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**Research Paper** 



# The social economy as a means of dealing with the effects of the COVID 19 pandemic. The case of Greece. A research.

Karagiannis Georgios

Diploma from the School of Finance and Statistics of the University of Piraeus, Department of Statistics and Insurance Science and Master Programme in Harokopio University of Athens

#### Abstract

Based on the aim of the dissertation, an attempt was made to map the area of the "social economy" in Greece and the European Union. It raises questions about epistemological issues but also about everyday problems. The effects of the COVID 19 pandemic are being recorded. At the same time, questions are being raised regarding the attitude of our country and the EU towards the principles of the social economy and as a "means", to deal with the weaknesses of the market. Finally, the work is completed with a quantitative field research, where it took place in the University Departments of Athens. The sample is students. The results of the research are very characteristic and highly instructive, for the academic community, but also for the decisionmakers, who wish to see the social economy as a third economy.

**Keywords:** social economy, social capital, social cohesion, means of dealing with the effects of the COVID 19 pandemic

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## I. INTRODUCTION

With reference to the pandemic due to COVID-19, there were indeed serious consequences, in all branches of the National economy and in fact, it is characterized as an unprecedented negative experience, for all of us, which changed a lot in many areas. In the face of the pandemic, the private economy was hit financially, as employment issues arose in the private for-profit sector, which was soon followed by a reduction in the number of workers and consequent reductions in reported hours and wages. This happened because "profit margins" were threatened. However, apart from the public and private sectors, there was and still is the sector of the "social and solidarity economy", which provides an alternative model of production, consumption, employment and entrepreneurship. This third sector includes all ventures, organizations and businesses that do not belong to the public or private profit-making sector. However, for the purposes of this work, we focused on the European body representing social economy entities - "Social Economy Europe". According to the European approach, the third sector through the prism of the social economy, includes not only: associations and institutions, as the Anglo-Saxon approach provides, but also extends to the field of cooperatives, mutual insurance companies, as well as social enterprises. (Karolos Kavoulakos, Professor, Aristotle University of Thessaloniki, 2023). Regarding the E.U. the effectiveness against the crisis of the COVID 19 pandemic took financial measures with financing, on behalf of its 28 countries, after we experienced an unprecedented despair and hopelessness due to poverty, and the increase in the prices of products and services. There were also many psychosomatic disturbances, nervous breakdowns, panic attacks, rheumatism attacks, etc. but also a reduction in active businesses, since they were unable to sell their products or services and were thus forced to reduce their production. (Tsantilas D, 2020). In an effort to further clarify the real role of the social economy, we also referred to the General Secretariat for the Promotion of Employment (Action Plan for the Social Economy & Social Innovation, 2021), where the Greek Ministry of Labor points out that: the social economy contributes to social cohesion and the cultivation of a sense of community and social capital. In fact, among the thematic orientations of the social economy, the Ministry, among other things, points out that: during the COVID-19 pandemic, the social economy demonstrated in our country, advantages, with an exceptional ability to offer jobs,

especially for the vulnerable individuals. At the same time, in other paragraphs, we saw that the social economy, with its own constitution and with the help of the official state, can and does take care of finding social structures, in order to ensure a decent living, for those who, due to old age, chronic illness, accident, or even psychological weakness, they found it difficult to take care even of themselves, even due to severe or physical and mental weakness.

## II. METHODOLOGY

Based initially on the literature review, we then carried out quantitative field research using questionnaires, with the sample of University students in Athens. The objectives of the field research included mainly questions: to identify the knowledge of exploiting the social capital characterized by mutual help and mutual support. At the same time, we investigated the possibility of utilizing social capital and strengthening social cohesion, as well as the connection with civil society. We expanded on the means that could be applied from a social economy point of view to address the effects of the COVID 19 pandemic in Greece. Based on the academic knowledge of the sample and the student culture, we delved into whether the terminology on the one hand and the implemented actions on the part of the Greek State, on the other hand, were noticeable.

#### Analysis of variables

The social economy is a positive response to the economic, social and ecological problems of our time, to the exclusion of people from the economy and the labor market. The goal is socially integrated management ecological sustainability. (Gemeinsamnachhaltiges for а local. social and Basel. 2023). But in the analysis we use the term: social capital, where it is a concept inherent, with the social structure made up of overlapping social networks. The existence of the "social economy" presupposes the utilization of social capital, as this contributes to the strengthening of social cohesion. In addition, the "social economy" is directly linked to civil society.

Then civil society constitutes the social space, and is part of a pluralistic democracy, placed between the state and the market. At the same time, it consists of institutions, organizations, movements and more generally formal and informal social networks of solidarity, which develop collective social activities that are not concerned with the pursuit of individual or private financial interest, but are active for the "common good" and the reform of the system. Law 4019 / Official Gazette A 216 / 30.09.2011. Civil society, as a form of voluntary collective economic and social initiative, is linked to the social economy since it identifies and highlights social problems, significantly influencing the initiatives of its operators. (Peppa Meletia, 2014). (Vernikos C, and Xirafis A, 2020), with their scientific team, proposed measures to support the economy and society, with proposals from social partners and civil society, with intervention texts, to deal with the effects of the pandemic in the economy and society, in view of the COVID-19 pandemic. It was necessary since the Greek economy and society were severely tested, as were the endurance of societies, economies and health systems.

We wanted to delve more into the statistics of the "manual of the Economic and Social Committee of Greece" forecasts, regarding the effects of the pandemic that were not auspicious. As for example, the Greek economy would go through a period of sharp recession in 2020 (starting from the second quarter), with significant consequences for entrepreneurship and employment. The statistical-econometric models, in view of the COVID-19 pandemic, identified the deep recession of the Greek economy, with large deviations in terms of the maximum and minimum limit (from -5% to -18%). In the manual itself, we saw that the International Monetary Fund also predicted a recession of -10%, while before the coronavirus pandemic, estimates for Greece were for 3% growth in 2020. But the worst scenario of the Organization for Economic Cooperation and Development, for Greece was that the recession in Greece could reach 30%. According to the official updated version of the Ministry.

That is why the day after the health crisis of COVID-19 was completely different. In fact, this was documented by the 2021 extraordinary survey of the Small and Medium Enterprise Institute, where, among other things, it predicted: 1 in 7 businesses (or 100,000) for 2021 may close after the lifting of restrictive measures, while 7 in 10 businesses that will continue to operate, but they will record a decrease in their turnover.

Specialists - experts, from the Organization for Economic Cooperation and Development, in an analysis, predicted direct effects of the COVID-19 pandemic for our country as well, such as: a reduction in the country's GDP of up to 34%, as well as public health decided, the extensive closure of businesses, the limitation of travel, household spending, investment, tourism and international trade. Additionally, as a serious consequence, there was "the possibility" that a series of social problems would arise such as: domestic violence, psychological consequences, impoverishment, criminality, etc.

After that, to deal with the consequences of the pandemic, measures to recover and stimulate the economies were implemented. These measures were tools of immediate impact as well as of a long-term nature, so that there would be relief from the serious weaknesses in the current pattern of development. Hellenic

Republic Ministry of Development and Investments 30.04.2020. At the same time, there was also an emblematic call for proposals within the framework of the 4th call for action entitled "Science and Society" with proposed interventions to deal with the economic and social effects of the COVID-19 pandemic" Athens. (www. elidek.gr & info@elidek.gr) In fact, on this subject, there is a survey by the Institute of Labor and the Center for Planning and Economic Research, with a sample of 2,812 people - employees of the private sector, at the level of the Greek territory, where from the findings it was found that the workers are possessed by anxiety about potential unemployment and loss of jobs and financial poverty. (Anastasiadou A, and others 2020).

#### Measures to deal with the effects of the pandemic

The contribution of civil society, in the Euro-Mediterranean area, has been vital in mitigating the negative effects of COVID-19. In the Euro-Mediterranean region, civil society organizations supported the official state, providing basic services and even medical care. They distributed personal protective equipment and helped disseminate basic useful information to all citizens, especially in remote areas. The action was of utmost importance to mitigate the consequences of the pandemic on the most vulnerable sections of the population, such as: women, young people, immigrants and people with disabilities. The active action of civil society made it possible to strengthen solidarity in the Euro-Mediterranean region. The European Economic and Social Committee ensured the strong participation of civil society organizations through inclusive social dialogue at all levels. It took into account the role of the authorities emphasizing their contribution to the planning and implementation of the policies and measures required to manage the impacts of the ongoing changes and crises. (Angelo PAGLIARA, 2023). Also considered important was the finding of a field research on the subject: The consequences of the pandemic of COVID 19 social life of people in the Third Age, where according to the sample, the work at the University of Western Attica, the contribution of civil society in the crisis period of COVID 19, was practical with the existence of a supportive social network and environment, and contributed very positively especially to populations of vulnerable groups, so that they too could cope with the adverse conditions that prevailed. Lazaridou Kyriaki., (2023).

#### Setting the goals of the study

The "Report" states that the pandemic has brought uncertainty but also reduced demand for products and services. It brought an increase in lending for almost all branches. Pessimistic people appeared regarding the effectiveness of the state's measures in dealing with the problems. They remained concerned even with the digitization of work, as fears were expressed that: digitization could lead to lower wages, increased workloads and new flexible forms of work. The same source states that: in a large part of the workers, there is a disturbance in their emotional state and emotional exhaustion. The pandemic has led to a lack of communication and loneliness. The health system does not have the capacity to respond to a potential outbreak of the pandemic. They had obviously not received the necessary training to deal with pandemic situations, while the information from the media was ineffective and did not contribute to the discipline of citizens during the quarantine period. COVID-19 has become part of our daily lives. The pandemic, however, drastically changed the data, having significant effects on health, social cohesion and the entire economy. (Greece\_Covid\_Report.pdf, p.19, 34,38). The Hellenic Innovation Research Foundation worked positively with corrective proposals-actions, i.e.: a relevant "Science and Society" action was announced under the title "Interventions to deal with the economic and social effects of the COVID-19 pandemic". The minimum budget was 1,500,000 euros, with the possibility of an increase. In more detail, the sectors: In the economy, in production, in society. The pandemic and the containment measures and with the known consequences, were experienced by individuals and social groups, by institutions with the perspective of safeguarding democracy and private life as well as social cohesion. In medical Technology improving mental health support, rapid prototyping, smart structures rapid construction. Ministry of Development Hellenic Republic and Investments 2020. The local government was connected from the beginning with the project of the social and solidarity economy, knowing better than anyone else: the needs, the problems but also the possibilities and opportunities that can be exploited by the social capital of each of its regions. (Spyrou Spyridon, 2021).

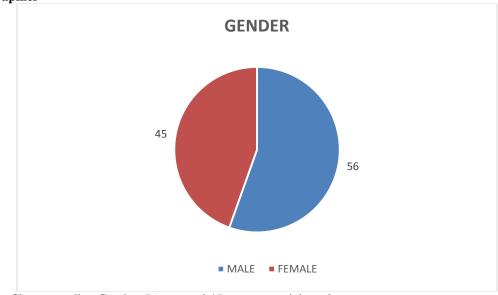
#### The view of the "Social Economy" in the European Union

The President of the Activities Group of the European Economic and Social Committee, Luca Jahier, in the study on the "social economy", emphasizes that it is a sector that can combine profitability with social inclusion and democratic governance systems and work alongside the public and private sectors, in adapting services and needs. For the same study, Miguel Ángel Cabra de Luna, stated that: "The social economy in the EU 2012" with a background of 2020, reinforces its commitment, in terms of recognition and promotion, of a sector, which is not only an important pillar for employment and social cohesion across Europe, but is a key element in achieving Europe 2020 targets. (Social Economy in the European Union - Report Summary, 2012). The social economy is analyzed based on the prevailing socio-economic conditions: ideological influences,

market conditions, social sensitivities to support vulnerable social groups, labor relations and political and social conflicts. Among the five models developed in the E.U. is also the "Southern European Model", where this model includes Mediterranean countries: Greece, Italy, Spain and Portugal. In fact, in these countries the "social economy" developed in the sectors that were not of interest to the public or private sector, with the common characteristics of mutual support and mutual assistance and homogeneity in general. In these countries, mainly cooperatives were developed, which in many cases functioned independently, i.e. the dependence on the state, which interfered in their operation. (Apostolopoulos N &Liargovas P., 2020).

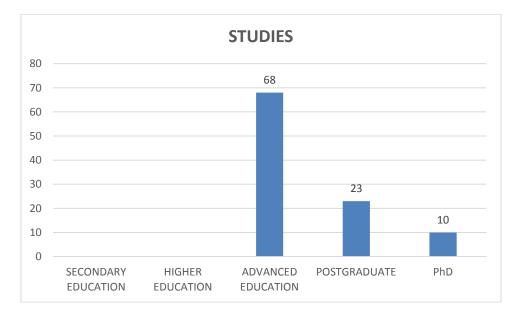
#### Identity of the study

It is a quantitative survey. The sample consists of 56 male and 45 female students. Questionnaire distribution site at Harokopio University of Athens. Time frame: 10 April 2023 - 10 July 2023. The questionnaire included closed questions and the answers were given according to the Likert scale. They were processed with the EXCEL program. The participating students were informed that the code of ethics would be strictly observed and that: any findings that would be published would be exclusively for scientific - research purposes. We still emphasize many respondents, who did not want to fill in the questionnaires, we recorded their personal opinion with their permission.

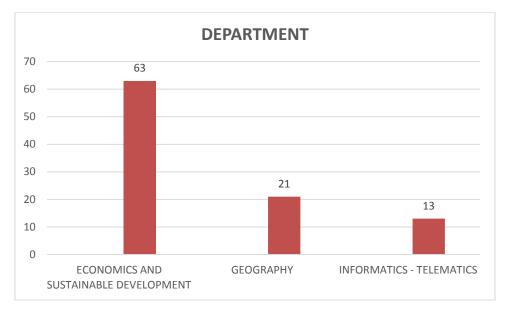


The questionnaires are processed by analyzing specific questions-answers Demographics

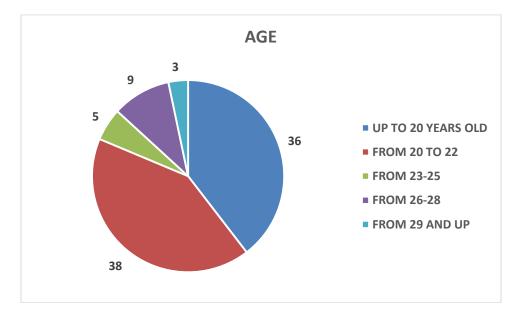
In the Pie Chart regarding Gender, 56 men and 45 women participated.



In the Column Graph as far as reference to the educational Level of the sample, we observe 68 are of Higher Education, 23 are Masters Students and 10 PhDs.

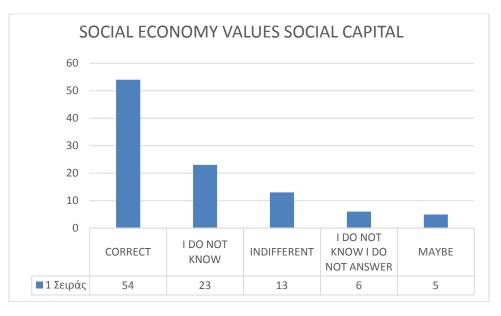


Regarding the Departments they study at: 63 are from the Department of Economics and Sustainable Development, 21 are from the Department of Geography and 13 from the Department of Informatics and Telematics.

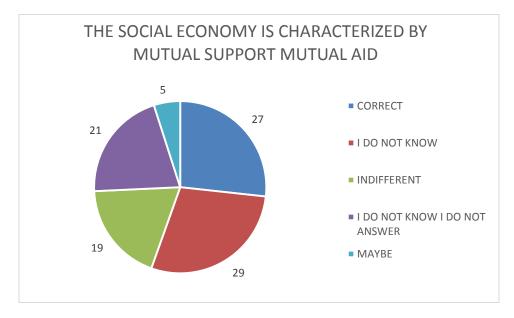


Regarding the age range: 36 are in the age range up to 20 years, 38 are between 20 and 22 years old, 5 are between 23-25 years old, 9 are between 26 to 28 years old and only 3 are 29 years old and older.

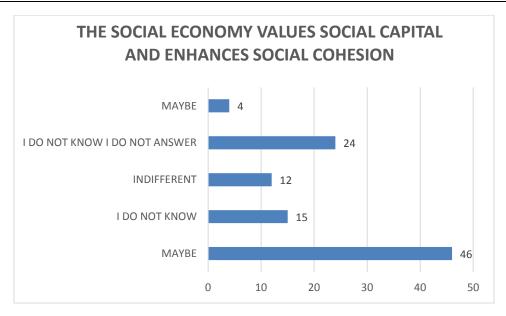
# ANONYMOUS QUESTIONNAIRE



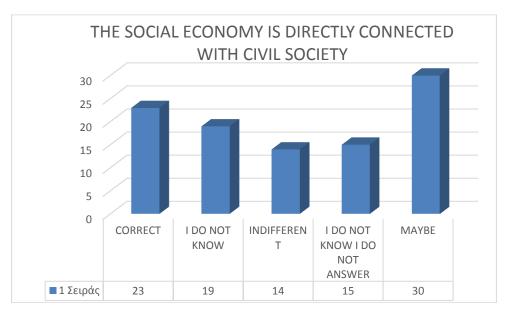
On the question of the utilization of social capital. 54 answered that they agree, 23 answered that they do not know, 13 did not care about the question, 6 answered that they do not know/ do not answer and 5 answered that it might be true.



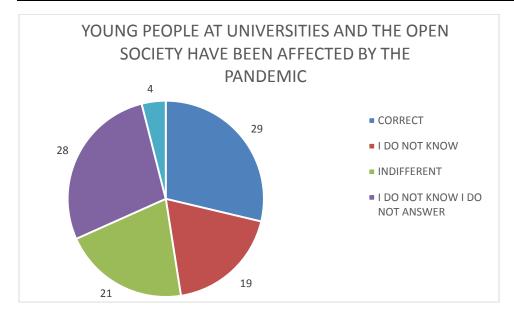
To the above question: 27 adopt the opinion, 29 answered that they do not know, 19 found the question indifferent, 21 answered that they do not know/ do not answer and 5 answered that it might be true.



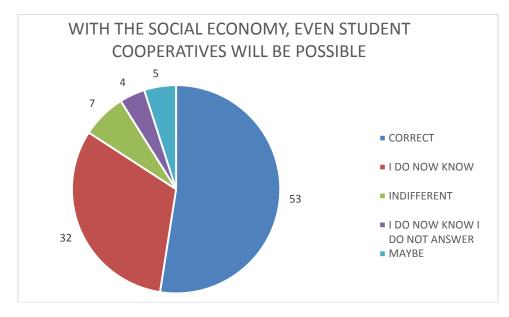
About what the Social Economy does: 46 answered that it is correct, 15 answered that they do not know, 12 found the question irrelevant, 24 answered that they do not know/ do not answer and 4 answered that it might be true.



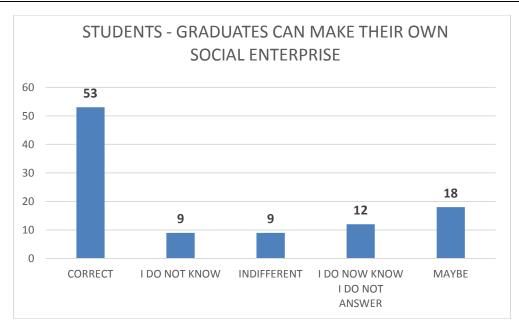
The social economy connection question: 23 answered that the question is correct, 19 answered that they do not know, 14 answered that it did not matter, 15 answered that they do not know / do not answer and 30 answered that it might be true.



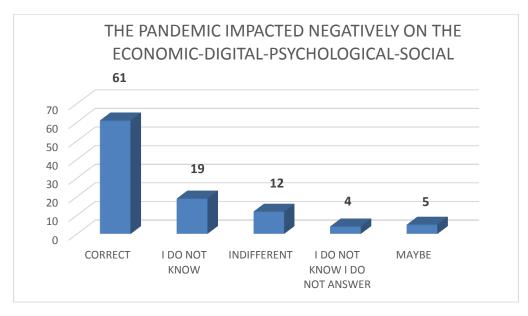
To this question: 29 answered that it is correct, 19 answered that they do not know, 21 answered that it did not matter, 28 answered that they do not know/ do not answer and 4 answered that it might be true.



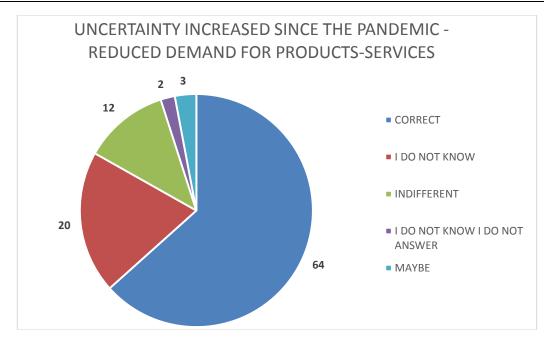
To the question of the possibilities of the social economy: 53 answered that it is correct, 32 answered that they do not know, in 7 it seemed indifferent, 4 answered that they do not know/ do not answer and 5 answered that it might be true.



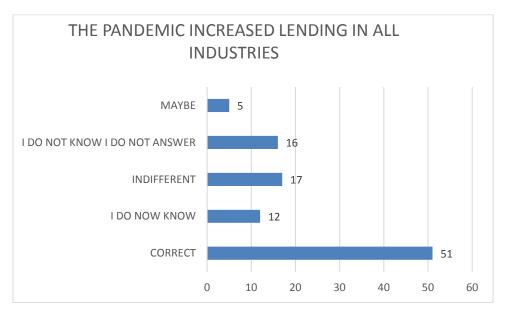
To this question: 53 answered that it is correct, 9 answered that they do not know, 9 seemed indifferent, 12 answered that they do not know/ do not answer and 18 answered that it might be true.



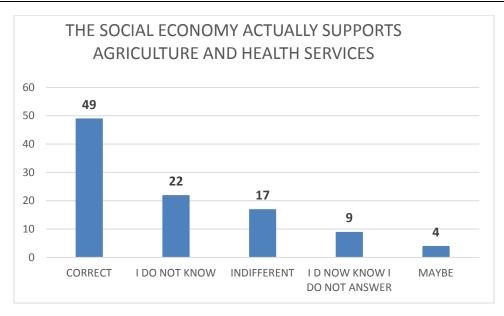
Regarding this question: 61 answered that it is correct, 19 answered that they do not know, 12 answered that it did not matter, 4 answered that they do not know / do not answer and 5 answered that it might be true.



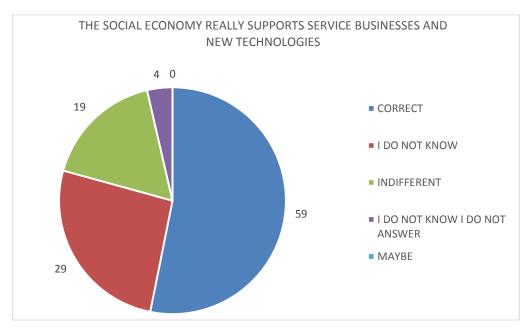
On the question of the effects of the pandemic. 64 answered that it is correct, 20 answered that they don't know, 12 answered that it didn't matter, 2 answered that they don't know/don't answer and 3 answered that it might be true.



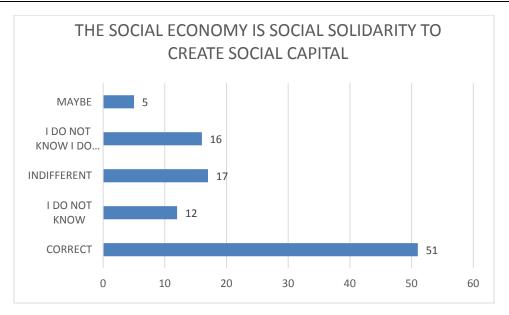
The question that refers to borrowing: 51 answered that it is correct, 12 answered that they do not know, 17 seemed indifferent, 16 answered that they do not know/ do not answer and 5 answered that Maybe this is true.



To the question of what the social economy supports: 49 answered that it is correct, 22 answered that they do not know, 17 answered that it did not matter, 9 answered that they do not know/ do not answer and 4 answered that it might be true.



Regarding this question: 59 answered that it is correct, 29 answered that they do not know, 19 seemed indifferent and 4 answered that they do not know/ do not answer.



Finally, to the question of what the social economy is and what it creates: 51 answered that it is correct, 12 answered that they don't know, 17 said it didn't matter, 16 answered that they don't know/don't answer and 5 answered that it might be true.

#### **III.** Conclusions from the research findings

Initially observing the demographic characteristics, approximately the same percentages of male and female students participated in the sample, of the order of 101 people. Regarding the educational scale, we notice that the entire sample is of Higher Education, i.e.: 68 undergraduates, 23 Masters and 10 PhDs. Regarding the Departments to which the sample belongs: 63 are from the Department of Economics and Sustainable Development, 21 are from the Department of Geography and 13 are from the Department of Informatics and Telematics. That is, everyone has a general technocratic perception of things. Age: 36 are in the age range of up to 20 years, 38 are between 20 and 22 years old, 5 are between 23-25 years old, 9 are between 26 to 28 years old and only 3 are 29 years old or older. Therefore, the majority is in the young age range. To the question, whether the Social Economy makes use of Social Capital: 54 agree, while the rest do not know, state that they are indifferent or that they do not know/don't answer and the last 5 answered that it might be true. The conclusion is somewhat worrying, since a little under 50% of the respondents do not know what the Social Economy utilizes. When asked if the Social Economy is characterized by mutual support and mutual assistance, only 27 adopt the opinion, while the rest and of course the majority declare that they do not know, are indifferent and state that they do not know - they do not answer. With this answer, unfortunately mutual help and mutual support are unfamiliar words for the respondents.

To the next question about whether the Social Economy is directly linked to Civil Society. Unfortunately, here again the social profile of the social economy is not perceived by the majority of respondents, since only 23 answered positively, the other 48 more or less doubted the connection and 30 answered that "Maybe it is true. One would expect absolute agreement in the responses. Then to the next question, regarding the Pandemic, young people in Society and Universities were affected. The majority again answers complicity or indifferently and that some say they don't know - they don't answer. This is also extremely worrying and perhaps there was no intention of cooperation since the pandemic affected everyone and everything. Unless, because of her young age, she helped them forget all those unpleasant situations we all experienced. In contrast to the question: if with the Social Economy even Student Cooperatives could be created and run? The majority of respondents find it correct, so we see when it comes to the employment index, interest is rising.

In the question that Graduate Students can start their own Social Enterprise, the majority is again positive, reaching the conclusion of the previous answer.

In the following question that: the Pandemic has negatively affected various sectors. The majority here agree. We should note here that the next five questions are considered by us to be "control questions" and of course here the majority at least agree that the pandemic has indeed affected all sectors.

The next question: that since the Pandemic the uncertainty has increased etc. The majority agrees. The only thing that is worrying is the rest of the 64 respondents in the sample, they answer with compliments, which they shouldn't. From the graph of the next question, it appears that due to the pandemic, lending has increased in all sectors and only 50%+1 agree. The answer is troubling, since the schools in the sample have a direct or

indirect relationship with the national economy of the country. To the question of whether the Social Economy in times of crisis actually supports Agriculture and Health Services? 49 answered that it is correct, 22 answered that they don't know, 17 seemed indifferent, 9 answered that they don't know/don't answer and 4 answered that it might be true. The negative percentage may have been created by a large percentage and of course it also depends on the respondent's place of origin. In the Circular Diagram concerning the question whether the Social Economy in times of crisis actually supports service businesses and new technologies. 59 answered that it is correct, 29 answered that they don't know, 19 seemed indifferent and 4 answered that they don't know/don't answer. Here too the negative percentage worries scholars. End of the Bar Graph that concerns the question of whether the Social Economy is Social solidarity for the creation of Social Capital. 51 answered that it is correct, 12 answered that they do not know, 17 answered that it did not matter, 16 answered that they do not know/ do not answer and 5 answered that it might be true. The answers are the positive sign of the whole research process.

#### IV. Suggestions

The final proposals of the paper are: the consolidation of the essence and content of the social economy, on the one hand, in every citizen, on the other hand, in schools and Greek Universities. At the same time, all students must be taught the mission of the terms related to the social economy, which are: social capital, social cohesion, civil society, etc. Also, the fact that the social economy is characterized by mutual support and mutual assistance, this should be felt by everyone. We live in times of economic instability, social injustice, extreme weather phenomena, and at the same time food poverty in some social strata of the country. Thus arises the need for social care, to a satisfactory degree, with goods and services, focusing mainly on: health services, social welfare for specific social groups of the population. These could be the elderly, people with disabilities, people with chronic conditions and immigrants. As far as we know, social economy operators are willing, but even the initial small funding is absent, since in essence it is limited to non-existent, that is why even the social economy in the COVID-19 pandemic, created a form of small-scale agricultural cooperatives, social grocery stores, social pharmacies, social tutoring for disadvantaged students. In this way, unemployment and poverty are prevented. These actions helped to deal with the pandemic and above all to overcome the fear of its consequences, from the previous one and from a possible future one.

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