul>
<i>House of Art/ Artisan Association</i>	<ul style="list-style-type: none"> <li>• Promote local products</li> <li>• Create new ways of selling and distributing local products</li> </ul>
<i>Ealing Community Transport (ECT)</i>	<ul style="list-style-type: none"> <li>• Provision of public transport services</li> <li>• Recycling and sustainable waste management street cleaning</li> <li>• Healthcare</li> <li>• public and community transport community railways</li> <li>• Vehicle and railway engineering</li> </ul>
<i>Cooperative training and handicraft services Estudio Gloria, Sdad. Coop.</i>	<ul style="list-style-type: none"> <li>• Offering unique arts and crafts products which are coupled with a training service available mainly to rural women</li> <li>• Improve the possibilities for entrepreneurial activities and for self-employment activities</li> </ul>

	<ul style="list-style-type: none"> <li>• Training and selling contemporary handicraft products in rural areas</li> </ul>
<i>Jupiter Foundation</i>	<ul style="list-style-type: none"> <li>• Job consulting</li> <li>• Recycling business</li> </ul>

A common aspect deriving from all the presented practices refers to the human capital existing within these forms in Greece and in other EU member states. Thus, the social capital is the linking element between social economy and social insertion, the basis and the “drive” of social economy; understanding the relationship between the two concepts allows understanding the way in which social economy activation in the surveyed areas leads to the social inclusion of the target groups (purpose of the project). We also consider that the mobilization of the human capital from the community, in fact of its elements, leads to the activation of the social economy, a specific manner of social organisation with the purpose to achieve economic results. The social enterprises established through social economy provide opportunities for the vulnerable groups to use own resources or to acquire new resources necessary for their integration in work.

The surveys conducted in this project financed with European funds<sup>13</sup>, showed the following formulation of the relation between the social capital and social economy:

- The social capital, generated at the local level by the families, groups of volunteers and community networks, leads to the establishment and development of social enterprises.
- The social enterprises thus established generate more social capital, available for further development.
- By cooperation and mutual support, the local social enterprises generate a form of social capital characterised by the development of the local social economy.

---

<sup>13</sup> Research Concise Project - *The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe*, 2004.

Often, competition exists between the social enterprises for the access to resources and contracts, competition which acts against the development of the social capital between the social economy organisations. The establishment of social enterprises in a specific area may lead to the establishment of others, thus the social capital that was generated by the development of a social enterprise, being available for utilization to develop other social enterprises. The social capital from the social economy may decrease the cost of transactions between the organisations, while the networks of relations established between the social enterprises, may turn into formal associations. The reputation and trust in the capacity of the social enterprises must be carefully preserved because they are important particularly in terms of social economy perception by the public and private institutions.

A high level of social capital does not always result in the development of social enterprises, the social capital not being in all instances a stimulus for the social economy. Often, the social enterprises develop starting from the social capital of the groups which want to solve socio-economic problems (industrial decline, youth unemployment, etc.); in such cases, the social capital is an essential resource. The social and economic crisis may be a stimulus for a community to start working together and thus create social capital which it needs to overcome the crisis. Irrespective of the starting point, the social capital is a central element for the socio-economic development.<sup>14</sup>

The social capital facilitates directly the economic development by its contribution to making communication easier, to the access of the individuals, groups and societies to the resources controlled by others. The circulation of information through social networks contributes to human development. Trust, for instance, acts as an insurance given by the social knowledge in front of the risks related to the interaction with unknown social environments. It acts as a guarantee, reducing the axiological incertitude and allowing the individuals to focus of self-expression and self-achievement. All these are elements of a social framework which

---

<sup>14</sup> Research Concise Project - *The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe*, 2004.

provides a high standard of quality of life and form a premises and goal of sustainable development.<sup>15</sup>

Since the central element of the social economy is the social capital, the process of social economy activation, implicitly of social enterprise activation, should start from the social capital of the community where an intervention is to be done. Following are some directions of intervention, part of them processed from similar projects<sup>16</sup>, others being the outcome of our analysis (Table 28).

**Table 28**

**Directions of intervention for social capital and  
social economy activation. Good practice activities**

<b>Social capital development</b>	<ul style="list-style-type: none"> <li>• Awareness raising, within the communities, of the importance of the social capital elements for the process of socio-economic development;</li> <li>• Support the development of social networks within local communities, particularly in the disadvantaged areas, where the social capital is at low levels;</li> <li>• Formation of networks which to join civil society institutions at regional and national level with smaller organisations at local and community level (bridging social capital);</li> <li>• Develop community infrastructure, which to support the subsequent development of the local social capital, to compensate for the lower level of human capital;</li> <li>• Ensure a balance between bonding social capital (which in excess may lead to the social exclusion of some individuals) and bridging social capital (which in excess may dilute social cohesion) social capital;</li> <li>• Understanding the historic and contemporary context of social capital development in a specific community;</li> <li>• Create places which to facilitate social interactions, socialization networks, where the people meet, talk, plan and share experiences and build a common approach of the local problems, preferably with the participation and support of the local authorities.</li> </ul>
-----------------------------------	--

<sup>15</sup> Bogdan Voicu – *Capitalul social ca premisă a dezvoltării durabile*, Revista Calitatea vieții, XIX, nr. 1-2, 2008, p. 85-105.

<sup>16</sup> Research Concise Project - *The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe*, 2004.



<b>Social economy development</b>	<ul style="list-style-type: none"> <li>• Promote the opportunities for volunteership (formal and informal);</li> <li>• Understanding social economy values and acknowledging their social importance, distinctly from the values of the private and public sector (by campaigns targeting different types of public);</li> <li>• Support community activists and the operating social enterprises in the process of social capital generation, which to cover the needs for economic and social development;</li> <li>• Support the educational and training programs which to facilitate collective initiatives and social economy activation;</li> <li>• Development of partnerships based on social economy values and principles.</li> </ul>
<b>Social enterprise development</b>	<ul style="list-style-type: none"> <li>• Highlight the importance of social capital understanding and utilization for the operation of social enterprises;</li> <li>• Establishment of social capital stocks as part of the management process;</li> <li>• Understanding the socio-economic context in which social economy can activate and develop;</li> <li>• Encourage the members of social enterprises to adopt measures for social capital measuring and development and for performance measurement function of the set individual and common objectives;</li> <li>• Identification of the social enterprises from a specific area and establishment of networks between their members;</li> <li>• Awareness raising and training the social enterprises staff on the existing sources of funds and on how they can be accessed;</li> <li>• Training social enterprises staff on project management and on communication techniques;</li> <li>• Develop standard procedures of intervention in support of the vulnerable groups and training social enterprises staff how to use them.</li> </ul>

In conclusion, the relationship between the social capital and social economy is a circular relation; the social capital represents the premises and drive for the social economy, but also a desired outcome of social economy functioning. Social enterprises are founded on the social capital existing within the community, but they replicate the social capital and facilitate economic development, social cohesion and inclusion.

## CHAPTER 4

### RECOMMENDATIONS FOR CAPITALISATION ON THE ACQUIRED EXPERIENCE

The above description and presentation of these selected good practices in the sector of Social Economy in the European Union clearly shows that Social Economy organisations are characterized by a large degree of **plurality** and **diversity**. Most of them, and especially the most recent examples, are characterized by well-thought innovative actions successfully adapting to new socio-economic conditions. One can claim that social economy sector is an incubator for new social and economic initiatives, promoted by new social players who have contributed to broadening and diversifying the provision of opportunities and support to disadvantaged groups.

In the view of the global financial crisis and the current economic slowdown, the social economy organizations and players can provide considerable support to citizens in need and contribute to economic and social cohesion. Taking into account the fact that the European Union's Lisbon Strategy explicitly recognises the social economy as a basic sector of its employment policy, it is a big challenge for all Social Economy actors to collaborate towards developing a more visible Social Economy, capable to fight unemployment, boost job creation and pave the way for a sustainable recovery. Particularly, it is able to contribute in the creation of new jobs, increasing job stability levels, bringing jobs out of the black economy into the official one, keeping skills alive (e.g. crafts), exploring new occupations (e.g. urban-city facilitators) and developing routes into work, especially for those who are socially excluded (see Demoustier in CIRIEC, 2000).

To address today's complex challenges the social economy actors should examine a range of effective approaches to help guide each

organization in any economy. To improve the effectiveness of an organization in Social Economy, especially during difficult economic times, current performance must be first determined. As to this regard, companies can also be seen to realise two of the major components of the **flexicurity** concept (comprehensive lifelong learning strategies to ensure the continual adaptability and employability of workers as well as effective active labour market policies that help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs) through the training opportunities created by firms for the benefit of local inhabitants.

On the other hand, this plurality of social economy initiatives also implies a **complexity** which should not be underestimated. It is generally accepted, that one of the difficulties in making the case in favour of the 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. Thus, there is a need to adopt appropriate functional typologies of the various forms of social economy 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 perhaps certification** of the social economy organisations and their specific activities.

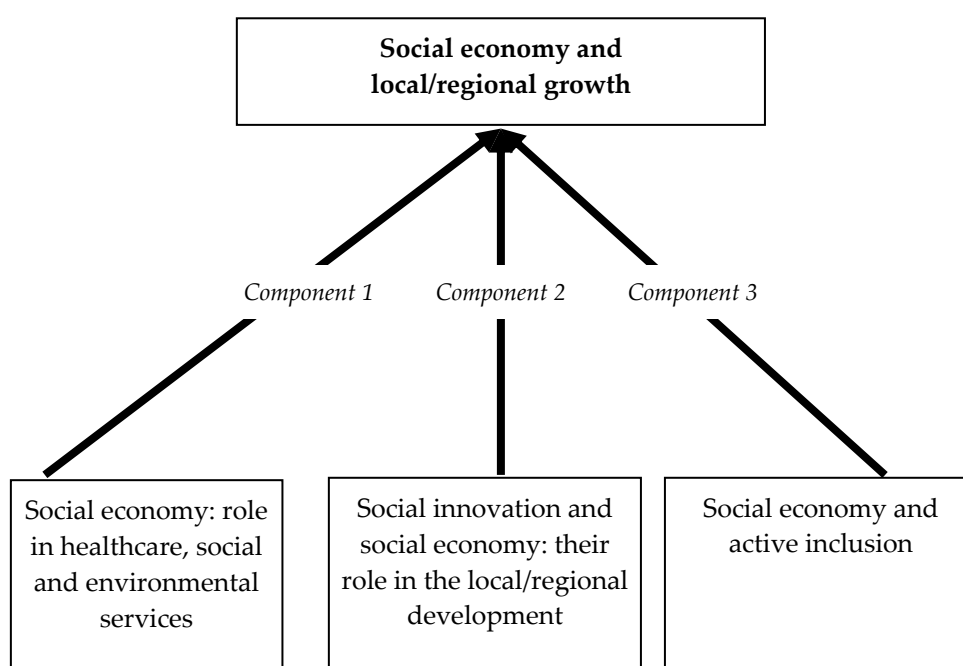
In addition, questions are raised as to the kind of intermediary '**support structures and social economy incubators**' that are needed to help raise the efficiency and effectiveness of social economy organisations. As to this regard, support structures and social economy incubators should work to support the environment for a thriving third sector (non-profit organisations, social enterprises and cooperatives), enabling the sector to campaign for change, deliver public services, promote social enterprise and strengthen communities. They should be able to assess the most effective ways to support radical innovation – finding ways of working that can help ideas grow and take root. They should also focus on incubating social innovation. Support structures and social economy incubators should also be responsible for finding the best ways to share knowledge and disseminate information – in ways that people can easily grasp and ultimately use.

The capitalization of the good practices identified in the European social economy should be done in three priority directions:

### 1. Social economy and local/regional growth

**Social economy** is an emerging sector in many areas, including environment, social care, education, production of foods and energy. Social economy provides new directions to solve the global challenges confronting Europe, such as climate change, population ageing and social exclusion. From this perspective, social economy may transform the challenges into opportunities, within the context in which there is increasing demand for new services for the public expenditure, which to restore the financial balance. Additionally, the European society is confronted with the process of ageing, which will require a multiplication of the social and healthcare services. In the future, the use of experience from other structures of the European social economy will bring major clarifications on the way in which social economy and social enterprises become innovative forces for the local economic development.

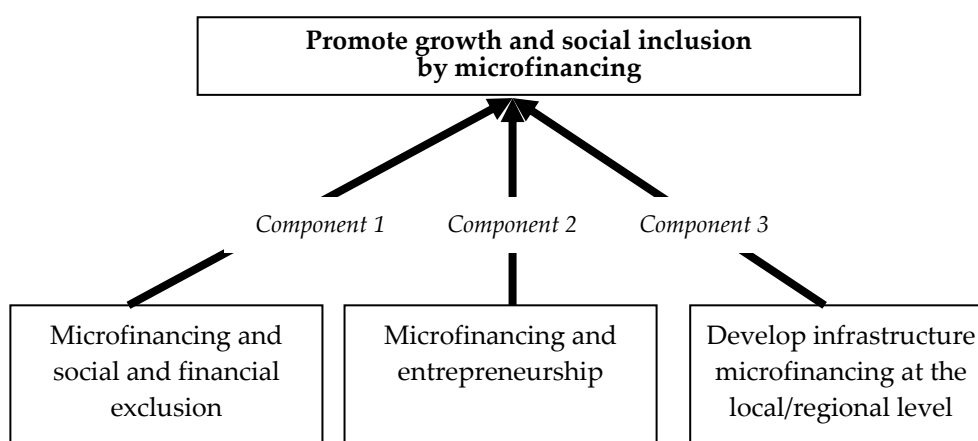
*Figure 5. Social economy and local/regional growth*



## 2. Promote growth and social inclusion by microfinancing

Microfinancing is acknowledged as an efficient instrument in the struggle to curb social exclusion and poverty, providing opportunities for the people excluded from the financial sector to obtain microcredits enabling them to start productive activities and to initiate small businesses. However, the common reports on social inclusion and the common reports on social protection and social inclusion drawn for the evaluation of the national EU member states plans for the period 2006-2008, show that microfinancing is neither sufficiently known, nor used as instrument of inclusion by the politicians or by the organisations having decision-making roles. Microfinancing should go beyond the singular specificity of the microcrediting: it should cover the basic services for the people finding themselves in a situation of social exclusion. The microfinancing instruments should fuel the local economic and social growth by strengthening entrepreneurship; their goal is to establish an exchange of good practices and experiences between partners by offering examples on various aspects: how does microfinancing works as instrument for social inclusion; how does it promote the connection between the microfinancing networks and organisations and the public authorities; how are the best practices taken into consideration for infrastructure microfinancing at the local/regional level.

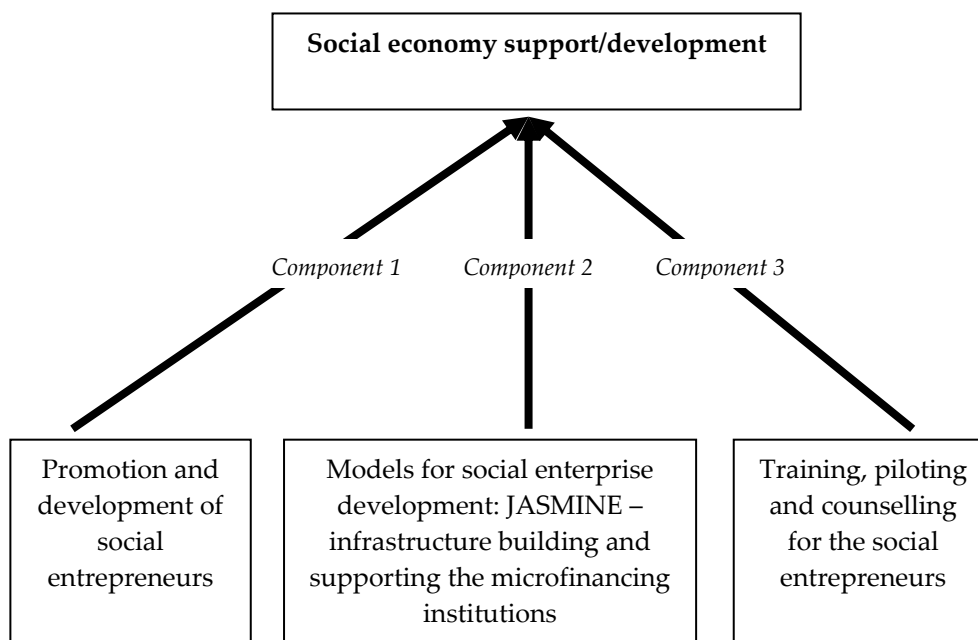
*Figure 6. Promote growth and social inclusion by microfinancing*



### 3. Improve the abilities and support for social enterprises

The social enterprises operate within the social and financial framework of the modern societies and they have to access an adequate support in order to maximize the performance of their business and to have an efficient social impact. To this extent, they should pay attention to the way in which they can become successful businesses, by ensuring the access of the entrepreneurs to proper information and counselling. The examples of good practices will be explored by presenting the adequate support for business existing between the partners, with the purpose to improve the impact of their activity, to add value to the initiation of social enterprises and to access financing and piloting programs for the social entrepreneurs. JASMINE is one of the support means for microfinancing in Europe, through the financial support of the non-banking institutions and by the dissemination of the best practices on the market.

*Figure 7. Social economy support/development*



The impact of the good practices is revealed by the proactive approach of the project to incorporate the experience of other EU member states in the regions targeted by the future actions.

In conclusion, despite the diversity of specific forms of organization and of social economy companies, it is possible to identify several common features: innovation, sustainability, strong collaboration, democratic management and bottom-up approach. All these prove that social economy can actually contribute to the social cohesion and that it can be one of the main actors fighting social exclusion.

To achieve this goal, the social economy actors from each European country should study and learn from the plurality and complexity of the area throughout Europe. The purpose of this preliminary study was to explore and describe a number of examples from the European countries that might be transferred and replicated in the target regions of the project: South Muntenia and South-West Oltenia.

The following activities involve dissemination of the observations and awareness raising in the representatives of the local authorities and agencies, and in other stakeholders. There is always need for a new, radical thinking, by which social economy can develop adequately in each individual county. This paper endeavours to be the first step towards the public discussion at the local level, so as social economy activities can develop efficiently and adequately in these two regions and, subsequently, across the country.

## APPENDIX

### ORGANIZATIONS ACTIVE IN THE SOCIAL ECONOMY SECTOR

#### 1. European structures

- **CECOP**, the European Confederation of Workers' Co-operatives, Social Co-operatives and Social and Participative Enterprises.

Website: <http://www.cecop.coop>

- **EMES** is the acronym of the French title of a vast research project conducted on "the emergence of social enterprises in Europe" (1996-1999). Originally referring to the network of researchers who carried out that research project for the DG Research of the European Community, this name was maintained throughout the projects on social enterprises and social economy subsequently undertaken by the Network. Today, the EMES Network represents nine research centers specialized in these topics as well as other individual researchers across Europe.

Website: <http://www.emes.net/index.php?id=2>

- **CEFEC**, Confederation of European Social Firms, Employment Initiatives and Social Co-operatives is a Non Governmental Organisation (NGO) which represents other NGOs, Small and Intermediate Enterprises (SMEs) and organisations that share the aim of creating work for people with disabilities in social firms.

Website: <http://www.cefec.de>



- **EQUAL Initiative** is a laboratory for new ideas to the European Employment Strategy and the Social inclusion process. Its mission is to promote a more inclusive work life through fighting discrimination and exclusion based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. EQUAL is implemented in and between Member States and is funded through the European Social Fund.

Website: [http://ec.europa.eu/employment\\_social/equal/index\\_en.cfm](http://ec.europa.eu/employment_social/equal/index_en.cfm)

- **International Society for Third-Sector Research (ISTR)** is a major international association promoting research and education in the fields of philanthropy, civil society and the nonprofit sector. ISTR reflects the growing worldwide interest in Third Sector research and provides a permanent forum for international research, while at the same time building a global scholarly community in this field.

Website: <http://www.istr.org/>

- **International Centre of Research and Information on the Public and Cooperative Economy (CIRIEC)**

Website: <http://www.ciriec.ulg.ac.be/>

- **European Network for Social Integration Enterprises (ENSIE)** exchanges between European networks for social integration enterprises have made it possible to identify the common fundamentals of these initiatives within the various nations of the European Union.

Website: [www.ensie.org](http://www.ensie.org)

- **European Network of Cities and Regions for the Social Economy (REVES)** is the only European network that brings together local authorities and social economy actors. At present, REVES embodies local authorities and social economy organisations coming from 15 member states (13 EU member states plus Morocco and Russia), for a total of 80 members.

Website: [www.revesnetwork.net](http://www.revesnetwork.net)

## 2. National organisations

✓ **Training, Regeneration, Education, Employment, Sustainability Services Ltd. (TREES)**, [www.thetreesgroup.org.uk](http://www.thetreesgroup.org.uk)

Training, Regeneration, Education, Employment, Sustainability Services Ltd' (TREES) was founded in 1995, with the mission of driving employment and training creation in deprived communities across the Midlands. **As an Industrial & Provident Society with exempt charitable status, TREES has created** a surplus each year since it was founded. These funds have been used to provide loans to TREES' subsidiary social enterprises for use as working capital and to support communities in need.

The TREES Group exists to support the self-contained businesses that operate in a range of commercial and social sectors - from conferences and construction to landscape gardening.

First came Thorpete Gas Services ([www.thorpete.co.uk](http://www.thorpete.co.uk)), then Newlife Construction & Regeneration was launched in 1999. The outstanding success of both companies enabled the TREES team to focus on developing Highpoint in 2002 - a unique conference venue on the outskirts of Leicester city centre. The Group's most recent success, Braunstone-based landscaping and maintenance firm, Ground Control, started trading in 2004.

The TREES Group is continuing its successful strategy of investment and growth whilst creating opportunities for local people to achieve their ambitions.

✓ **Newlife**, [www.newlife-build.co.uk](http://www.newlife-build.co.uk)

Newlife is a Leicester-based construction company providing employment and training to the long-term unemployed and school leavers who have not gone into further education. The Small Business Service has undertaken a cost/benefit analysis of a Newlife project renovating 204 houses in North Braunstone.

The Complete Service:

- Construction services;

- Regeneration services;
- Maintenance services;
- Refurbishment services.

✓ **Ground Control - Landscaping & Maintenance**, [www.gcontrol.co.uk](http://www.gcontrol.co.uk)

A community-based social enterprise, Ground Control was initially created to help deliver the regeneration of a run down estate and provide a sustainable local business for the future.

Ground Control (Braunstone) Ltd was founded in 2004 and born out of a commitment of Newlife Regeneration Construction Ltd to create a sustainable Social Enterprise as part of a major refurbishment contract for more than 200 houses and gardens.

Set up as a wholly owned subsidiary of Newlife, an initial five local people were trained in the art of landscaping and maintenance over an 18 month period and the rapidly expanding team of Ground Control specialists continues to provide a range of services including fencing, garden clearance, slabbing and turfing.

*„Building strong personal and professional relationships is central to our approach. Whether we're undertaking a 'house to home' project, helping clients to make an eye-catching first impression with their business premises or providing a better work environment, extensive knowledge and a real commitment to quality underpin our work.*

*It is important to us to employ local people and build their capabilities, confidence and self esteem. Employees are provided with personal development plans and receive training and support leading to professional qualifications. We believe that by developing people, we develop our business. We are also proud to be an Investor in People."*

✓ **Community Foster Care (CFC)**,  
<http://www.communityfostercare.co.uk/>

Community Foster Care (CFC) is a social enterprise helping to diversify the market in social care – where there is an estimated shortfall of over 10,000 foster carers across the UK. CFC is an independent agency that fills a gap in the market for foster carers, providing foster carers for ‘looked after children’ placed by local authorities. CFC has provided employment for many local people, particularly in the socially and economically deprived areas of Gloucestershire. It recruits foster carers and provides them with ongoing training and support to ensure they meet the high standards required by the National Minimum Standards for Fostering Services, the Fostering Services Regulations 2002 and the Care Standards Act 2000. CFC takes the financial risk, as social services only approach independent agencies when their own in-house carers cannot take a child, and only pay while a child is in placement. CFC is considering replicating its business model.

✓ **Big Life Group**, [www.thebiglifegroup.com](http://www.thebiglifegroup.com)

The Big Life group, formed in 2002, is a collection of social businesses and charities working together to provide support and opportunities to help people to change their lives. The group employs about 220 people and turnover in 2003/04 was £8.3 million, with less than 5 per cent coming from grants. Income streams are primarily from activities such as contract delivery of primary healthcare services, Jobcentre Plus services, advertising and magazine sales revenue from The Big Issue in the North, and fees charged to parents for the provision of childcare services. Its childcare service also extends to providing accredited training to local people who wish to work in this area. The group also sees opportunities for expansion into primary healthcare and children’s centres.

✓ **Care and Share Associates (CASA) Ltd.**, [www.casaltd.com](http://www.casaltd.com)

Sunderland Home Care Associates (SHCA), overall winner of the Enterprising Solution Awards 2006, is a social enterprise set up in 1994 to take advantage of opportunities from the deregulation of the delivery of

local authority domiciliary care. Started with just 20 employees, mostly female, SHCA now employs over 175 people (85 per cent of whom are women), and has an annual turnover of £1.75 million. SHCA is a major provider of personal care and domestic services on behalf of Sunderland City Council. Its particular focus is on enabling older and disabled people to stay in their homes for longer by offering them specially tailored care services. Its flexible working policies allow employees to balance work and family life, resulting in an exceptionally low staff turnover of 3.5 per cent annually.

CASA is the UK's leading employee owned homecare social enterprise, and, with its founder organisation Sunderland Home Care Associates (SHCA), was Social Enterprise of the Year, 2006. With 4 CASA units in operation, and providing over 7000 hours of care per week, CASA is viewed by the Department of Health and others as a trail-blazer in health/homecare social enterprise franchising and replication.

Its mission is to greatly enhance the 'social enterprise take' of the UK's Health and Social Care market through robust competition with the private sector and close collaboration with the public sector. This will be achieved through the replication of successful social enterprise models working within the health and social care sector.

✓ **Cooperativa Sociale Prospettiva: integrating the disadvantaged into the job market, making artistic pottery, <http://www.prospettivacoop.it>**

The Cooperativa Prospettiva is a limited liability co-operative organisation. In 1995 it became a body whose aim is integrating the disadvantaged into the job market. The organisation is legally recognised as a Non Profit Organisation of Social Interest (ONLUS in Italian).

The co-operative was launched in 1984, when it fostered the creation of crafts workshops for the disabled and the production of artistic pottery was started. This activity has carried on over these years and has developed and improved since its birth.

The pottery is mainly intended for herbalist's shops. At present, the workshops have about 350 clients all over Italy and plan to increase sales in the future. Today the co-operative has its own catalogue.

Training is of paramount importance for the pottery sector for various reasons which are closely linked to the life and development of the co-operative. Training courses can be seen as a way to improve its market position, a way to increase sales and find already skilled workers who can join the board. Moreover, the courses can also act like a therapy.

The co-operative offers a very wide range of courses. There are private courses open to everyone; courses for the young handicapped and courses sponsored by the European Social Fund for those who have difficulty in integrating themselves into the job market.

✓ **Alte Feuerwache Köln, a self-governing socio-cultural centre,**  
<http://www.altefeuerwachekoeln.de>

Since 1978, the buildings of the old main fire station of Cologne have been being used as a centre of communication and culture. Once captured by citizens and users, the "Alte Feuerwache" developed into a self-administered centre for the Agnesviertel neighbourhood as a result of the help and interaction of many people with different backgrounds and professions.

The "Alte Feuerwache" became a central place of cultural and socio-political discussion and production in Cologne and grew into a model project in Germany.

While Beuys created the theoretical cover in the 70's with his considerations on 'social plastics', users fought for their communication centre by practical action as experts in their own life as a public area and developed it further in arguments with the social challenges. This centre is still a living proof for social, cultural and political practice. The aims of the Alte Feuerwache are also its programme:

- Aiding the meeting of humans from all kinds of work, age groups, social backgrounds and cultures in Cologne and motivating critical thinking. It also aids social and democratic behaviour.

- The basic principle of cross-linking all areas (art, handicraft, pedagogics, culture and politics) determines the quality of the work on the one hand and on the other hand makes it possible for the users to find and enter into political, social and cultural topics and aspects of our society with which they are usually not confronted in their normal lives.
- As a self-administered centre and promoter it empowers people to take the initiative and act responsibly. Individuals and groups in working groups, committees and concrete operational sequences are marked out by its organization and decision structure; the Alte Feuerwache expressly offers bases for citizens' commitment through the possibilities of co-operation.
- The "Alte Feuerwache" is central meeting place, meeting and experimentation place for a multiplicity of political and cultural groups, which compile and structure alternative concepts for society, politics and culture and carry them 'outside'.

✓ **United Colours of Cinisello,**

<http://www.comune.cinisello-balsamo.mi.it>

Social empowerment of migrants lies at the heart of a project, which is carried out by the Municipality of Cinisello Balsamo (Italy) in collaboration with associations, voluntary organisations (Gruppo di Volontariato Vincenziano and Casa degli amici dell'accoglienza) and a Croatian cultural mediator.

The initiative "UNITED COLOURS OF CINISELLO" aims, in particular, to create a place of privileged reception for migrants as well as to develop the latter's social networks as a basis of social empowerment and active participation.

Among the activities that have been realised figure:

- a) Italian language laboratories, which take into account – through an individualised approach – the needs of the users, and therefore diverse cultural and religious origins (example: ad hoc courses for women from Arab countries);

- b) Creation of a centre in which third-country nationals and other persons with migration background may find a person (a local or a migrant) listening to their worries and concerns;
- c) Development of a space for active listening and guidance regarding health issues and;
- d) the provision of a space for cultural exchange on and mutual assistance (between different migrant groups and locals) in questions related to everyday life such as childcare, ways of tackling family problems in respect of different cultures, information and guidance on the services provided by the city etc.



## REFERENCES

- -- *Bringing Britain Together: A national strategy for neighbourhood renewal* (September 1998).
- -- CIRIEC (2006), International Centre of Research and Information on the Public, Social and Co-operative Economy, *Manual for Drawing up the Satellite Accounts of Companies in the Social Economy: Co-Operatives, and Mutual Societies*, Belgium, December 2006, p. 149.
- -- CIRIEC (2007), *The Social Economy on the European Union*, 2007, p. 29.
- -- *Competitive Tendering in Local Government: A Review of Theory and Evidence* (1998), in *Public Administration*, Vol. 76, No. 4, p. 695–712.
- -- EU Commission (1992), *Towards a Europe of Solidarity in 1992 – Intensifying the fight against social exclusion, fostering integration* (COM(92) 542), Brussels.
- -- EU Commission (1994), *White Paper on Social Policy* (COM(94) 333), Brussels.
- -- EU Commission (1997), *Modernising and Improving Social Protection in the European Union*, Brussels.
- -- EU Commission (1998), *Social Action Program 1998-2000*, COM(98) 259, Brussels, Commission of the European Communities.
- -- EU Commission (2005), *Social Agenda, Communication from the Commission*, COM (2005)33 final, Brussels.
- -- EU Commission (2008), [http://ec.europa.eu/employment\\_social/spsi/docs/social\\_inclusion/2006/objectives\\_el.pdf](http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2006/objectives_el.pdf).
- -- EU Commission (2010), *Commission assesses Stability Programme of Greece; makes recommendations to correct the excessive budget deficit, improve competitiveness through structural reforms and provide reliable statistics*,

---

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/116&format=HTML&aged=0&language=EN&guiLanguage=en>.

- -- EU Commission (1991), *Report on the Second European Poverty Program 1985-1989*, Brussels, Commission of the European Communities.
- -- EU Commission (1999a), *A Concerted Strategy for Modernising Social Protection, Communication from the Commission*, COM(99)347 final, Brussels.
- -- EU Council of the European Communities (1992), *Council Recommendation on Common Criteria Concerning Sufficient Resources and Social Assistance in Social Protection Systems (92/441/EEC)*, Luxembourg, Official Journal, C441.
- -- European Commission (1993), *Growth, Competitiveness and Employment: The Challenges and Ways Forward to the 21st Century – White Paper (COM(93) 700)*, Brussels.
- -- European Commission (1994), *European Social Policy – A Way Forward for the Union – A White Paper (COM(94) 333)*, Brussels.
- -- European Commission (2006), *Concerning a consultation on action at EU level to promote the active inclusion of the people furthest from the labour market*, COM(2006)44 final, Brussels.
- -- European Commission, *Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*, p. 11-23.
- -- European Communities, (1989), 89/457/EEC, *Council Decision of 18 July 1989 establishing a medium-term Community action programme concerning the economic and social integration of the economically and socially less privileged groups in society*, Brussels.
- -- International Monetary Fund (2009), *Greece: 2009 Article IV Consultation Concluding Statement of the Mission in Athens*, <http://www.imf.org/external/np/ms/2009/052509.htm>.
- -- Ministerul grec al Ocupării și Protecției Sociale, *Programul EQUAL 2006*, p. 49-51.
- -- OECD (2008), *Private Public Partnerships, in pursuit of risk sharing and value for money*.

- -- Research Concise Project (2004), *The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe*, 2004.
- Amin, A.; Cameron, A. and Hudson, R. (2002), *Placing the Social Economy*, London, Routledge.
- Arundel, A.; Cobbenhagen, J. and Schall, N. (2000), *The acquisition and protection of competencies by enterprises*, Report for EIMS Project 98/180, European Commission – DG Enterprise, Luxembourg.
- Blaxter, L. (2001), *How to research*, Buckingham, Open University Press.
- Borzel, T.A. and Risse, T. (2000), *When Europe Hits Home: Europeanization and Domestic Change*, European Integration Online Paper, 4, 15.
- Boyne, G.A. (1998), *Bureaucratic Theory Meets Reality: Public Choice and Service Contracting in U.S. Local Government*, in *Public Administration Review*, Vol. 58, No. 6, p. 474–84.
- Brown, T.L. and Potoski, M. (2003), *Transaction Costs and Institutional Explanations for Government Service Production Decisions*, in *Journal of Public Administration Research and Theory*, Vol. 13, No. 4, p. 441–68.
- Bulmer, M. (1982), *The Uses of Social Research: Social Investigation in Public Policy-making*, London, Allen and Unwin.
- Byrne, D. (1997), *Social Exclusion and Capitalism*, in *Critical Social Policy*, 17, 1, p. 27-51.
- Casado, D. (1971), *Introduction to the sociology of poverty*, Madrid, Euramérica.
- Cassel, G. (1923), *Theoretische Nationalökonomie*, 3ed Edition, Leipzig, W. Schall.
- Clark, Terry Nichol and Lipset, Seymour Martin (1991), *Are Social Classes Dying?* in *International Sociology*, 6 (4), p. 397-410.
- Clarke, J. (2002), *Changing Welfare, Changing States - New directions in social policy*, London, Sage.
- Coffey, A. and Atkinson, P. (1996), *Making Sense of Qualitative Data: Complementary Research Strategies*, Thousand Oaks, CA, Sage.
- Cousins, M. (2005), *European Welfare States, comparative perspectives*, Sage, London.

- 
- Cracknell, Basil E., *Knowing is all: or is it? Some reflections on why the acquisition of knowledge, focusing particularly on evaluation activities, does not always lead to action*, Public Administration and Development, Volume 21, December 2001.
  - Dennett, Jane; James, Edward; Room, Graham and Watson, Philippa (1982), *Europe against Poverty. The European Poverty Programme 1975-80*, London, Bedford Square Press/NCVO.
  - Domberger, S. and Jensen, P. (1997), *Contracting Out by The Public Sector: Theory, Evidence, Prospects*, in *Oxford Review of Economic Policy*, Vol. 14, No. 4, p. 67-78.
  - Drucker, P.F. (1998) *The Discipline of Innovation*, Harvard Business Review, 76(6): 149-156.
  - Ekengren, M. and Jacobson, K. (2000), *Explaining the Constitutionalization of EU Governance. The Case of European Employment Cooperation*, Stockholm's Center for Organizational Research, Score Rapport Serie 2000, 8, Sweden.
  - Esping-Andersen, G.; Gallie, D.; Hemerijck, A. and Myles, J. (2002), *Why we need a new welfare state*, Oxford, Oxford University Press.
  - Evers, A.; Laville, J.-L. (Eds.) (2004), *The Third Sector in Europe*, Cheltenham, Edward Elgar.
  - Ferrera, M.; Matsaganis, M.; Sacchi, S. (2002), *Open co-ordination against poverty: the new EU „social inclusion process“*, in *Journal of European Social Policy*, 12 (3), 227-239.
  - Fyfe, N.R. (2005), *Making Space for „Neo-communitarianism“? The Third Sector, State and Civil Society in the UK*, in *Antipode*, 37(3), 536-57.
  - Giddens, A. (1998), *The Third Way: The Renewal of Social Democracy*, Polity Press, Cambridge.
  - Gilbert, N. (2004), *Transformation of Welfare State*, Oxford University Press, Oxford.
  - Gilbert, N. (ed.) (2001), *Researching social life*, London, Sage.
  - Greffe, X. (2003), *Le Développement Local*, La Tour d'Agues, Editions de l'Aube.

- Hadjimichalis, C. and Hudson, R. (2007), *Rethinking Local and Regional Development: Implications for Radical Political Practice in Europe*, in *European Urban and Regional Studies*, 14(2), p. 99-113.
- Hansen, Peo and Schierup, Carl-Ulrik (2005), *Still a European Social Model? From a Vision of a „Social Europe” to the EU Reality of Embedded Neo-Liberalism*, Norrköping, Centre for Ethnic and Urban Studies, Themes Occasional Paper, 26.
- Hills, J. (2001), *Poverty and Social Security: What Rights? Whose Responsibilities?*, in Park A. et al. (eds.), *British Social Attitudes: Public Policy, Social Ties*, London, Sage.
- Hudson, R.; Williams, A. (1999), *Re-shaping Europe: the Challenge of New Divisions within a Homogenised Political-economic Space*, in Hudson, R. and Williams, A. (eds) *Divided Europe: Society and Territory*, pp. 1-28, London, Sage.
- Jessop, B. (1994), *Post-Fordism and The State*, in Amin, A. (ed.), *Post-Fordism A Reader*, Blackwell Publishing, Oxford.
- Johnsen, Å.; Meklin, P.; Oulasvirta, L. and Vakkuri, J. (2004), *Governance Structures and Contracting Out Municipal Auditing in Finland and Norway*, in *Financial Accountability & Management*, Vol. 20, No. 4, p. 445-77.
- Jordan, B. (1998), *The New Politics of Welfare*, London, Sage.
- Johansson, T. (2008), *Municipal Contracting Out: Governance Choices, Misalignment and Performance in Swedish Local Government*, in *Financial Accountability & Management*, 24(3), August 2008, p. 243-64.
- Karamessini, M. (2006), *Gender Equality and Employment Policy*, in Petmesidou, M. and Mossialos, E. (eds.), *Social Policy Developments in Greece*, Ashgate.
- Kelstrup, M. (2001), *The European Union and Globalization: Reflexions on Strategies of Individual States*, Working Paper, Copenhagen, COPRI.
- Kendall, J. (2000), *The Mainstreaming of the Third Sector into Public Policy in England in the late 1990s: Whys and Wherefores*, in *Policy and Politics*, 28(4), 541-62.

- 
- Keynes, J.M. (1973), *The Collected Writings of John Maynard Keynes, Vol. VII: The General Theory of Employment, Interest and Money*, London, Macmillan, 1973.
  - Kok, W. (2004), *Facing the challenge: the Lisbon strategy for growth and employment*, Report from the High Level Group, Brussels.
  - Kristensen, H. (1997), *Excluziunea socială și stresul spațial: legături*, în Room, G. (ed.), *Dincolo de prag*, 1997.
  - Leviten-Reid, E. and Torkman, S. (2006), *Evaluation Framework for Federal Investment in the Social Economy: A Discussion Paper*, Caledon Institute of Social Policy, Canada, 2006, p. 8.
  - Madanipour, A.; Cars, G.; Allen, J. (1998), *Social Exclusion in European Cities*, în Madanipour, A.; Cars, G.; Allen, J., *Social Exclusion in European Cities, Processes, Experiences and Responses*, London, The Stationary Office, p. 279-288.
  - Marlier, E.; Atkinson, A.; Cantillon, B. and Nolan, B. (2007), *The EU and Social Inclusion: Facing the Challenges*, Bristol, Polity Press.
  - Marsh, A. (2001). *Housing and the Social Exclusion Agenda*, paper presented at Managing Housing and Social Change: Building Social Cohesion, Accommodating Diversity Conference, Hong Kong.
  - May, T. (1997), *Social Research: Issues, Methods and Processes*, Buckingham, Philadelphia, Open University Press.
  - Mishra, Ramesh (1990), *The Welfare State in Capitalist Society – Policies of Retrenchment and Maintenance in Europe, North America and Australia*, New York, Harvester Wheatsheaf.
  - Moulaert, F. and Nussbaumer, J. (2005), *Defining the social economy and its governance at the neighbourhood level: A methodological reflection*, în *Urban Studies*, Vol. 42, No. 11, p. 2071–2088.
  - Nonaka, I. and Tagueuchi, H. (1995), *The knowledge-creating company*, Oxford, UK, Oxford University Press.
  - Noya, A.; Clarence E., editors, *The Social Economy, Building Inclusive Economies*, France, OECD Publications, 2007, pp. 155-187.

- Olsson, L.; Nordfeldt, M.; Larsson, O. and Kendall, J. (2005), *The third sector and policy processes in Sweden: A centralised horizontal third sector policy community under strain*, in *Third Sector European Policy Working Papers*, Number 3.
- Papatheodorou, C. and Petmesidou, M. (2006), *Poverty Profiles and Trends. How do southern European countries compare to each other?*, in Petmesidou, M. & Papatheodorou, C. (eds.), *Poverty & Social Deprivation on the Mediterranean*, CROP.
- Patton, M.Q. (2001), *Evaluation, knowledge management, best practices, and high quality lessons learned*, *American Journal of Evaluation*, 22, p. 329-336.
- Perrin, B. (2003), *How Evaluation Can Help Make Knowledge Management Real*, in Rist, R. and Stame, N. (eds), *From Studies to Streams*, New Brunswick, NJ: Transactions Publishers.
- Petmesidou, M. (1996), *Social Protection in Greece: A Brief Glimpse of a Welfare State*, in *Social Policy and Administration*, Vol. 30, No. 4, p. 324-347.
- Petmesidou, M. (2006), *Tracking Social Protection: Origins, Path Peculiarity, Impasses and Prospects*, in Petmesidou, M. and Mossialos, E. (eds.), *Social Policy Developments in Greece*, Ashgate.
- Pfeffer and Sutton (2000), *When Measurement obstructs good judgment*, Chapter 5: *The Knowing-Doing Gap*, Boston, Harvard Business School Press.
- Pierson, C. (1996), *The Modern State*, Routledge, London.
- Porter, M.E. and Stern, S. (1999), *The New Challenge to America's Prosperity: Findings from the Innovation Index*, Washington (DC), Council on Competitiveness.
- Probst, G.; Raub, S.; Romhardt, K. (2000), *Managing Knowledge—Building Blocks for Success*, NY, John Wiley & Sons, 2000.
- Radaelli, C. (2000), *Whither Europeanization? Concept stretching and substantive change*, *European Integration Online Papers*, Vol. 4, No. 8.
- Rhodes, M.; Ferrera, M. (2000), *Recasting European Welfare States*, London, Frank Cass, 2000.

- 
- Robson, B.; Bradford, M.; Tye, R. (1991), *The Development of the 1991 Local Deprivation Index*, în Room, G. (ed), *Beyond the Threshold*, Bristol, The Polity Press.
  - Room, G. (2000), *Trajectories of Social Exclusion: The Wider Context for the Thierd and First World*, în Gordon, D.; Townsend, P. (eds.), *Breadline. The Measurment of Poverty*, Bristol, The Polity Press.
  - Room, Graham (1979), *The Sociology of Welfare: Social Policy, Stratification and Political Order*, London, Martin Robertson.
  - Sacareno, Ch. (1997), *The Importance of the Concept of Social Exclusion*, în Beck, W.; Van der Maesen, L.; Walker, A. (eds.), *The Social Quality of Europe*, Hague, Kluwer Law International.
  - Sakellaropoulos, T.; Berghnam, J. (eds.) (2004), *Connecting Welfare Diversity within the European Social Model*, Luven, Intersentia.
  - Scharpf, Fritz W. (2002), *Legitimate Diversity: The New Challenge of European Integration*, în *Cahiers Européens de Sciences Po*, Paris.
  - Seyfried, E.; Ziomas, D. (2005), *Pathways to social integration for people with mental health problems: the establishment of social co-operatives in Greece*, în *Peer Review in the Field of Social Inclusion Policies*, European Commission, DG Employment Affairs and Equal Opportunities.
  - Shavit, Y. and Blossfeld, H.P. (1993), *Persistent Inequality: Changing Educational Attainment in Thirteen Countries*, Boulder, CO, Westview Press.
  - Silverman, D. (2000), *Doing qualitative research: A practical handbook*, London, Sage.
  - Sotiropoulos, D. (2004), *The EU's impact on Greek welfare state: Europeanization on paper?*, în *Journal of European Social Policy*, 14(3), p. 267-284.
  - Stiglitz, J. (2002), *Globalization and Its Discontents*, W.W. Norton & Company, New York.
  - Taylor-Gooby, P. (2001), *Risk, Contingency and the Third Way: Evidence from the BHPS and Qualitative Studies*, în *Social Policy and Administration*, Vol. 35(2), p. 195-211.



- Taylor-Gooby, Peter (2004), *New Risks, New Welfare. The Transformation of the European Welfare State*, Oxford University Press, New York.
- Vandenbroucke, F. (2002), *The EU and Social Protection: What Should the European Convention Propose?*, MPIfG Working Paper, 02/6, June 2002, <http://www.mpifg.de/pu/workpap/wp02-6/wp02-6.html>.
- Vaughan-Whitehead, D.C. (2003), *EU Enlargement versus Social Europe? The Uncertain Future of the European Social Model*, Cheltenham, Edward Elgar.
- Vaus, D. (2002), *Surveys in Social Research*, 5<sup>th</sup> Edition, London, Routledge.
- Vedung, Evert, *Public Policy & Program Evaluation*, Transaction Publishers, 2000.
- Venieris, D. (2006), *The Virtual Reality of Welfare Reform*, în Petmesidou, M. and Mossialos, E. (eds.), *Social Policy Developments in Greece*, Ashgate.
- Voicu, Bogdan (2008), *Capitalul social ca premisă a dezvoltării durabile*, Revista *Calitatea vieții*, XIX, nr. 1–2, 2008, p. 85–105.
- Walker, A. (2005), *Which way for the European Social Model: minimum standards or social quality?*, în Andersen, J.G.; Guillemard, A.M.; Jensen, H. and Pfau-Effinger, B., *The Changing Face of Welfare*, Bristol, The Polity Press.
- Ο Δείκτης Πολλαπλής Στέρξης (Multiple Deprivation Index) διαδέχεται τις δύο εκδοχές (1991 και 1998) του Δείκτη Τοπικής Στέρξης (Local Deprivation Index).

**Pagini web:**

- <http://ec.europa.eu/social/main.jsp?langId=en&catId=750>
- <http://www.caledoninst.org/Publications/PDF/566ENG.pdf>
- [http://ec.europa.eu/dgs/secretariat\\_general/evaluation/docs/ex\\_ante\\_guide\\_2001\\_en.pdf](http://ec.europa.eu/dgs/secretariat_general/evaluation/docs/ex_ante_guide_2001_en.pdf)

- 
- [http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101\\_en.htm](http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm)
  - <http://ec.europa.eu/social/BlobServlet?docId=2301&langId=en>
  - [http://www.worldbank.org/ieg/ecd/what\\_is\\_me.html](http://www.worldbank.org/ieg/ecd/what_is_me.html)
  - [http://ec.europa.eu/employment\\_social/spsi/common\\_indicators\\_en.htm](http://ec.europa.eu/employment_social/spsi/common_indicators_en.htm)
  - <http://www.2010againstopoverty.eu/about/tackling.html?langid=el>
  - <http://www.2010againstopoverty.eu/about/tackling.html?langid=el>
  - <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/36&format=HTML &aged=0&language=EL&guiLanguage=en>
  - <http://i.ville.gouv.fr>
  - [www.socialexclusionunit.gov.uk](http://www.socialexclusionunit.gov.uk)
  - <http://www.eurofound.europa.eu/ewco/2009/07/EU0907049I.htm>