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## Barriers to participation in the social economy in Greece

GEORGE O. TSOBANOGLOU\*

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### Abstract

The current crisis in Greece, an EU member for over 30 years, has brought to the surface the character of the Greek politico-administrative system as it handles employment, migration and associated forms of social protection. Similarly, recent attempts at legislative reforms of the operation of social economy enterprises have yet to be implemented, while the current legislation governing them, i.e. as Foundations, dates back to ...1939. The difficulties in recognising and regulating the social economy sector seem to emanate from the organisation of the overall employment security system in place.

The employment relationship seems to be embedded within a bifurcated system of labour whereby the employment relationship is secure only in the public sector while the private sector is controlled by a precarious system of labour security, a separate health system and with its own political organisation. The lack of a unified national labour system does not allow the formation of a national system of employment (qualifications) and, hence, a way to overcome nepotism and the political (party) patronage system which defines, in a determining way, labour relations. This division is maintained by the politico-administrative labour regime put in place, under the extra-ordinary political situation that emerged after World War II (WWII).

The paper explores this hidden reality defining the organisation of the employment system in Greece, its politico-administrative controls that seem to aim at 'arresting' the emergence of a social economy. This leads to a hidden social economy of a fragmented private labour market, which is regulated separately from the secure "public" employment sector. This rather anachronistic and discriminatory system of political order of labour divides workers in Greece.

### Key words

Greek institutional crisis; labour fragmentation; barriers to social development.

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\* Ph.D Sociology Carleton University, Ottawa. President of the Research Committee on Sociotechnics and Sociological Practice (ISA-RC26), Director of ERGAXIA-Sociology of Work Lab, Associate Professor at the Department of Sociology, University of the Aegean, Greece. Dyoounioti 31-33, GR 11741 Athens, Greece. [g.tsobanoglou@soc.aegean.gr](mailto:g.tsobanoglou@soc.aegean.gr)

**Resumen**

La actual crisis en Grecia, miembro de la UE desde hace más de 30 años, ha revelado el verdadero carácter del sistema político-administrativo griego, de la forma en la que gestiona el empleo, la migración y la protección social. Del mismo modo, los recientes intentos de reformas legislativas en relación a empresas de economía social todavía no se han implementado, mientras que la legislación vigente sobre este tipo de instituciones (por ejemplo, Fundaciones), se remonta a... 1939. Las dificultades en el reconocimiento y la regulación del sector de la economía social parecen surgir de la organización general del sistema de seguridad en el empleo.

Las relaciones laborales están enmarcadas en un sistema de trabajo bifurcado, en el que la seguridad laboral sólo existe en el sector público, mientras que en el sector privado predomina la precariedad, tiene un sistema de salud diferenciado, y su propia organización política. La falta de un sistema nacional unificado de trabajo no permite la formación de un sistema nacional de empleo (titulaciones) ni, por tanto, superar el nepotismo y la influencia política (el partido) que define, de una manera determinante, las relaciones laborales. Esta división político-administrativa surgió a raíz de la situación política extraordinaria que se dio tras la 2ª Guerra Mundial, y se mantiene hasta la actualidad.

El ensayo analiza esa realidad oculta, definiendo la organización del sistema laboral griego, sus controles político-administrativos, aparentemente destinados a 'detener' el surgimiento de una economía social. Esto ha dado lugar a una economía social sumergida, dentro de un mercado laboral privado fragmentado, regulado de forma diferente al sector de empleo "público". Este sistema, anacrónico y discriminatorio, divide a los trabajadores en Grecia.

**Palabras clave**

Crisis institucional griega; fragmentación laboral; barreras para el desarrollo social.

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## 1. Preamble

Relations between states and their citizenry are not, in general, uniform or even homogenous. Political history, historical continuity and discontinuity in national democratic forms, established notions of social protection and modalities of social "welfare", with their associated notions of social citizenship, all constitute and subsequently define methodologies with which we may measure the relationship between the citizen and the public administration in a national and, subsequently, supra-national territory.

In Greece, the conflict between society (*Gesellschaft*) and juridical order (*Verfassung*) has involved a regime since WWII which is exceptionally undemocratic, embedded within a quasi-military apparatus of "administrative provision", operating as real welfare only for those who are "politically correct". Welfare (political and social inclusion measures, particularly for employment and social security) meant the right of entry to employment in the state nomenclature. This became the main field in which social protection was provided, through salaried employment which afforded generalised protection including clearly defined pension rights and regularity in work-life.

## 2. Aspects of the post war politico-administrative system

Post WWII Civil War conflict in Greece (1947-49) and the Military Dictatorship (1967-74) (Alivisatos 1986; Tsobanoglou 2011) resulted in a breakdown of the social contract, which is necessary to support the civil state and its institutions. The institutions built after those turbulent periods did not include all (as effective citizens), but as described above, developed two types of Greek citizenry. The first was founded upon the "protected" public sphere (of a state/public nomenclature), and the second upon the "unprotected" private (social) sector. During the post Junta period (after 1974), both internal and external forces imposed a new politico-administrative order that only partially renewed the social contract. EU accession (1981) was to secure Greece's transition to democratic rule which was nevertheless embedded within this dual system. The privileged and socially protected public employment domain was characterised by nepotistic clientelist relations that over-determined the national division of labour. Similarly the private sphere, while being influenced by public procurement, lacks labour standards as it is outside the general social security system reserved for the public domain.

Sources of conflict thus were not eliminated, creating, firstly, a mass labour exodus, largely for political and economic reasons, to Germany, Australia, South Africa, Belgium, Sweden, the USA and Canada. All in all, while the post-war European States were building social citizenship systems, placing emphasis on the development of social (support) professions that began to occupy public space in place of the previously dominating military professions, Greece was not following that trend. After WWII West European States witnessed the slow growth of civil and social administrations that took over in employment, from the military sector predominant until then due to the war effort. Similarly, civil protection that was under "security" administration constraints, due to war conditions, began to be as socially inclusive for the whole of the population and as democratically accountable as was the new post-war institutional order.

Historically the trend, in OECD countries, towards social protection and an expansive and largely inclusive national employment policy with generally accepted standardised employment and social security systems across the public and private spheres has entailed arrangements for the social regulation of conflicts in labour affairs, as well as for dealing with problems such as child care, nursing, primary health care and general social service provision, and leading to the organisation of civil administration at local/territorial level.

Order at home has meant order in the family, in the streets, at work, the capacity to enforce laws and directives with diligence. Order at work requires an ordered work place, whereby Occupational Health and Safety (OHS) is regulated and labour standards are organizationally enforced. Unemployment insurance, vocational training and social work are essential mechanisms (labour standards) that complement the role of the police in ensuing social peace. In Greece, however, this public responsibility leans heavily on police action as those social mechanisms are not in place generally. Here, "general interest" seems to define local 'policy' under police action.

Unfortunately, the turbulent political history of Greece from 1936 to the restoration of Democracy in 1974 led to a hydrocephalic military security apparatus, with a quasi military form of civil (public) order and protection. The Police (Public Order Ministry), the Fire Brigades, the Coast Guard and the Ministry of Merchant Marine were situated in this apparatus and were reproduced by the norms and administrative regulations of the politico-administrative system.

Although the above-mentioned situations fostered the establishment of conditions for legal rule, as prescribed by the constitutional and other civil systems, they did not necessarily allow the establishment of the rule of law in the administration of justice. To begin with, administrative law during "emergency" situations is protected in its function by laws of "secrecy" that inevitably cloud the way in which decisions are made. The quasi-military Ministry of Public Order belongs to this family of institutions, although this Ministry was recently abolished and replaced by the Ministry of Citizens' Protection.

Greece did not manage to establish a freedom of information act. Indeed, general information is still costly and largely unreliable, as are business and employment statistics, the main provider of which has been a private company (ICAP) linked with a bank (Alpha Bank). The budget crisis which threatened Greece's position in the Euro-Zone exposed the inadequacy of the National Statistical Service of Greece, thus leading to its reorganisation as Greek Statistics in 2010. The provision of general social rights and the self regulation of professions have still to be firmly charted, let alone regulated. A *catalogue of professions* is still under construction, as is the organisation of supply and demand for jobs in the Public Employment System. This is partly due to the divided labour regime between the *private* and the *public* work places which we will explore further in the paper.

In many "transitional" regimes whereby institutional orders were imposed by one side, the definition of general welfare security meant that those considered to be politically correct were treated differently by having access to the public, and socially secure, salaried sector, while others were left to struggle in the "market" and the largely precarious private sector. There, extra-judicial and non-economically based categories such as Nation (*Ethnos*), the phylogenetic aspect of nationhood, (*phyle* denotes "race" in Greek) had to play a key role as integrative aspects for those excluded from the salaried and "social" sector (Tsobanoglou 2001a).

The institutional definition of the "poor", the "sensitive" population groups, all those in "emergencies" that were to constitute a key threat to citizenry in a protected "public welfare" system, due to their exclusion from wage regularity and social security, was insufficient. This deficit entails a deficient general social security system. Policy has remained a political strategy of containment of socio-political divisions based on a military mentality aimed at those considered "politically dangerous". A direct outcome of this policy has been the atrophy of research in social science and administration and a subsequent incapacity for policy development and action. Nevertheless, this atrophy denotes something much more deeply ingrained in the political system of clientelism that defines the general social conditions for understanding social reality. In such a situation, the political regime not only defines itself but also includes in its baggage the "social" and its economy,

albeit in atrophy. The social-cum-political and its economy exist as part of the political body which is fractured, due to clientelism. The legal system defines a rather *sui generis* administration that bears its own state nomenclature, as civil society, while blocking its transition into social organisational forms with the other "society" at large (private). The legal system organises the sharp separation of the public and private sectors leaving the private non-profit sector in the shadow economy while basic fields of the reproduction domain, such as education, health and transport, remain unregulated and in the private business sector. The Prince in this regime of political controls is the Party and its machine politics. The political party defines employment and security associated with it but without the soft, organisational dimension of an endogenous division of labour. Political party controls have been based on surpluses transferred from without, which were to connect local taxes and rents.

The traditional political parties colour the national administration with their power determinations, i.e. the 'employment' security placements of their supporters. This top down relationship "serves" citizens' needs by forming an administration that deals with the needs of specific parts of the population and is thus deficient in providing general services for collective consumption. The allocation of jobs - which are subjected to multiple political power grids, amalgamated but not 'organised' - does not allow the development of 'social' organisation that will cater to needs for the social reproduction of labour in society. This organisational blocking, which is apparent as a social blocking of a skill-based division of labour, acts as a negative net determining the knowledge basis of the economy (Tsobanoglou 2007 Lambrianidis 2011).

The present organisational structure of this system does not define a welfare system but rather a type of pre-welfare structure that corresponds to practices of a system of political patronage controls.

As a result, a large section of the population may be found in the large underground, "off the books" economy. This informal sector along with the aloof formalistic one, under this political regime, causes labour productivity and income generation to be narrowly defined as wage costs alone devoid of social security (health and pension) benefits. As the weak public standards do not extend to the "private" sector, a large black market for labour and goods becomes evident. This market has its own circulation of trades, people, goods and services and is embedded within the sizeable usurious merchant capital controlling access to urban markets (Kay 1975). Similarly, the existing sharp division between public and private systems for the employment of labour, with their different organisational characteristics attests to the idiosyncrasies of the patronage politics in place

We all know that laws, in order to be administered, require trust and an understanding that represents a mode of voluntary action in line with the norms and the moral principles of the community. By accepting the rule of written law, the state recognises citizens' right to interact and associate with each other. Thus, the role of the State is to intervene in order to regulate whenever such legal agreements are not respected.

In Greek affairs, the socio-administrative situation defined by political party rule has been characterised by the general incapacity of the state apparatus to admit conditions for social action, i.e. popular democratic participation in politics and public debate. Accommodating the juridical order brings about a system of regulation based upon nominal participation. Without that, the organisational space is filled by personal linkages, kinship ties that represent a minimum of political integration of the citizenry, necessary for a minimal legitimacy; and this has been maintained by the civil state (patron-client system). Greece in practice has a rather weak linkage between the hydrocephalic judicial administration and civil society. It is for this reason that seemingly, atypical structures of political patronage have filled in the void left by the missing social basis for state rule. No wonder that the

European Social Fund has not been established organisationally, after thirty years of "experimental" operation, in the national and regional system of services in the country. Most likely, this denotes that the principles of *additionality* and *subsidiarity* have not been effectively established in Greece as yet. Attesting to this, social science institutionalisation – which emerged out of legal studies during the 1980s in other South European States (Portugal, Spain, Italy), has never critically established itself in the country. Even neighbouring Balkan states established social sciences (i.e. Departments of Sociology, Psychology, Anthropology, etc) long ago.

Post-war political regimes in Greece were closer to those of the Iberian Peninsula as far as social sciences were concerned. This emergent social accounting for national and regional societies was established in all of these countries after the 1990 Madrid World Congress of Sociology. The development of social sciences was associated with the embeddedness of social institutions and their respective organisational basis within the organisation of society and its economy. This allowed the enacted legislation to be implemented generally for the benefit of the general interest and not particularly for specific interests represented in political agency. If the general interest cannot be properly institutionalised and embedded within politics the activation of the social economy would be rather hidden or at best restricted. If the general interest is not recognised, there are also issues of social integration which are at issue here; without them governability is not possible.

### **3. The political problem of integration in Greece and the role of labour: Issues and recent developments**

As a result of the factors sketched out so far, the public system is currently experiencing a continuous multifaceted crisis. All those who practise law and deal with economy and society and those who run national institutions are in conflict with a system that lacks organisational integrity, cohesion and financial management capacities.

Systems of socio-legal mediation that are able to address issues of social conflict, interest inter-mediation and social exclusion, are not in place. The concept of social exclusion is a key concept representing a social right clearly recognised in the Open Coordination Against Poverty, referred to as the Lisbon Process. Setting the poverty line into the national budget as the floor for organizing social policy has tended to harmonise national administration accounting standards on a Pan-European level. The entry of the social dimension (social labour) into public accounts has also defined a new organisational adjustment for providing the main elements of social development. This institutional form signifies the entry of organised labour in society and its participation in national administration. This is the moment that social controls emerge as the new defining feature of the new political system. Under this organisational development, social labour emerges and determines social policy. Without this general move, it is not possible to address the issues of poverty and exclusion, since these issues cannot evolve from patronage politics. Policies targeting poverty define the mainstream society and the emergence of governability. In Greece, it is political party patronage which seems to define public interest in regulating labour security and the economy.

In Greece the lack of such measures as a 'poverty line'- coupled with general support for minors, the old, and the socially excluded such as women-led households – reflects a system based on political favouritism which does not and cannot accommodate society in general. The employment system - which is also particularistic and clientelist, with widespread use of informal labour to lower costs - is based on a fundamental duality that has been undocumented while being institutionally organised. Recognition of the right to a basic income would certainly enhance social rights and social rehabilitation, forming the economic basis for social

inclusion. Currently over half a million Greeks have no income support of any kind as a result of the current crisis.

#### **4. Aspects of the Greek political system**

Occupying the lacuna between the state and the "excluded" part of civil society, the regime of political patronage, a dominant relation of the citizen and the administration, is a regime of a moral nature; that is, a regime that is based on a moral patronage economy (Arlacchi 1983). Under this regime, the very notion of employment is considered as part of clientelist relations, permeating all levels of access to public institutions. In a very basic way, information is the issue for it is highly controlled, produced and disseminated by those in clientelist and professional control. The oversized legal profession, defining itself as social functionaries mediating between state and society, controls the basic information requirements of the population regarding socio-administrative issues such as social security, employment, and taxation, (Tsobanoglou 2000; 2001a). Past attempts by the Greek administration to introduce systems of social control into the administration (Law 1735/86) were reduced to failure. As a result, the system of citizenship identification remains weak and largely problematic. A person may have multiple identification codes representing different economic, social security or work relations. The citizens' relation with the state is not based on a general unique social integration relationship. For instance, a citizen's financial (tax) identification is separate from that of his/her medical insurance, while their relationship to work also bears other professional identification codes, leading to the situation in which a physical person bears multiple identification codes depending on the type of exchanges in which he participates. As the social is not assembled and organised, work, health, and economic consumption are treated as separate things and not as unified relationships. This multiplicity of identities, which are not assembled as the "social" security of labour, indicate that the general integration process appears as a political chimera.

The lack of the field of sociology in general, as the science of social integration bridging the relationship between society and state, provides evidence of a unique system that is pre-social. Although there are calls the constitution of such a field, so far the state has been unable to establish in the main two Universities (i.e. the National Kapodistrian University of Athens and the Aristotelian University of Thessaloniki) Departments of Sociology, Criminology, Demography or Human Geography.

The labour market is structured as a bifurcated system of labour whereby employment is secure only in one sector (public), while in the other sector (private sector) has been controlled, in a manner that maintains political security, by a precarious system of labour security, associated with a separate health system in the private sector and the National Health System.

This lack of a unified and national labour system does not allow for the formation of a national system of employment qualifications, which might overcome the nepotism based on the political (party) patronage system. This division has been maintained by the politico-administrative labour regime in place, under the extraordinary political situation that emerged after WWII and the Civil War that followed it.

The atypical operation of social economy enterprises and the lack of a national qualification system, to allow the matching of skills with jobs (Copenhagen and Bologna Processes), are coupled with atrophied regional employment markets. This leads to the hidden social economy of a fragmented private labour market being regulated separately from the secure public employment sphere. We will try to map out this rather anachronistic system of political order for labour that discriminates between and divides workers in Greece.



The Greek system of labour organization has been founded upon a basic division between the private industrial and service labour sphere managed by the Public Employment Service, a largely precarious wage labour regime, and the public salaried labour sphere which is not a 'market' based employment but a "politically" secured employment. While the latter entails the appointment of white collar workers, the relation of skills and occupations is not organizationally based on a "division of labour." Those benefiting from the political patronage system enjoyed sheltered salaried employment, including not only a secure wage year round, unlike the wage form in the private sector, but also the many benefits made possible by the politics of patronage. The privileged in the public sector enjoyed stability and general immunity, as the party controls could absolve any economic wrongdoing, since evidence is usually compromised for political reasons. Justice is to a large extent political party justice when it comes to issues of control of work positions. Similarly, the allocation of jobs under this system has been very idiosyncratic, as it was based on personal whims with very little reference to objective criteria of human resources or qualifications. Such positions were often 'created' by special arrangement to accommodate those in power and their supporters. There has been a kind of tacit agreement to allocate to major political parties positions benefiting from the stable wage security and guaranteed pension, to allow many political agents a safe and secure political and economic environment sheltered from the perils of the private labour market.

On the other hand, in the private sector the wage relation was hardly established firmly as the system – established in 1938 by the Metaxas Fascist Dictatorship – has been defined by the separation of labour security benefits (health, pension) from the wage form itself. These benefits are represented in the form of daily work-stamps and bear monetary value. Hence, they are bought and sold from a state bank. This separation technically renders such labour informal or black as employers' social security contributions are not given together with the wage to the worker. Workers buy those work security stamps independently of having worked themselves for them. They simply need to fill in the required numbers in their work book for their pension. The emerging non-correspondence between work-days and their social security contributions represents a unique social engineering phenomenon. A public work system that develops negative asymmetries for workers as it leads to their loss of security and subsequent informality asking them to buy the necessary daily work stamps additionally in order to get the required stamps for the pension.

Of course, it is illegal not to match the days worked with their corresponding stamps. The labour inspectorate is supposed to enforce this match. But alas! This relationship has been fluctuating, corresponding to the vagaries of the economic system. We have now reached a situation whereby some employers provide workers only with their social security stamps without any wage, depending on how precarious their bargaining power is; i.e. women, youth, migrants. Under normal circumstances, there are 25 social security stamps for a full monthly coverage. However, these stamps vary depending on the type of job, circumstance, or organization, as employees can be provided with any number of social security stamps by the employer, depending on the conditions and the situation of the enterprise.

For the most unprotected, such as migrants, youth or women, the situation is adjusted accordingly. However, the provision of such monetized social security coupons, which are separate from work itself, represent a unique mediation, subjecting the work relationship to the employers' decision. The worker requires 10,000 days of work certified in his/her work book to receive a full pension.

At present, 50 social security stamps is the minimum requirement to have access to national medical services. The Social Security Foundation (IKA: Idryma Koinonikis Asfalis) also has its own properties that are rented out in order to generate

revenues for the social security system. Employment in the private sector tends to be haphazard, discontinuous and seasonal. Further divisions in the labour market can be identified in the vocational training system. While tourist sector workers are under the jurisdiction of this training system, their training and general occupational profile management is under the Department of Tourism. These sectors do not cooperate sufficiently resulting in fragmentation and insufficient supply of vocational training, and hence low skills.

This separation of work itself from its social security (health) aspect intensifies the separation of capital from labour allowing their relationship to become 'mediated' by those who 'profit' from the meanderings of this indirect and rather arbitrary relationship. Besides the strength of political agencies that fill in this gap between work and its security, there is also another victim. That is the general relationship between labour and capital which is further distanced. The gap allows a "market" for needs in health and training to emerge. This private market obfuscates inflation measurement and blocks the work process, as the reproduction of labour power requires provision for social security, health and training. Thus, these essentials for the reproduction of labour appear not only as separate forms and antithetical to development as costs, but also as new markets. The lack of any administrative standards outside the privileged clientelist "public" domain leaves the poor and the unemployed to either philanthropy or family care.

This development clearly increases the overall cost of labour and blocks any attempt to account for social security. The precariousness of this relationship is due to the lack of social policy at a national level which defines political and territorial divisions. The separation between a private for-profit labour system, without "social" reproduction provisions, and the public system, which has been secured politically, has been one basic reason for the lack of general social integration and its subsequent organizational effects in Greece.

In post war Greece, the labour scene was defined and continues to be defined by a politically determined employment system. Those favoured politically were chosen by a system of true *occupational prescription* which excluded those on the wrong political side. This occupational structure has been iron clad and defines the private sector of labour and business as separate from the public haven of state favours and security. It was detrimental to a social development perspective and different from the other processes in post war Europe. The welfare states which emerged in post war Europe were full employment regimes where the cost of labour included the costs of unemployment security, health and safety, vocational training, pensions and facilities of collective consumption such as transport, culture, education. As a result, a local government apparatus was established to facilitate primary care and social rights, as general welfare rights were part of a general provision of *economic citizenship*. The 'separate development' of labour in the Greek case did not allow a national economy and welfare system to emerge as in other post authoritarian regimes in Europe.

It was only in the 2010 local elections that local government was given legal powers to act locally yet without providing financial instruments and associated controls to replace traditional state provisions. Similarly, the first National Primary Health Care System started its operation in 2012. The Labour Ministry is responsible solely for the private labour sector, via the Public Employment Service (PES) or the Organismos Apasholisis Ergatikou Dynamikou (OAED). The OAED is mistakenly taken to be the National Public Employment Service on par with other Public Employment Service organizations in Europe. There is a novel difference in that the OAED has very little role in general public employment, i.e. for employment in the public sector, and literally very little to do when it comes to employment for services in the health, educational and local government sectors and indeed any sector in which university graduates find employment. Similarly, the IKA is concerned with only private sector social security and hence operates

parallel to the OAED. The IKA has its own doctors (7,500 in number) that are free to have their private practice in the afternoons while they work as IKA state appointed doctors in the mornings. This has been in practice the only primary health care system available till now, albeit only to private sector workers. This private sector system has some hospitals but they are very few as the hospitals used are those in the National Health System (ESY: Ethniko Systima Ygeias). Hospitals belong to the National Health System and do not have any connection with the IKA private labour market health system which is run by the Ministry of Labour, along with the OAED Employment Agency. Social security contributions go to IKA but are also used to provide funds to OAED in order to run the National Employment Centres and deliver welfare benefits and subsidies to business for jobs. These also include training, rehabilitation, placement of all categories of labour, minorities, women, youth, the handicapped and the long-term unemployed. The OAED's reports on unemployment rates refer only to the private sector situation, as salaried employment in the public sector and in public services, including the health system (hospitals), community centres, local government, the education system and social services, are in the general public salaried system.

Of course, the very organizational form of this labour system bears a weak relationship to vocational training. Vocational training requires a stable labour process and a wage form including health care and training as part of the wage relation. The precarious private labour form does not allow for any comprehensive training to take place as this labour process is not a proper basis for services of collective consumption, i.e. education, health, transport services. The two tier system under which the privileged sector of public/state employment has employment and social security in a salaried labour form, while the private employment sector does not carry the state powers of constitution of regular work. The unity of work and its security is essential for the constitution of the labour process leads to a national imbalance in the national economy. In the private sector work is precarious due to the fact that the state does not guarantee social rights in the work place giving room also to the seasonality of the process and a high level of informal work. As a result of this the state loses billions in unpaid social security contributions annually. This resulted in the mass migration exodus that took place during the late 1950s (to Australia, Sweden, Canada, the US) the 1960s (to Germany, Belgium) (Tsobanoglou 2011) and currently (Lambrianidis 2011).

This regime of separate development was never formally recorded or defined as in other countries leading to their ostracization by the international community. The renewal of a patronage regime to maintain its power in Greece was essential for the political organization of this system of political labour controls. The resulting 'economy' was kept afloat thanks to the invisible receipts from Greek owned and managed international shipping, international tourism, immigrants' remittances etc. while maintaining a strategic non-communication between its "Public" and "Private" domains for labour. To begin with, mobility has not been possible, as work and professions have been controlled and regulated by the political patronage system. This in effect controls the field of science and education as it becomes applied into the economy. Both the polity and its economy are one in the "public" sector, defining the economy in a personal and familial way. Thus, professions cannot organize the national level of knowledge and define markets in a knowledge based manner. Both the global and the regional dimension cannot be articulated leading to conditions in the local division of labour which are low skilled labour, as patronage defines the skill-content and job design. Political forces define a closed system serving an international labour market as a low skills labour reserve (Tsobanoglou 2011), but itself is not able to define the same rights for all.

labour is really defined under a regime of precariousness and an absence of social welfare or security systems. Family supports have been provided in fragmentary manner by various organizations but are provided under a National Plan (Law 3868/2010) for the integration of the social care units under the Ministry of Health

and Social Solidarity. The aim is to have in each Administrative Region one organization for the Care of People with Disabilities and one for the care of the Child and the Family. The 73 Public Organizations for the Protection of the Disabled will come to form one general organization nationally with one in each of the 13 Regional Authorities. The 19 Public Agencies for Child Protection will be integrated into 9 Public Agencies under one general organization. This is an ongoing process.

Thirty years of Social Fund applications have left very weak evidence that a new social care system has been put in place. A notable and defining characteristic of the system has been the weak qualification structure as strong political interventions were put in place to retard the establishment of a national qualification system. Social administration with welfare indicators has not been put in place leaving other organizations like the church to play a welfare role.

Having described the labour organization environment in a general way, we will turn now to the field of social economy and attempt to describe the problems of organizing this field.

### **5. Recent changes in the labour front and a new law on social economy**

Recent attempts to legislate the operation of social economy enterprises appeared to be a response to EU institutional pressure, while the current legislation for regulating such enterprises (i.e. Foundations) dates back to Compulsory Law 2039 of 1939. The difficulties in recognising and regulating the Social Economy sector seem to emanate from the organisation of the overall employment security system in the country. Social controls in society are realised by "regulating" the occupational categories, the professional groups, and the general accounting infrastructure that defines basic income, taxation categories, and other professional groups. By licensing their activity and the basic control of work qualifications they regulate social employment categories (Tsobanoglou 2004). In fact, the issue of professional mobility is very important in defining the process of work and political and social empowerment. The lack of a comprehensive system of nationally registered occupations, with their subsequent skill and professional development requirements, for example a very clear separation between mental and manual work, a clear process defined in terms of a pay scale, conditions of work, work remuneration and systems of evaluation and control pertinent to knowledge-based work, indicate that social mobility is certainly not defined by the work process itself since this process is controlled politically by the patronage system (Mavrokordatos 1997).

While this is the case with the state institutions, private institutions appear to act outside any formal control channels since the distance of the nominal and formal in law from the effective and the practical is rather considerable. This refers to the actual conditions in the private sphere but also the public as evidenced in the national track record on transparency. The legal regime is part of the public space, the space of the citizens. Outside public organisations, informal and atypical forms rule, for there is very little support in social emergency cases such as unemployment, social security and access to alternative means of dispute resolution. The absence of a recognised Third Sector to mediate between the public and the private also weakens the bargaining position of the citizens, as the administration habitually turns simple procedural cases into litigation issues thus loading "welfare" administration issues into the juridical process. This special situation may be one of the leading causes of the overload in the justice system. Many social administration issues are embedded in the civil administration process. From that point onwards, it is money and time that determines the outcome. (There is no practical legal aid as in other European legal environments).

The weak organisational development of the economy and polity is best exemplified in the weak professional qualification regime that leaves labour as the Achilles heel of the state and civil society. In effect the role of law in the operability of civil

society and its economy - i.e. the very constitution of the "circulation" sphere, the contracts and transactions - leaves out certain key issues.

The practice of law and the administration of justice, its distribution aspects and its equity formation are a "problem" currently recognised in the country. It is not clearly understood by the ruling elites that further institutional participation in the EU decision-making structures requires a full scale recognition that a) modern "governance" structures are embedded on organisational sites based upon the role of law in the "socio-economic" sphere (the basis of the circulation and distribution of goods and services), b) of the need to establish a qualification regime and systems to regulate professions and professional standards and c) of the need to regulate work and employment security for all.

Institutions which empower citizens, establishing the relationship between the citizen and the administration, in order to realize mechanisms of accountability and "accounting" as social audit are much in need. In a country with almost half the working population self-employed, accountability remains very frail. Similarly legality is distant in practice lacking a system of enforcement and penal sanctions. The administration therefore is weak since the system of rights and functions is uncharted, leaving democratic accountability suspended in mid-air. The weak system of enforcement and the lack of criminological orientation are coupled with the lack of understanding of the socio-legal issues involved in the production of law and its practice. The interaction between the legal and the social system in Greece is practically un-documented. Laws are produced in a number of forms with those of the presidential decree type being the majority (Tsobanoglou 2001b). They are produced without effective communication and coordination with the field at which they aim. They seem to represent general laws, requiring interpretative circulars in order to guide their application. The weak professional development in civil society leaves to those decrees the aim to "regulate", as in the nineteenth century, whereby doctors were directed on how to practice surgery etc. Regulating professional practices is an important part of regulation in modern times but this mediation is not an imposition on scientific grounds and is being done in consultation with those involved. Regulation presupposes the organization of scientific knowledge through the formation of professional bodies. There is a fine line between those two levels of authority, the political and scientific having their respective divisions of labour. In the Greek case political authority seems to be unable to recognize scientific developments in the order of population fields (demography, sociology, statistics) and of territory (geography) (Tsobanoglou 2004).

The lack of enforcement in Greek workplaces of the E.U. regulatory statutes regarding health and safety at work represents a complex issue for the researcher of citizenship issues in the country. If such basic rights are not observed because of the lack of systems of monitoring and enforcement, then other equally important social citizenship rights regarding social benefits and public goods may also not be in place. The effective empowerment of the citizen will inevitably create a new pole of attention, a point that will be a social reference for the politics of the citizen.

There are population categories that are excluded and therefore may claim to be recognized as social victims giving rise to social crime such as drug-related crime, undocumented and documented immigrants, unemployed youth, children and the "poor". These large social population categories are not "protected" according to established minimal standards in the EU. While the institution of the poverty line in the national budget is not fully established under present conditions it is unlikely that the present "welfare" system will allow for steady and permanent standards of a social nature to be put in place. The "social" to be assembled on a civics foundation, i.e. transforming the ecclesiastical part of it which is considerable, requires a continuous stable process that is nothing but the citizen constituted as a

human resource. The condition of this social category varies according to life and work conditions.

The poverty relationship cannot be seen as part of a philanthropic action but as part of social redistribution under a system of equal opportunities. As such the Poverty Line as part of economic-cum social policy and the basic income provisions define the nature of the system that constitutes them. In Greece a basic anti-poverty policy bearing such instruments as the Poverty Line and the Basic Income along with a universal social protection regime for elders should become part of Social Policy. The ever present private nature of security and the general trade of needs, leaves much room for philanthropy and ad hoc state policies directed towards specific groups favoured by the state. Anti-Poverty ought to be seen as policy as the general floor to establish employability and work security to be embedded in the administration. As a result of this myriad of categories, seemingly differing, need to be classified in a labour taxonomy based on a universal equivalence system that unites all based on unemployment security and a national qualification system.

The Scandinavian social democratic welfare regimes (Olsen 1987) and increasingly the European Union have been basing European Citizenship upon the concept of "active citizenship". This institution requires strong national solidarity and a culture of openness in the relations between the administration and the population. It also requires strong workers' solidarity and a strong sense of tripartite cohesion when decisions need to be taken.

Inclusion means the possibility of insertion into the wage relationship, of unemployment insurance and a benefit system for children in the family. However, the limited space occupied by such a system of state corporate organizations, whereby such relations have been formed, such as in public and local utilities (energy, water, environmental), leaves considerable space in the field of communal reproduction to take the form of "private" trade of basic human needs such as security, food, and health. That is being expressed in an informal and therefore "non-evident" manner. This reality constitutes the field to which the Social Economy is embedded. For Greece community supports due to the lacking "welfare" institutions needs to be based on social economy organizations. The Third Sector needs to be recognized and organized impartially. In Greece, for example, such a concept is not recognized at present due to current organizational environments, as sketched in this paper, but it must be constituted as such. The social science community must recognize the issues surrounding its unearthing and proper institutional recognition.

Weak social protection institutions for sectors of the population in crisis such as youth, women, handicapped, the long-term unemployed and immigrants, denote that the cost of unemployment insurance and social benefits are next to nothing as they are channelled informally to the individual citizens, therefore it is the individual family that will bear the cost of crime, poverty, sickness, education. Poverty and welfare are hand in glove with social protection and generalized employment and training. Police administrations have historically constituted the state institutions that regulate the poor using prevention and information or detection as acts of social governance.

In the Greek case responsibility for the Social Economy is dispersed, and so are the costs, which thus appear as miniscule and therefore negligible. Responsibility is therefore spread over a very wide area and becomes phantom. It is very difficult to prove when the infrastructure for statistics is insufficiently developed and very restricted even among state institutions. Modern social welfare administration through the social inclusion, via health and social security, establish support systems and define the new parameters of Social Economy.

To this day, Greece has failed to develop the social protection space of which the Social Economy would be an organised part. The conflicts of interest between Public

and Private Rights and Functions among social actors set in jeopardy the social space for the social reproduction of labour in society unable to see the importance of the general interest, not for profit institutions for social development to be sustainable.

The subsequent influx of labour from the neighbouring countries, largely undocumented, resulted in a drastic disturbance in this post war regime, while the new relationship with the EU - i.e. the entry into the EMU - was detrimental to the destruction of the public system of accounting. Like the gold bullion from the Americas in the 15<sup>th</sup> Century, the EU finance system had a devastating impact on the public system of accounting in Greece. While double entry booking was introduced in the private sector upon Greece's entry into the EU in 1981, public accounts were left outside this regime of controls. With the entry of the country into the EMU, this organizational development is still pending. Political interventions could not have gone unnoticed, had this system been in place. The system of 'Cross Subsidization' (Stavroeideis Epidotiseis in Greek) in the public accounts obfuscates public interest as private for profit relations. Nevertheless it is apparent that this practice has similarities with the system of Mutual Debt Accounts (Allilohrei Logariasmoi in Greek) registered in social security organizations, i.e. between the OAED and IKA and of course between central government and local government organizations. The decisions regarding public accounts for the organization of labour (employment, security) is the prerogative of the political administration at all times. As a result, civil administration has not been able to act positively in adding and subtracting costs and expenditures when it comes to public (central and local) organisations. Considering the individual costs of the security for labour in enterprises, along with the other business requirements, the absence of a general social security system for all, gives to the outside observer a clear picture regarding the disorganised nature of this administrative system. The role of political agency is over-determinant here. This atrophy of civil administration expresses a main idiosyncrasy of the Greek political administration for labour largely left unaffected by EU social institutions. This is certainly a key area of research that deserves exploring.

### *5.1. Social economy deficiencies in Greece*

In Greece, voluntarism and solidarity ideals - added to philanthropy and the cooperative movement, were articulated in a historically specific manner; they were produced as forms of state policy and intervention, the dominant role of the Greek Orthodox Church and as grand contributions to the Nation on behalf of the "National Benefactors". It is accurate to admit that today's leading actors in the Greek Social Economy possess their own specific historical antecedents. Nevertheless, the well defined territory of Social Economy in Greece is admittedly a theoretical and political construction transposed from the experiences of the European Union political context. This is why the discussion about the Social Economy has yet to adjust to Greek historical, social and institutional specificities. Mapping the Social Economy is the task of principally Greek social research. Few trustworthy reports exist however, notwithstanding the fact that research on civil society and the volunteer sector is not well advanced.

Social studies depict an underdeveloped civil society, with weak structures and institutional expression in the Social Economy, its narrow social impact, nevertheless established in a rather positive environment, as far as values and the relative culture is concerned (Lyberaki and Paraskevopoulos 2002; Afouxenidis, Leontidou and Sklias 2003; Lambropoulos, Pouliou and Sirakoulis 2005; Sotiropoulos and Karamagioli 2006). Social research initiatives such as the aforementioned have pointed out the basic deficiencies on a political and institutional level, concerning the framework of labour market and employment, the culture of self-organization and voluntarism and the state of public administrative services in Greece.

Social capital deficiencies - articulated as lack of trust in market exchange, high cost of money, central control and political intervention in the labour market - lack of up to date institutions concerning the administration of employment and social services, closed and protected circuits of professional milieus, in the public education system deficiencies pose great obstacles to the formation of a modern and liberal socio-economic sphere. Political intervention and the lack of a self organization and voluntarism culture incapacitate the democratic movement of representation in the market and economy sphere, which is the base for a viable formation of a Social Economy in Greece. These facts create, in turn, an obscure picture about the true volume and shape of the Greek labour market, the economic output and the visibility of social powers of a high added value.

### *5.2. The inner consistency of social economy in Greece*

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

Social Economy institutions are non-compulsory denoting that anyone willing to participate is free to do so and that participation is not imposed by state law or any statutory regulation of any kind. Social Economy institutions in Greece are typically constructed organizations. This includes juridical entities and collectivities of a certain kind. Such collectivities should possess a certain degree of stable organizational basis and operation provided by law or administrative regulations which explicitly refer to their creation and operation (UN 2003, p. 18).

In Greek legislation only two juridical entities are provided: public and private entities. Public law juridical entities are constituted by formal law and are usually considered as non-profit, whereas private law juridical entities are founded by a private act in the form of a statutory document and are for-profit. Not-for-profit-private legal entities are not provided for. One must mention the fact that currently in Greece the Cooperative Bank Sector is not protected by state guaranties as are the private banks.

A Greek peculiarity is that there are public law juridical entities operating on the basis of private law and private law entities which operate as public law concerns. Both categories constitute mixed law juridical entities. Examples of these are in the Medical and Legal Professions, in the Universities and in the Chambers of Commerce.

As described above, the provision of social services, in the areas of health, juridical protection, education creates a commercialization of basic 'social' needs. The state does not provide the parameters for the services of general interest on the basis of labour inclusion under a social policy framework. As this policy, which is understood under a general welfare system, in relying on a juridical system of distributed rights instead, the practice of these social services becomes 'hybrid' and basically private and for-profit. Thus this privileged area for the practice of Social Economy, and of the operation of social enterprises is not recognized as such due to the weak development by the state of the social domain (Tsobanoglou 2008).

Social Economy institutions in Greece pose a fundamentally charitable statutory commitment towards the provision of goods and services to their members and the community. Although situated in the Ministry of Finance, the system of charities represents an unregulated area, which is largely undocumented. For social economy institutions that are active in the market any surplus distribution is not dependent on the members' invested capital but each member has a vote (CIRIEC



2006). Regarding Social Economy institutions active in the non-market sector, providing for products and services at economically insignificant prices, non surplus or profit distribution is allowed to those founding, managing or financing them.

Table 1. Greek Social Economy Register

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

ESA 95 S.12 Financial Corporations		
Cooperative Banks - Credit Cooperatives	Law 1667/1986 Law 2076/1992	Central Administration of General Commercial Register at Central Chambers Union Central Bank of Greece
Professionals' Insurance Funds	Law 3039/2002	General Secretariat of Social Insurance at Ministry of labour
Insurance Companies - Mutual Insurance Cooperatives	Law 3557/2007 Law 3455/2006 Law 3487/2006 Law 2496/1997 Law 1569/1985 Law 400/1970 Law 2190/1920	Insurance Companies Register at Ministry of Development
ESA S.15 Non-Profit Institutions Serving Households		
Athletic Unions- Sports Clubs	Law 2858/2000	Physical Exercise Offices at Prefectures General Secretariat of Sports Respective Federations
Athletic Federations and Confederations	Law 2858/2000	Physical Exercise Offices at Prefectures General Secretariat of Sports Respective Confederations
Students' Unions	Law 1566/1985	Country Courts Higher Education Institutes
Local Youth Councils	Law 3443/2006	Local Administration Organizations
Parents' Organizations	Law 1566/1985	Ministry of Education
Hunting and Forest Clubs	Law 177/1975	Country Courts
Charity Unions and Clubs	Law 1111/1971	Country Courts Ministry of Economy
Trans-Vocational Organizations	Law 2732/1999	Ministry of Agriculture
Private Non-Profit Foundations	Compulsory Law 2039/1939	Ministry of Economy
Fundraisers - Fundraising Committees	Law 5101/1931	Country Courts

Civil Companies	Non-Profit	GCC 741	Country Courts National and Prefectural Social Care Institutions Register [Non-Profit Private Law Legal Entities] at Voluntarism and Certification Department at Ministry of Health Non-Governmental Organizations with Humanitarian and International Activity Register at Ministry of Foreign Affairs
European Interest Groupings	Economic	PD 38/1992	Central Administration of General Commercial Register at Central Chambers Union
Workers' Unions Workers Councils Labour Unions	- -	Law 1264/1982 Law 1767/1988	"GSEE"

Source: Nasioulas (2011, pp. 144-146).

### 5.3. Creating an accounting system for social economy organizations

Greece does not have a general register for Social Economy Organizations, which includes all entities, whether they are legal entities or not, either required to pay taxes or are tax exempt. Similarly, there is no registry, recording all entities that receive special tax treatment. On the one hand, the existing General Commercial Register does not provide any of the above. The Law on Social Economy and of Social Enterprises (Sept. 2011) creates a special registry for Social Economy organizations, but specifies neither the type of organizations included nor the connection to the existing General Commercial Register (Nasioulas 2011, pp. 123-137).

On the other hand, a register of non-profit organizations has already been in place in Greek Courts, but it is not digitalized and outdated. There is a Register of cooperatives, but there is no clear picture regarding the types of cooperatives in the rural sector as there are regular cooperatives, women's cooperatives and 'compulsory' cooperatives. Other cooperatives - such as the social co-operatives of limited liability (KoiSPE : Koinonikoi Synetairismoi Periorismenis Euthinis in Greek) aiming at the insertion of the mentally handicapped into work, part of psychiatric services reform, are under the auspices of the Ministry of Health and Social Solidarity. Other types of urban cooperatives are not part of the general development of social cooperatives. As it appears the recent legislation focuses on social enterprises which aim at the socially excluded or people with special needs. It seems that the social is the domain of the Health Ministry leaving other Ministries such as labour out of a process of development of employment for youth, women, the unemployed, migrants etc. In this way recent legislation leaves out many social categories and thus is not able to define the very scale occupied by the Social Economy.

In sports, the Offices of Physical Education of Prefectures (now defunct and transferred to Regional Authorities) keep records of clubs and associations. However, the General Secretariat of Sports has no such record. Only a register of associations with special athletic recognition exists, and while the official General Sports Secretariat website claims the existence of a special office for digital and statistical applications and documentation, it is under construction. These are only

indicative of the fragmentation and apparent non-association of specific methodologies for monitoring and controls between the distinct parts of the Social Economy in Greece (Nasioulas 2011).

The most important issue regards registration and classification of the various Social Economy forms in the country. But we need a social science understanding based on European standards. Records kept by the First Instance Courts constitute rather inadequate evidence. No one can know which of the registered organizations continues their operation and what changes have occurred in their track record. This is of course a common characteristic in Greece as the business records in the Greek Chambers of Commerce are also misleading. It is difficult to file for bankruptcy and the Chambers of Commerce usually gain in membership fees for ... inactive businesses. Thus many inactive businesses are kept on record to the detriment of the active ones. So, along with the digitization of records already in compliance, we need a new process which would monitor in real time any substantial parametric changes in the internal composition, function and activities of Social Economy units or organizations and also the general business forms at the local level.

The creation of a statistical register for organizations of Social Economy in Greece will provide the basis for the analysis of their importance by field of activity such as in the case of the International Classification of Non Profit Organizations, ICNPO (UN 2000). This methodology is consistent with the SNA 1993 and ESA 1995. It was the product of research by the Johns Hopkins Comparative Non Profit Sector Project and was adopted by the United Nations Handbook on Non-Profit Institutions in the National Accounts (UN 2003). This method focuses on the internal classification of non-profit sector, to show the scope of work of each organization. This would constitute for Greece a real structural reform of its local Social Economy enabling its aggregation and defining local development in the country.

#### *5.4. Volunteer work*

In the Handbook of the United Nations (UN 2003, pp. 69-70), the question of voluntary work in the Social Economy raises several serious methodological issues. We should know the number of volunteers, the hours of voluntary work and the financial compensation. Volunteer work should not always be un-paid as is the practice in Greece. It should also be firmly understood that volunteer work can be used to gain work experience for future paid occupations, another deficit in the Greek experience. Paid work is usually associated with certified work experience.

The Social Economy in Greece engages many volunteers, but their work is not registered due to the previously stated reasons. Technically, paid work that is formally recognized and insured is recognized. The common ground for both the unpaid and paid up volunteer work seems to be disturbed by the labour security system and the lack of organizational space for the social economy. Unpaid volunteer work could be considered as a basis for inclusion into social security. In the case of youth this volunteering bears also elements of training and it can be a sound way for work experience and transition to work in the country. Such cases would include work done under the Greek Orthodox Church as well as in many local community support groups and associations. Akin to this deficit is the lack of an official agenda regarding the statistical monitoring of volunteer work in the country. In this largely uncharted territory widespread is the method followed by many non-profit associations such as clubs, which present employees as volunteers and log such remuneration as "travelling expenses". In such a way they avoid presenting the real number of their staff in order to avoid paying their social insurance contributions. Obfuscating the real size of their organization allows them eventually even to seek subsidies from the state.

Furthermore, inventories on the use of time (Time-Use Surveys) internationally and by the Euro-barometer at the European Union level have at times focused on issues

related to volunteering evaluation. But no efficient method has been proposed for the economic valuation of volunteer work particularly in the Social Economy which is a large part of the hidden economy of Greece.

From a historical perspective, Social Economy formed the backbone of the Greek public sphere albeit under the form of Foundations and today it represents an invaluable resource for social development and community cohesion (Tsobanoglou 2007). Nevertheless, it has not been recognized sufficiently by the administration and the political system until today. Broader scientific issues and known weaknesses of public administration in the country, even now, hold the precious resources of Social Economy in a scandalous disuse. If Greece does not succeed in identifying the Social Economy, it will continue to wear out, - leaving it to fall into the realm of irregularity and corruption. A parametric change in the bankrupt pattern that was followed will not eventually emanate from the management of financial resources, but from articulation of the dynamism of social science professionals who need to be empowered in order to organize this largely informal economic community action in Greece.

The vast majority of rural cooperatives in Greece have suffered a tragic fate, as their political party administrations have misappropriated over 100 billion Euros, turning Greece into a net importer of food while exporting vast quantities as primary resources for European industry. Cotton, olive oil, fruits, vegetables, dairy products, wine are being exported in bulk and some re-imported into the country to supply the tourist industry and the local market.

Legal overregulation, the fragmented and divided labour market, the lack of registered socio-economic forms and the related weakness of the tax assessment system seem to give the clue as to why informal socio-economic activity becomes so pervasive leading to the appearance of for-profit operations, as non-profits are obliged to be taxed as for-profit. Examples are numerous but we can mention the French based organization which in France is part of the National Health System, SOS Doctors. In Greece the branch of "SOS Doctors" have been required to register as a for-profit company subject to a Value Added Tax of 23% although their role in decongesting the Greek NHS is well documented. At the same time they are not allowed to advertise their services as they are a medical operation. The Cooperative Hotels of Naousa, a town with almost the highest unemployment in the country, over 50%, were obliged to register as private enterprises and be taxed accordingly. Other ministries attempt to deal with the unemployed by providing subsidies with no possibility for labour development. There are no Hotel Cooperatives in Greece which is in the midst of its worse crisis since WWII. Naousa could develop a cooperative hotel management school and train many hoteliers to assist local development.

There is a peculiar tax control immunity of Social Economy in Greece as a result of the friction of the public and the private, often resulting in the state supporting the private interest and not the public. There are many examples: the Offices of Physical Education of Prefectures charged with examining the accounts of sporting associations, are not engaged in any kind of control of financial data, operation of facilities and conditions of employment of staff (Diploma profession, legal conditions of work, taxation, etc). The provisions of the tax law for the number of seats in stadiums which are taxable are only a token. In that regard, the recognition of the voluntary sector and the social economy in the manner established in the rest of the EU, would greatly enhance such processes as in the rest of the OECD member States.

## **6. Concluding remarks**

A historical detour is necessary to describe the institutions in this important field and to explain the reasons for developing a serialization of the political economy of rights of the citizen and the rights to support in case of need. Welfare protection is

essential as an institution in order to understand social citizenship and the importance of empowerment for socio-economic organization. Unification within a state allows for standardized measurements sufficient to establish informal rules for general inclusion of people in "need".

The poor, the unemployed remain the "property" of a regime that while it practices a dual labour system, as described above, recognizes only nominally "social rights" while it maintains a system of legal and social protection only for those in the "public" realm.

If the distance between the nominal and the effective remains high - and there is no general employment with the aid and recognition of the third sector - then we have an emphasis on a metaphysical private for profit social (health, education system), which trades in basic human needs as in pre-liberal historical situations. In this way "minorities", children, women, and rural single parent families, older pensioners, and also general labour are excluded from the basic rights to livelihood. The field of social economy remains hidden and is associated with the underground economy of needs that operates because the official for profit services seem to define the order of the day; thus, creating uncontrolled inflation and a real crisis for the reproduction of labour. The Greek labour market needs to unify the public and the private sphere and become based on the skills and qualifications of the citizen, thus leaving aside the nepotism and non-meritocratic policies dominant to this day. The Social Economy can play a key role in defining the general interest for services as European Institutions have accepted.

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- Law 2783/1941 Introductory on Civil Code
- Law 4169/1961 "On Agricultural Social Insurance"
- Law 1111/1972
- Law 590/1977 "On the Constitutional Charter of the Church of Greece"
- Law 921/1979 7.2. European Union Regulations
- Law 1089/1980 "On Commercial and Industrial Professional and Crafts Chambers"
- Law 1264/1982 "On the democratization of trade union movement and the guarantee of trade union freedoms of workers"
- Law 1514 1985
- Law 1566/1985 "Parental Organizations"
- Law 1667/1986 "Civil Cooperatives and other arrangements"
- Law 1746/1988 "Arrangements on the institution of Chambers"
- Law 2081/1992 "Arrangements on the institution of Chambers, amendments on Law 1712/1987 concerning the modernization of professional organizations of merchants, craftsmen and other vocations"
- Law 2169/1993 "Agricultural Cooperative Organizations and other arrangements"
- Law 2181/1994 "Amendment on Law 2169/1993 and other arrangements"
- EReg 2223/1996 "On the European System of National and Regional Accounts in the Community"
- Law 2716/1999 "Development and modernization of mental health services and other arrangements"
- Law 2731/1999 "Matters of Bilateral State Development Cooperation and Help, Matters of Non-Governmental Organizations and other arrangements"
- Law 2732/1999 "Trans-Vocational Organizations and arrangements on Ministry of Agriculture matters"
- Law 2810/2000 "On Agricultural Cooperative Organizations"
- Law 2858/2000 "On matters of Amateur and Professional Athleticism"
- Law 2961 2001
- Law 3029/2002 "System of Social Insurance Reform"
- Law 3229/2004 "Motives for Private Investment in Economic Development and Regional Convergence"
- Law 3389/2005 "Public and Private Sector Joint Ventures"
- Law 3390/2005 "Ergo Politon" Citizens' Voluntarism Organization"
- Law 3419/2005 "General Commercial Register and modernization of chamber legislation"
- Law 3443/2006 "Local Youth Councils"

Law 3479/2006 "Establishment, Organization and Operation of Athletic Professional Unions"

Law 3522/2006 "Amendments on Law 3299/2004"

Law 3610/2007 "Fighting tax evasion"

Law 3653/2008

Law 3655/2008 "Administrative and Organizational Reform on Social Insurance System"

Law 3842/2010