

## INTERNATIONALIZATION OF GREEK SOCIAL ENTERPRISES AS A SUSTAINABILITY AND DEVELOPMENT STRATEGY

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### Abstract

The aim of this paper is to identify and highlight those conditions and characteristics that will facilitate the internationalization of Greek Social Enterprises (GSEs) and, thereby, enhance their sustainability and performance characteristics. In Greece, social enterprises have a very low degree of internationalization. Assessed on their fundamental characteristics (turnover, employment, size), they fail to respond to criteria of extrovert Social Enterprises. We also highlight policy measures that may support and encourage social enterprises to internationalize. Through internationalization, positive effects on the viability and further development of GSEs will emerge, specifically related to strengthening their competitive position in the domestic and international markets, by raising capacity innovation, increasing sales, creating new jobs and acquiring a healthier financial position.

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## 1. Introduction

The object of this paper is to investigate the current situation, obstacles and prerequisites for the internationalization of Greek Social Enterprises (GSEs) and, consequently, the improvement of their sustainability and their quality characteristics.

Methodologically, relevant literature was used, together with research and studies of international and Greek organizations. The existing situation was studied by collecting, recording and analysing secondary quantitative data concerning the characteristics of GSEs. Experiences, obstacles, and the criteria of internationalized enterprises were also investigated, mainly within the European Union, regarding methods for the internationalization of Small and Medium Enterprises (SMEs) and which of them are appropriate for social enterprises, depending on their characteristics, as well as possible obstacles or necessary measures for their further internationalization prospects.

## 2. Literature Review

Social economy organisations generally contribute to increasing social capital, since their activity is based on citizens' cooperation and participation. They also often provide public goods and goods of general interest, drawing on a set of resources beyond the state budget. As a result, these enterprises significantly contribute to expanding the supply of social goods and services, creating new jobs and increasing income. In addition, they employ disproportionately larger percentages of people from groups that have trouble seeking jobs in profit-driven industries (e.g., women, young people or disadvantaged workers) (European Commission, 2013, pp. 49-50). Social Entrepreneurship (SE) can offer some exciting new ideas and complement plans for more socially appropriate and sustainable business strategies. SE discovers new ways of creating products, services or structures, responding to social needs so to achieve sustainable growth with business opportunities that cannot be fulfilled by either markets or social systems. The very nature of SE is flexible, creative and inventive (Manoj J., Tiwari S.P., Vindhalyaya J., p.11).

Recent research into 507 US-based socially oriented organizations has studied five dimensions: innovation, energy (vigour), risk management, effective orientation and social mission orientation: 44% of the social organisations that participated in the research operate in the health and human health services sectors, 14% in the arts, culture and humanities, 9% within the context of civil rights and community development, 5% in the sector concerning the environment and animals, 4% at the international level and 24% under the "other" category (charitable and non-profit organisations). The Social Entrepreneurship Orientation (SPO) indicators of the sample were found to be high in innovation (3.9/5.0), prevention (3.8/5.0), risk management (3.9/5.0), selective orientation (3.6/5.0), social mission orientation (4.2/5.0) and sustainability orientation of (4.2/5.0). These high scores indicate high levels of business behaviour in the Social Business Orientation Indicators (Abhishek Dwivedia, Jay Weerawardenab, 2018, pp. 36, 39).

In an analysis on innovation and profit incentives in social entrepreneurship, inclusion of the profit and innovation incentive alongside the social incentive provides an answer to the question why some social enterprises are more innovative than others and why some are more profitable than others. It is argued that these results are driven by the structure chosen and the self-esteem management of individual social entrepreneurs, coupled with the ability of specific social enterprises to deliver social results. Multiple paths towards social entrepreneurship have been found in relation to the single dominant result of the consequences of symmetrical analysis. Given the heterogeneity on both sides of the relationship of individual opportunity and expectation, this could mean that people with different attitudes, expectations and self-esteem levels would choose the same type of social opportunity, but also that various types of social enterprises would be chosen by different people (Evan Douglas, Catherine Prentice, 2019, p. 77).

A multilevel analysis in eleven welfare states shows that social enterprises are perceived as a more effective solution to social problems when a liberal or socialist logic dominates the market of a given state of coordination and social welfare. However, when institutional reasoning faces conflicts, any legitimacy assigned to social entrepreneurship decreases. The study emphasises that high legitimacy of social entrepreneurship in the eyes of national experts requires both a single market/socialist reasoning of the political governance on a macroeconomic scale, as well as institutional conditions offering an efficient environmental function for social enterprises. In this respect, it can be concluded that the development of social entrepreneurship in different national contexts depends on factors on the demand side of public acceptance of social enterprises, factors of supply reflecting the active efforts of entrepreneurs and institutional factors creating the context for interaction between enterprises and of enterprises with the wider public (Ewald Kiblera, Virva Salmivaara, *aa.*, 2018, pp. 944, 954).

Based on capital and institutional theories, a recent paper discussed the potential role of a typical (economically, educationally and politically) country in relation to individual (economic, human and social) chapters and to how individual chapters and institutional conditions affect entrepreneurship in general, and, social entrepreneurship, in particular. It is noted that all three forms of individual capital are important for social entrepreneurship to be launched. Results show that having different forms of individual capital (economic, human and social) increases the probability of starting a social enterprise. A country's general education standards play an important complementary role alongside social entrepreneurship skills. Entry into the social entrepreneurship sector is also an option that entails significant opportunity cost in terms of capital investment (Sreevas Sahasranamama, M.K. Nandakumar, 2018, pp. 1, 9, 10).

In a systematic review and analysis of existing surveys, 45 definitions of social entrepreneurship were found. Three main categories, intentions/promises, business opportunities and types of entities within social entrepreneurship were examined.

These intentions/promises are grouped into four sub-categories, namely: people, social aspects, economic goals and contexts. The most controversial sub-category is the one related to social aspects, because of conceptual ambiguity. Business opportunities consist of theoretical elements used in entrepreneurship studies. Business opportunities in the EU are geared towards solving social and environmental problems. In the Entity category, the variety of entities focuses on the legal status of entities, which enables them to carry out their activities (Rocío Aliaga-Isla, Benjamin Huybrechts, 2018, p. 656).

The internationalisation of business as a topic studied in the literature began in the 1960s and the best-known approach, based on classical assumptions of economic theory (classic economic models), was the theory of enterprise development (Penrose 1995) and the Product Life Cycle Theory (Vernon 1979). According to Penrose, growth can be achieved through the internationalization of a company and the exploitation of new opportunities by international markets and/or by finding new production opportunities within the international environment. Vernon's model explains not only the emergence of international trade and investment, but also the internationalization of a company using the product lifecycle concept. According to patterns of *behaviour*, internationalization can either happen deliberately, through a strategic development plan, or because the enterprise is driven in this direction (Aharoni, 1966). The interconnection of enterprises with other companies is at the core of the *model of networked enterprises*. Businesses are interconnected with other businesses, and these networks extend their action beyond national borders, thus, acting as a vehicle for the internationalization of the companies involved (Johanson & Mattson, 1988). The latest trend in theoretical approaches to internationalization is the study of the so-called "*globalized by establishment business*". In a paper that examines the issue of economic integration and spatial inequalities in regard to international production distribution, it was found that low cost of setting up and easy entry of firms seems to be determining factors in business dynamism in international spatial decisions and economic performance in general (Kristian Behrens, Jacques-Francois Thisse, 2006, pp. 868, 878-879).

In a paper on opportunities for social entrepreneurship globalization it is explained why social entrepreneurs may be attracted to opportunities outside their countries of origin and start companies that are international from the outset, even when there are no markets or where there are serious institutional shortcomings. The scope of the social venture determines the number of groups it serves and the range of its geographical scope. Some social businesses may have an advantage to increase their impact only when focusing on certain countries or a specific area. Other businesses may pursue social opportunities in a wider, international field, which operates in many countries. Such fluctuations in the field of social enterprises are likely to reflect the impact of social entrepreneurs, their preferences and

motivations, resources they have or could accumulate, their perception of the risks involved, the business models they apply and their capacity to coordinate at the international level. When social bargaining is more closely related to a business background, knowledge, skills and experiences are likely to reduce entrepreneurs' perceived risk and their uncertainty about operating in a broad international scale. Accessibility to others also reduces perceived risks associated with international presence, because it makes sharing information possible and facilitates cooperation with intermediaries who perform specialised services (e.g. accounting), thus further reducing the risks of increased geographical extension. The presence of other businesses, including NGOs, provides additional opportunities for participation in collective actions to raise awareness of the problem and make the international arrangements appropriate to deal with it. Finally, observing other companies seeking similar opportunities helps gain new skills to improve coordination, efficiency and administration, enhancing international presence. Various underlying forces might reduce the willingness of entrepreneurs to look for social opportunities internationally. The lack of standardisation of the business model increases operating costs because serious local adaptation is necessary, requiring full understanding of local cultures, ideologies and institutions. Social enterprises operating on an international level use innovative organisational structures, while business models must follow collaborative strategies seeking to connect to a range of sources worldwide (Shaker A., Zahra, H. and N. Rawhouser, aa., 2008, pp. 127-129).

From the theoretical and empirical analysis of business processes of social entrepreneurship, as compared to speculations, findings show that, while modern practices of social enterprises have many similarities to their counterparts for speculative purposes, there may also be significant differences. These differences converge around the following main issues: with respect to the identification of opportunities, social entrepreneurship concentrates on unmet social needs and locally bounded amenities. On the other hand, while both profit-driven and social entrepreneurs maximize local network integration, the latter use networks to build local credibility and support for their social enterprise. Social entrepreneurs rarely invest or risk personal finance in their businesses and do not seek to maximize profit for personal gain. Personal risk is clearly there for social entrepreneurs, but it is investment of personal credibility and reliability in local reputation that is at stake by their business activities, not financing. Failure entails not financial damage but loss of personal reliability, while success does not entail economic gain but increases social and human capital through the enhancement of personal reputation. Profit-driven and social entrepreneurs share a belief in the centrality of their role: social entrepreneurs should make inclusion clearer and must share the pursuit of success together with a group of volunteers and beneficiaries (Eleanor Shaw, Sara Carter, 2007, p. 431).

The social capital of a company allows changes in the internationalization operation despite the limited experience of social entrepreneurs. The reason is that, since the internal accumulation of market knowledge is an important determinant of the pace of internationalization, the information acquired through social capital allows enterprises to change modes faster (Sylvie Chetty and Henrik Agndal, 2007, p. 25).

Creating a social enterprise may prove to be a more difficult task than establishing a traditional business, due to the fact that special skills are needed to start and manage a business whose social mission is as important as economic gain, but also because of greater difficulty in accessing funds, resulting from the limited understanding of social enterprises and the social value these produce. Social enterprises make significant contribution to addressing social and economic challenges. Their contribution can be increased by policies that favour growth and efficiency. These policies should focus on providing appropriate measures for the development of social enterprises, including actions to promote social entrepreneurship and improve legal and regulatory frameworks, funding, market access, business development services and supporting structures (OECD, European Union, 2013, pp. 7, 16)

Regarding the issue of how a business will develop its international activity, there are three main ways of internationalizing a business outlined in relevant literature. The first way is internationalization *through exports* in two forms, namely, direct and indirect exports. *Direct exports relate* to companies which either use independent distribution companies to promote their products in foreign markets, or establish their own offices and acquire their own sales network in foreign markets. *Indirect exports* have to do with cooperation with specialized export management companies or foreign buyers with local representatives. The latter is achieved through *non-participatory agreements*, with three basic methods of expansion into foreign markets, i.e., licensing agreements, turn-key projects, and franchise agreements. Finally, *foreign direct investments* are also an option for businesses seeking to expand into foreign markets, by creating subsidiaries, joint ventures, etc. (Hisrich, R. & Peters, M., 2002).

In a research study on the social impact, opportunities and challenges of the cooperative movement and the impetus it can give to the cooperative economy by *Cooperatives Europe* in cooperation with the *LAMA Development and Cooperation Agency*, titled “*Cooperating platforms in the European landscape: an exploratory study*”, 38 projects from 11 European countries and three non-EU initiatives were analysed, in an attempt to find out the conditions for their development and highlight the concerns expressed by representatives of cooperative associations from eight countries (Austria, Belgium, the Czech Republic, France, Italy, the Netherlands, Poland and the United Kingdom). Of these projects, 80% (31 out of 38 ventures) rely mainly on digital technology, but not all digital platforms are collaborative. The report reveals that cooperatives can contribute to growth. It is also noted

that the challenge is to make the collective model more attractive for young people who develop innovations through digital technology, which can boost cooperative economy, while proper financing is a drawback and operates as a disadvantage with respect to capitalists' capital. Of the cooperatives, 68% catered for the wider public, while only 16% developed cooperation projects among its members and 16% aimed at working with members of other cooperatives. One in three cooperatives (32%) developed initiatives locally, 20% regionally, 24% nationally and 24% internationally. The number of people targeted is low, since 40% of the ventures targeted at a maximum of 100 people; as for users, in 30% of the enterprises they were between 100-1000, while in others there were over 1,000, depending on the type of initiative. Total turnover amounts to 1,000 billion Euros a year (koinsep.org).

When examining capabilities for innovation in a globalised world, it is found that an international business environment stimulates innovation capacity more than a regional cluster and that the network of international relations increases the capacity for innovation. Businesses which successfully deploy global pipelines to knowledge sources in remote locations often prevent the risk of engagement, which is exclusively linked to local sources of information. Research shows that the expansion of international cooperation is more advantageous for innovation than regional corporate relations. Research shows that it is the international environment rather than a regional cluster, that is more beneficial not only for product innovation in general, but, mainly, for products and services that are new to the market (Martin Gjelsvik, 2014, pp. 16-17).

While comparing the scope of Corporate Social Responsibility (CSR) and *Social Value Initiatives* (SVI) between social and commercial enterprises in the United Kingdom, it was found that both social and commercial businesses focus on adopting CSR practices based on the "Triple Fight" (TBL), as defined in the 1997 *Elkington Framework* on Economic, Environmental and Social Sustainability. The difference is that, while the Social Value Initiatives of commercial businesses grow as a business strategy in the later stages of the business, the corresponding initiatives of social enterprises are incorporated in the business creation phase. The initiative on Social Value between social businesses aims to maximize community benefits and environmentally friendly products and to minimize exploitation of natural resources, while on the contrary, many initiatives of commercial companies grow as a strategic business tool aimed at maximizing resources and profit for the benefit of shareholders (Paul Agulgwe, AfamIcha-Ituma, Nnamdi Madichie, 2018, pp. 37, 46).

During the investigation of regional export factors in Spanish and Polish regions, it was found that the main factors are local conditions, direct foreign investment, infrastructure, market conditions, geography, rural settlements and technological knowledge. Focusing on regional determinants of exports is based on the general assumption that regions can be treated as small open economies, since they are

increasingly interested in the participation of enterprises in exports, and export performance reflects regional competitiveness. Region size positively determines their exports. The total employment share of agriculture has a negative impact. On the other hand, processing has a positive effect on regional exports, implying a significant political consequence, namely, that deindustrialisation could hamper the regional export base, but the increasing marketability of services could, at least partially, mitigate this effect. Border regions are characterised by primacy in accessing foreign markets. Additionally, the latitude of the capital city of the area is important, since, in fact, it reflects higher climatic characteristics. Further southern latitudes have a negative impact on the extent of the economic settlements shown by the European NUTS-2 regions. Direct foreign investments positively affect exports of the regions, together with the size of seaports and airports, with a positive impact on export potential, not confined to the particular area in which such infrastructure is situated (Tomasz Brodzicki, Laura Márquez-Ramos, Stanisław Umiński, 2018, pp. 143-144).

Based on the above theoretical framework, the research questions we pose are the following:

- a. Based on their fundamental characteristics (annual turnover, employment, size), can GSEs correspond to any criteria regarding extroverted Social Enterprises?
- b. To what degree are GSEs internationalised?
- c. What obstacles to GSEs development are there in their internal and external environment?
- d. What are the effects of internationalization on the sustainability and further development of GSEs?
- e. What is the suitable way for internationalisation, based on GSEs' characteristics?
- f. What are the appropriate policy measures through which GSEs may be encouraged to internationalise?

### **3. Social Entrepreneurship in the EU and in Greece**

According to *Cooperatives Europe*, cooperative ventures are a major movement that, in 2015, numbered almost 180,000 cooperative enterprises in the world, with more than 140 million cooperative members, providing jobs for more than 4.7 billion workers, while its turnover exceeded 1,000 billion Euros. In Europe alone, the cooperative movement includes 130,000 businesses in all economic sectors, with 127 million members, meaning that one out of five EU citizens is a member of a cooperative. The cooperative economy employs more than 4 million workers and accounts for almost 990 billion Euros of annual turnover (koinsep.org).

In countries with economies of innovation intensity, initial social entrepreneurship ranges from 0.5% (Spain, Hong Kong) to 3.9% (Iceland, USA), with an average of 1.9%. Social entrepreneurship in Greece corresponds to 1.9% of the population,



exactly equal to the average of the countries based on innovation. With regard to the gender of social entrepreneurs, men seem to be more active in this type of entrepreneurship, but the gender gap is narrower than that of ordinary early-stage entrepreneurship. From the GEM survey, it appears that younger people are more sensitive to issues of social concern, so the age group 18-24 is the most active one. The educational level of those involved in social entrepreneurship seems to play an important role, since it is positively linked to the degree of innovation and, hence, to the possibility of starting such an enterprise. It seems, therefore, that almost one in three social enterprises thinks that it is introducing a new product into the given market, while an equal proportion regards the way of production that takes place within its framework as innovative. At the same time, 48% of social enterprises in Greece believe that they operate in a niche market and/or targets a specific group of clients. Regarding the profile of the social entrepreneur in Greece, it is also confirmed that male entrepreneurship dominates this form of entrepreneurship (67.6% vs. 32.4% women). Of social entrepreneurs, 54% are graduates of at least post-secondary education (confirming the impact of education on the development of social entrepreneurship), while more than half say they are moving to the top/a higher income sector. In terms of age, men appear to be active at a younger age (as is the case with conventional entrepreneurship), with one out of two being 18-34 years old, while almost 72% of women entrepreneurs are between 25 and 44 years of age. Despite their numerical prevalence, male social entrepreneurs appear to be less innovative, since a little more than a third consider that they offer a unique product, way of production or promotion. On the contrary, two-thirds of women respond positively to the same questions, making them providers of not only socially/environmentally sensitive but also innovative products/services. On the education and family income aspects, it appears that a much higher proportion of men have completed university studies (52.4% of men vs. 22.4% of women) and are financially better off (53.9% of men and 35.6% of women, respectively) (Foundation for Economic & Industrial Research, GEM, 2010, pp. 50-53, 56-59).

According to available statistics, the percentage of employees in the social economy sector in Greece comes to 2.67% of total employment, far below the average of the EU-15 (7.41%) and the EU-27 countries (6.53%) (CIRIEC 2012). The image of social entrepreneurship in Greece is unclear due to the lack of systematic long-term research. The European social economy is very important in terms of both human and financial terms, including more than 13.6 million paid jobs, equivalent to about 6.3% of the EU-28 working population; employment of more than 19.1 million, over 82.8 million volunteers, equivalent to 5.5 million full-time workers; more than 232 million members of co-operatives, mutual funds and similar entities and more than 2.8 million entities and businesses. The actual situation varies among EU countries. While employment in the social economy represents 9-10% of the active population

in countries, such as Belgium, Italy, Luxembourg, France and the Netherlands, in the new EU Member States, such as Slovenia, Romania, Malta, Lithuania, Croatia, Cyprus and Slovakia, the social economy remains a small, emerging sector, which employs less than 2% of the working population. Another conclusion refers to the development of the labour potential of social economy during the economic crisis. The workforce of the social economy showed resilience to the economic crisis, and only fell from 6.5% to 6.3% of total European salaried labour and from 14.1 million jobs to 13.6 million (European Economic and Social Committee, 2016, pp. 66, 67).

According to data presented in the explanatory report of the *Social Economy and Social Entrepreneurship* Bill (2011), social enterprise carriers in Greece are estimated at 1,500-2,000 volunteer organisations (200-300 are active), 71 female cooperatives with 1,903 members, 68 cooperative therapeutic units at psychiatric hospitals, 15 Social Cooperatives Ltd on the integration of mental patients into the labour market and the production of goods and services. In the registry of social enterprises (Ministry of Labour, Social Security and Social Solidarity, 17/1/2017), there are 1,216 social enterprises registered, of which 33 (2.71%) are Social Cooperative Enterprises of Integration, 17 (1.40%) are Social Cooperatives Ltd., 118 (9.71%) are Social Care Cooperatives, 1,034 (85.03%) are Social Cooperative Societies of Collective and Productive Purposes and 14 (1.15%) are other social economy entities. In 2015, the total number of workers in the above-mentioned carriers was 813 of which 224 belonged to vulnerable groups, while their total turnover reached €6.9 million. (Ministry of Labour, Social Security and Social Solidarity, Annual Report 2017) (Table 1).

**Table 1.** Corporate enterprises in Greece

No	Category	Number	Rate (%)
1	Social Cooperatives on Integration	33	2.71
2	Social Cooperatives of Limited Liability	17	1.40
3	Social Cooperative Societies of Social Care	118	9.71
4	Social Cooperative Societies of Collective and Productive Purposes	1,034	85.03
5	Other Carriers of Social Economy	14	1.15
	Total	1,216	100
6	Entries in the Registry (until 31.10.2016)	1,225	
7	Deleted	378	30.86
8	Registered	847	69.14

Source: Registry of Social Enterprises, Ministry of Labour, Social Security and Social Solidarity, 2017

Social enterprises in Europe are active in the following fields: Social Services, employment and training, environment, education, economic-social and community development, health, housing, business associations, legal-defence & politics and others (Table 2).

**Table 2.** Fields of activity of Social enterprises in Europe

No	Field of activity	Rate (%)
1	Social services	16.70
2	Employment and Training	14.87
3	Environment	14.52
4	Education	14.52
5	Economic, social and community development	14.34
6	Culture, arts and entertainment	7.08
7	Health	6.90
8	Housing	2.72
9	Business associations	2.00
10	Legal, defence & politics	1.63
11	Other	4.72
	Total	100

*Source:* European Commission 2013, Guide for Social Europe, Issue 4, pp. 37, [www.selusi.eu](http://www.selusi.eu)

The total turnover of operators in Social Solidarity Economy (S.S.E.) started from 50 thousand Euros in 2012, increased to 463 thousand Euros in 2013, jumped to 6.2 million during 2014 and to 6.9 million Euros in 2015 (Table 3). The majority of S.S.E. operators do not show significant profits or losses; thus, it can be deduced that revenues either slightly outweigh costs or there are minor losses. It is worth noting that while in 2015 the revenues of the agencies reached 6.9 million Euros, their expenses exceeded revenues by 166 thousand Euros. Considering that the minimum annual cost per full-time employee is approximately 12 thousand Euros, we could deduce that a significant proportion of employees at S.S.E. are employed in informal forms of work, since in 2014 the revenues of the operators were not sufficient to cover the employees' salary cost, which reached 8 million Euros. The same was true in 2015, when revenue also fell behind wage costs (€6.9 million revenue versus €9.7 million estimated wage costs). This trend highlights the early stage of the S.S.E. ecosystem and the need to improve the sustainability of the bodies of its operators. Regarding the size of the sector's turnover, the amounts of borrowed funds in the years 2014 and 2015 are very small, which reflects the inability of banking institutions to provide the necessary funds to sector players so that they may make productive investments. What can be concluded from the above is that there is a significant need to provide financial instruments to S.S.E. operators in order to fill the gap in the market. Significant amounts seem to have been granted to operators in the Attica region, ranging from 950 thousand Euros in 2014 to 390 thousand Euros in 2015. Smaller amounts appear to have been granted to operators in the regions of the North Aegean in 2014, Thessaly in 2015, Central Macedonia in 2014 and the Peloponnese in 2014 and 2015. The regional distribution of active S.S.E.

agents for 2015 is not uniform. The highest concentration of active S.S.E. operators is observed in the Attica region, where 45% of all active entities operate, followed by the region of Central Macedonia with 11%, the region of Thessaly with 9%, and the region of Eastern Macedonia & Thrace with 8%. Smaller concentrations (6%) are found in the regions of Crete and the Peloponnese, while the regions of Western Greece and the South Aegean present a rate of 4%. In the other regions, the presence of active S.S.E. agents is significantly lower: 2% in Central Greece, the Ionian islands and Epirus regions, 1% in Western Macedonia and 0% in Northern Aegean region (Ministry of Labour, Special Secretariat for Social and Solidarity Economy, Annual Report 2017, pp. 32, 34-35).

**Table 3.** Sectors, Employees and Turnover of Social Enterprises (2015)

Sector	Number*	Rate (%)	Number of Employees (AWU)	Turnover (Euros)
Education	36	12.77	184	1,116,543
Food service	30	10.64	111	1,362,312
Activities of organisations	26	9.22	78	429,757
Wholesale	21	7.45	9	269,234
Retail	18	6.38	8	275,003
Administrative activities	15	5.32	50	207,265
Services to the State	14	4.96	26	470,801
Social care	14	4.96	43	219,329
Creative activities	12	4.26	55	124,263
Consultant agency	9	3.19	14	334,447
Cleaning services	9	3.19	67	481,349
Health services	8	2.84	13	102,140
Food industry	5	1.77	5	36,294
Garbage	5	1.77	2	14,017
Information services	5	1.77	0.4	69,575
Construction activities	4	1.42	4	146,516
Publishing activities	4	1.42	1	25,496
Information & Communication Technology	4	1.42	3	42,314
Other activities	43	15.17	99.4	1,128,624
Total	282	100	773	6,855,279

*Source:* Ministry of Labour, Social Security and Social Solidarity, Special Secretariat for Social and Solidarity Economy, Annual Report 2017.

\*Those who have submitted information to the Registry.

The data in Table 4 show where that average employment in Annual Work Units (AWU) was 2.74 in 2015 and 3.05 in 2016 per Social Enterprise, while the average turnover was 24,309.5 Euros in 2015 and 30,185.18 per business.

It is noted that all Greek social enterprises belong to the category of very small enterprises and even at the lowest levels of the scale, employing 0-9 employees and having a turnover of up to 2 million Euros, which defines the category of very small enterprises.

With respect to our first research question, from the above-mentioned fundamental GSEs' characteristics, one can deduce that they do not fulfil the criteria of extroversion, based on the corresponding extroverted European social enterprises.

**Table 4.** Average Number of Employees, Turnover 2015, 2016

	2015	2016
Social Enterprises (number) *	282	335
Employees (AWU)	773	1.023
Average per Business (AWU)	2.74	3.05
Turnover (Euros)	6,855,279	10,112,036
Average per Business (Euros)	24,309.50	30,185.18

*Source:* Annual Reports 2017, 2018.

\*Those who have submitted information to the Registry.

During the preparation of the 2017 Annual Report, an investigation was carried out over 1,647 operators, of which 251 responded to the questionnaire (out of which 228 are legal entities and 175 registered in the Registry of the Ministry of Labour Social Security and Social Solidarity). The following basic research findings were recorded for Social Solidarity Economy (S.S.E.): 68% of operators were established during the last five years; of them, 40% in the last three years, which means they were mainly start-ups. The majority of ventures in the S.S.E. sector are considered to still be at an early stage, while 74% have a turnover of less than €50,000. Most players are active in their immediate vicinity, at local and regional level, and only a few of them, despite being quite important, are nationally and internationally active. Hence, regarding our second research question, it is evident that the degree of internationalisation of GSEs is extremely low, since their action is mainly confined to local and regional levels. Of these, 78% are trying to tackle the problem of unemployment, which is, by far, the commonest social objective of S.S.E. organizations; 37% re-invest their earnings in job creation; 55% help the long-term unemployed, with a large part providing assistance to the elderly, people with learning or physical disabilities, refugees and asylum seekers. S.S.E. operators are active in a wide range of sectors of economic activity, including education, food production, social welfare, tourism and recycling. Of these, 88% are expected to increase their turnovers during the next 12 months, and a similar proportion is expected to increase the number of their employees. Over 90% believe that S.S.E. has the potential to expand further

in the industry and the geographical area they operate in. The biggest obstacle they face, regarding their sustainability and growth, is access to appropriate financial instruments (grants, loans). Of these, 35% are run by women, while the level of participation of women in the workforce within S.S.E. operators is also higher than that in conventional businesses. A percentage of 41% of those who manage an S.S.E. carrier holds a postgraduate or doctoral degree (Special Secretariat for Social and Solidarity Economics, Annual Report 2017, p. 104).

Regarding our third research question, despite the positive impact of social enterprises on the economy and society in general, significant barriers still hamper their development. The creation of a social enterprise may prove a rather difficult task because of the necessary skills needed to manage an enterprise whose social mission is just as important as its economic activity and because of the additional difficulty in accessing finance. This is why it is very important to create a supportive environment for the creation of social enterprises (OECD, 2013). A report by the European Commission presents the obstacles faced by social enterprises in Europe (Table 5), as recorded by literature review and research in 350 enterprises; these are categorised into external obstacles, related to the external environment of social enterprises, and internal ones.

**Table 5.** Factors-obstacles to the development of social enterprises

External factors	Internal factors
Incomplete understanding and recognition of the concept of 'social enterprise'	Lack of sustainable business models
Insufficient regulatory framework and supportive policies	
Difficult access to financial instruments	High dependence on the public sector
Lack of business development and support services	
Difficulties in accessing markets	Lack of entrepreneurial spirit
Absence of mechanisms to measure social impact	
The overall economic environment in times of crisis	Lack of professional qualifications and management skills

Source: K. Sarri, A. Trichopoulou, 2017, "Entrepreneurship and Social Economy. The Perspectives of Gender", published by Tziolas.

Some external factors include incomplete understanding and recognition of the concept of 'social enterprise', lack of regulatory and support policies, difficulties in accessing financial instruments, lack of business development and support services, difficulties in accessing markets, absence of mechanisms to measure social impact and the overall economic environment in times of crisis. Internal barriers to social

enterprises themselves are lack of sustainable business models, high dependence on the public sector, lack of entrepreneurial spirit and lack of professional qualifications and management skills (K. Sarri, A. Trichopoulou, 2017).

Some examples of good practices of Greek social enterprises are presented below.

The Social Cooperative Enterprise '*Genisea*', which started its action as a Women's Association for the purpose of networking, mutual aid, information and the revival of old customs and cultures. It is active in the cultivation and juicing of sugar cane and in the production of *pezyme* [*petmez*] from the juice. The company has participated in exhibitions where the managers located the sugar cane's potential for exports from the interest shown by foreign exhibitors (Iran) (Fotiadi Ioanna, 2016, <http://www.kathimerini.gr/845043>, 09.01.2016).

'*Iliachtida*' (Sunlight) is a social body, a non-profit civil society, created from the needs of the local community of Mytilene in 1999. Its aim is to put an end to the exclusion of people with disabilities and vulnerable groups through employment. People with disabilities who are currently working in '*Iliachtida*' mainly produces invitations, gifts, cards, handmade jewellery, soap, etc. (<http://www.iliaktida-amea.gr>).

'*Mygdonia*' is a social non-profit women's cooperative enterprise of a collective and productive purpose, aiming at the pursuit of collective gain, contributing to local economic growth through job creation, education and acceleration of rural growth, the exploitation of Greek native aromatic and medicinal plants, local indigenous species and the development of complex agro-tourism actions (<https://foreis-kalo.gr/?q=profile-koinsep/364>).

The Social Cooperative Society '*Recycle-at-the-Source*' is not only an ecological collective, but also a social cooperative venture that started in the city of Patras in November 2013. The objective of the Social Cooperative Society is ecological and social management of all recyclable materials, as well as re-use, in the eastern Patras region. At the Social Cooperative Business, 170 citizens hold cooperative shares (<https://recycleatsource.gr>).

'*Alfios Rodi SA*', a social multi-stakeholder enterprise with 126 shareholders, cultivates pomegranate trees, marketing and processing their fruit, and develops its interests focusing on the broader area of the valley of the Alfeios, the Ladon and the Eurymanthus Rivers. The company cultivates 60,000 pomegranate trees of the *wonderful* variety in an area of 2,000 acres, cared for by their owners themselves and supported with cultivation, development, management and marketing services by a consultancy firm. Their products are available on supermarket shelves and stores in Athens, Thessaloniki and the wider region of the Peloponnese, while they are also exported to Germany, Poland, Romania, Italy and Belgium. It is the first Greek social enterprise to have a factory in full operation in Europe (<http://www.alfeiosrodi.gr/>).

#### 4. Extroversion of Profitable and Social Enterprises

According to ELSTAT (Hellenic Statistical Authority), a total of 12,000 export businesses operate in Greece on a temporary or permanent basis, (2011, 1.57% of total enterprises). A research study by the Pan-Hellenic Exporters Association (PEA) on the registration of PEA new members, in combination with entries in exporters' registries of the Chambers of Commerce of the country, shows that, during the 2010-2012 period, a total of about 2,000 enterprises showed extroverted orientation. These companies were either set up for the purpose of carrying out export business or acquired their extrovert orientation for the first time in that period, while during previous years their productive and commercial activities had been limited to the domestic market. According to the PEA survey, regarding the legal form/size of export-oriented enterprises in the 2010-2012 period, a period of recession in the Greek economy, 31.6% of the enterprises that gained an export orientation during the two-year period of 2010- 2011 were SAs, 23.3% were Limited Responsibility (Ltd), 18.3% sole proprietorship firms, 16.6% General Partnerships, 8.3% Limited Partnerships and a mere 1.6% Agricultural Cooperatives. Taking into account the number of employees and annual turnover figures, the large majority (3/5) of the new extroverted enterprises are classified as small and medium-sized. It should be noted that, according to the PEA Exporters' Registry, among the existing (before 2010) exporting companies, 23% are Large Businesses, 44% Medium Enterprises and 33% Small and Very Small Business. As for their legal status 43.3% are SAs and 25.8% private enterprises. Against this background, the trend of expansion of the country's export base is confirmed, since small and medium-sized enterprises, which are the overwhelming majority of enterprises in Greece and largely constitute its productive web, gradually incorporate export activities in their business strategies as a development option rather than as a coincidence. Directly linked to the size of the new export enterprises are the findings of the research in the sectors in which the new exporters choose to operate: 30% of businesses are active in the food sector, followed by machine-equipment (10%), transportation or related materials, printing-packaging products. The construction materials sector is represented by 5%, as is the clothing & footwear industry. The same percentage is also accounted for by the export-agent-brokerage consultants (5%), confirming the growth trend of supportive carriers of exports of services and products in the Greek market. Lowest in ranking are the sectors of plastics (3.3%), computer software (3.3%), cosmetics (3.3%), chemical fertilisers (3.3%) and jewellery (3.3%). At lower figures, representing the 'alternative' options, appear activities like household items, craft-vehicles, folk art, etc. This category comes to 12% of the total, constituting, in absolute terms, the second largest segment of the analysis and confirming that the "Extroversion intent" is expanding into a wider range of economic activity sectors. Regarding the head offices and geographical distribution of new export enterprises,



they are overwhelmingly dominant in the Attica region, which accounts for 75% of sample companies. Annually, over 52% of total Greek exports are made by companies based in Attica, according to a recent survey by the PEA. Attica is followed by Macedonia, Central Greece and the Peloponnese, all three with a percentage of 5%, followed by Thessaly (3.3%), Western Greece (3.3%) and Crete (1.6%). (Pan-Hellenic Exporters' Association, Export and Research Centre No 65, 2013).

The total number of Greek companies engaged in imports, exports or both types of transactions in the year 2015 came to 37,455; import companies alone were 19,723 (52.66%), export companies alone 5,865 (15.66%) and 11,867 (31.68%) enterprises were engaged in both types of transactions. Regarding the value of exports, of 25,279.8 million Euros, 68.6% (17,336.9 million) of the total value of exports was made by enterprises in the manufacturing, electricity, gas, steam and air conditioning, water supply, wastewater treatment, waste and remediation and mining and quarrying activities; this accounted for 33.1% (5,865 enterprises) of the total number of enterprises. Another 7.7% (1,955.3 million Euros) of the total value of exports was achieved by enterprises in the sectors of agriculture, forestry and fisheries and other services (excluding wholesale and retail trade; etc.), a percentage of 17.9% (3,179 enterprises) of the total number of enterprises. Finally, 23.7% (5,987.6 million Euros) of the total value of exports were achieved by wholesale and retail companies, repair of motor vehicles and motorcycles, which account for 49.0% (8,688 enterprises) of the total number of enterprises. The analysis of export figures by business, ranked by employment and by sector of economic activity shows that small enterprises, with fewer than 50 employees, which account for 85.6% of the total number of export enterprises, made 28.0% of the total value of exports, i.e. 7,096 million Euros. Medium-sized enterprises, with 50 to 249 employees, accounting for 6.2% of the total number of export businesses, made 21.7% of the total value of exports (5,479.6 million Euros), and large enterprises, with over 250 employees, accounting for 1.5% of the total number of export enterprises, made 50% of the total value of exports, which was 12,640.7 million Euros (ELSTAT, 2017).

A study by the Pan-Hellenic Exporters' Association investigating the impact of Greek companies' investment activity on Greek exports, notes that an increase in foreign investment leads to increased trade between the investing country and the host country. The increase in the size of many Greek companies, making large leaps since the early 1990s, has been largely linked to the establishment of productive and commercial activities abroad. Increasing the scale of businesses is not only a quantitative issue, but also a qualitative one. Small or very small, as a rule, Greek firms are, thus, gaining competitive sizes that enable them to face international competition more efficiently and participate in more complicated export trade processes more successfully. Research has shown that there is clear correlation between increase in enterprise size and expansion of export activities abroad. With regard to the size and

impact of the investment activity, it is noted that relative to the initial value of the investment, the subsequent value of the investment is higher or much higher, as the initial venture created by the investment expands and grows (Pan-Hellenic Exporters' Association, Export and Research Centre, 2009).

An IOBE [*Foundation for Economic & Industrial Research*] study (2007) showed that the most important multi-national motivation initiatives recorded in a hierarchical order are: exploiting new markets, maintaining a competitive position in the international market, customer service, horizontal integration and meeting consumer needs in host countries, exploitation of economies of scale, changes in demand conditions, reorganization of productive activities, lower costs in host countries and maintenance of a competitive position in the domestic market. With investment abroad, domestic multinationals have strengthened their competitiveness, resulting in a dynamic increase in sales, growth in jobs and maintenance of a sound financial position (IOBE, 2007).

In a survey on export enterprises of the Region of Central Macedonia (Magoulios G., Domoktsi E., Trichopoulou A., 2016) and the strategy adopted by companies to tackle the crisis, about half of the respondents said that their strategy was defensive, reducing staff and production, while more than half said they followed an aggressive policy by exploring new markets and seeking new customers through introducing new technologies and promoting new products. The major barriers faced by export businesses were legislation and bureaucracy, lack of support from government agencies and difficulty in bank financing.

With respect to our fourth research question, as seen from the literature, through internationalisation, improvement of quantitative (turnover, capital, jobs, etc.) and their qualitative characteristics (competitiveness, efficiency, innovation, etc.) is achieved. Relevant data for the years 2008-2011 show that, during the economic crisis, cooperatives were able to reduce closures and job losses to a greater extent than average corporations. In addition, social cooperatives offered accessible and affordable services to particularly vulnerable citizens, sometimes in the most remote areas. Co-existence with speculative companies contributes towards overall improving, as it offers more choices to consumers, helps to prevent monopolies, reduces retail prices, provides opportunities for skills development and innovation, and limits asymmetric information (European Commission, 2013, pp. 29, 49).

A research survey carried out in the 28 Member States of the European Union and in six non-EU countries (2015), involving some 14,513 small and medium-sized enterprises and focusing on their internationalisation, showed the following (among other) findings. At least three out of ten businesses in the EU had either imported from or exported to another EU country in the last three years. More than one third of SMEs (36%) imported from another country within the EU, while 30% exported to another EU country. At least one in ten (14%) used (or worked as) a

subcontractor for a company (11%). A few cooperated with a partner based abroad for research and development (6%) or invested in a company in another EU country (2%). However, the commonest answer was that they had not done any of these activities within the internal market in the last three years (49%). In 15 Member States, the absolute majority of SMEs say they had been importing from another EU country in the last three years. This is particularly true for Cyprus (79%), Austria (75%) and Croatia (72%). On the contrary, only 5% of SMEs in Bulgaria, 15% in Italy and 19% in the UK have imported from another EU country. In just five EU Member States, the absolute majority of SMEs say they had exported to another country in the EU over the last three years: Latvia (67%), Austria (61%), Lithuania (56%), Slovenia (52%) and the Czech Republic (51%). Conversely, SMEs in Bulgaria had a very poor result (7%). The commonest export destination was the European Union (81%), followed by the Middle East and North Africa (15%), Eastern Europe, the Caucasus region, the Balkans (14%) and the US (13%).

The same survey involved 500 companies from Greece. When looking at their internationalisation methods over the last three years, as compared to the EU-28, it was shown that Greek companies had higher rates of imports from another country within the EU, exports to another country within the EU, imports from another country outside the EU, exports to a country outside the EU, cooperation for research and development with a partner abroad, but lower percentages than those of the EU-28 in using subcontractors abroad, working as a subcontractor for a foreign company or none of the above (Table 6).

**Table 6.** Internationalisation of Small and Medium Enterprises, Greece, EU (28)

No.	Method	Greece (%)	EU28 (%)
1	Imports from another country within the EU	56	36
2	Exports to another country within the EU	33	30
3	Imports from outside the EU	30	19
4	Exports to a non-EU country	22	20
5	Use of a subcontractor abroad	8	14
6	Worked as a subcontractor for a foreign company	8	11
7	Collaborated with a partner abroad for research and development	10	6
8	Investment in a company abroad	2	2
9	None of the above	30	49

*Source:* European Commission, Flash Eurobarometer 2015.

As to the problems faced by businesses which do not export, Greek firms reported serious problems of greater intensity than those of the EU-28, more complex administrative procedures (52%), higher delivery costs (49%), locating business

partners abroad (45%), financial investments (56%), resolution of cross-border complaints and disputes (41%) and (of less intensity) cost or complication of dealing with foreign taxation, lack of qualified staff and ignorance of the rules (Table 7).

**Table 7.** Problems for Internationalisation of Non-Exporting Small and Medium-Enterprises, Greece, EU (28)

No.	Problems	Greece (%)	EU28 (%)
1	More complex administrative procedures.	52	32
2	Delivery cost.	49	30
3	Locating business partners abroad.	45	28
4	Financial investments.	56	37
5	Cost or complication of external taxation.	26	28
6	Lack of qualified staff.	28	32
7	Resolving cross-border complaints and disputes.	41	36
8	Ignorance of rules.	26	27

*Source:* European Commission, Flash Eurobarometer 2015.

When analysing company characteristics, the following differences emerge: The larger the SMEs, the more likely it was to engage in business activities within the internal market over the last three years, and this was particularly true for imports, exports or subcontracting. Manufacturers and retailers were more likely to have imported from another EU country than those in the service sector or industry (53% and 52% vs. 20% and 21%). Construction companies were also more likely to export to another EU country (55% vs. 11% - 39%). Companies created before 2008 were more likely than those established between 2008 and 2014 to have imported from (38% vs. 30%) or to have exported to (32% vs. 23%) another EU country. With respect to policies that could help SMEs internationalise, Greek companies reported more widely than those of the EU-28, ranking policies such as grants, subsidies and loans, tax incentives, support for finding effective partners and networking, opportunities to participate in international trade fairs, information on market opportunities higher, and information on rules and regulations and advice or training lower (Table 8) (European Commission, 2015, pp. 5, 6, 9, 14, 19).

In a survey of quantitative analysis of national and transnational strategies for the escalation (expansion) of social enterprises, 358 social enterprises were analysed in Germany, the United Kingdom, France, Spain, Poland and Sweden in terms of the nature and extent of escalated social impact of European social enterprises within and outside their national borders. When comparing national and transnational barriers, the following generalised differences were identified: Cultural and legal barriers were significantly more pronounced on a transnational scale than on a national scale. Geographic distances had a greater impact on the transnational than

**Table 8.** Policies for the Internationalisation of Small and Medium Enterprises

No	Policy	Greece (%)	EU28 (%)
1	Grants, subsidies and loans.	59	30
2	Tax incentives.	45	28
3	Support for business partners and networking.	34	27
4	Opportunities to participate in international trade fairs.	35	20
5	Information on market opportunities.	23	20
6	Information about rules and regulations	9	19
7	Advice or training.	6	17
8	None of the above	5	25

*Source:* European Commission, Flash Eurobarometer 2015.

the national scale. In addition, social enterprises that had scaled up internationally more often reported significant lack of financial resources. However, transnational scaling can be very attractive. For example, economies of scale can be achieved by purchasing, using machines or training workers, thus reducing costs by product or service. Along the transnational scale-up, social entrepreneurs are sometimes introduced into interesting processes, structures or customer preferences in the target country, which could also apply to their homeland, thereby creating useful complementary capabilities. In addition, transnational scaling can be useful for collaboration with multinational commercial enterprises or international NGOs that may wish to have parallel co-operation in several countries. When asked about the way in which European social enterprises had expanded beyond the borders in the last three years, 71% of these companies reported that they had only escalated in their own country in 2013 and only 29% had expanded their activities to other countries. In addition, transnational scaling has increased from 2011 to 2013 for the social enterprises examined, while national scaling tended to decline. For 2011, only 24% reported transnational scaling, and by 2013 this had reached 29%. An explanation for this trend is that social entrepreneurs, learning from their experiences with their own processes and structures, had gained confidence in their business model. In other words, their social enterprises had matured. Another reason is that the markets in their countries were saturated. In addition, funding for the purpose, available only at European level, can be considered to give social entrepreneurs a clear incentive to be extended to other countries. The United Kingdom, as a country where social enterprises (already ranked above 55%) are highly developed, showed the highest transnational scale: 22% of the social enterprises surveyed in the United Kingdom reported that they had escalated into other countries. German social enterprises come, at a distance, to the second highest rank of 12%. The clearly higher level of transnational scaling activity in the UK could also be explained by the high level of competition

in the domestic market. In some cases, social businesses may find it easier or more appropriate to expand their activities to countries where they can achieve greater social impact at the same cost than to compete within their domestic market. Of the social entrepreneurs surveyed, 45% said they had gone international exclusively in Europe, while 36% said they had escalated only outside Europe. Almost half of the social enterprises (43%) had escalated into countries where the same language was spoken, 28% of social enterprises had escalated into countries where they spoke the same language and other languages, and 29% were active only in countries where they spoke a language different from their own (Table 9). Thus, language, as a critical means of communication, was considered very important for choosing the target country. More than half of all social enterprises surveyed reported that during the last three financial years they had made significant progress in alleviating the social, environmental and/or social problems that were the subject of their action.

**Table 9.** National and International Scale Data for Social Enterprises (2013)

Source: Gerald Labitzke, *Scaling Social Impact in Europe*, 2015

No.	Data	Indicators
1	Cultural and legal obstacles	International> national
2	Geographical distances	Transnational> national
3	Lack of financial resources	International> national
4	Economies of scale	International> national
5	National action	71%
6	International action	29%
7	International action in Europe	45%
8	International action outside Europe	36%
9	International action in countries with the same language	43%
10	International action in countries with the same and other languages	28%
11	International action in countries with a different language	29%

In conclusion, social partners intending to cross borders should meet the following criteria (Table 10): The underlying business model must be strong and financially viable in order to fulfil its social mission in the long term. They should have already achieved the necessary escalation at national level so they can rely on previous experience when working with different target groups and in different environments. Consequently, transnational scaling should take place at a later stage in the *'life cycle'* of a social enterprise, when entrepreneurs have gained sufficient experience and confidence in their operational model. Most social enterprises tend to scale into geographically close and culturally similar countries (Gerald Labitzke, *Scaling Social Impact in Europe*, 2015, p. 60).

**Table 10.** Extremist Social Business Criteria

No.	Criteria
1	The business model must be robust and financially viable.
2	Companies have already achieved escalation at the national level.
3	Transnational scaling should take place at a later stage in the <i>'life cycle'</i> of the social enterprise.
4	Businesses have gained sufficient experience and confidence in their operational model.
5	Social enterprises operating at a transnational level tend to escalate <i>step-by-step</i> .
6	Social enterprises choose a country where they speak the same language or a country that is also in Europe.
7	Most social enterprises tend to scale into geographically close and culturally similar countries.

Source: Gerald Labitzke, *Scaling Social Impact in Europe*, 2015.

In Greece, social enterprises have a very low degree of internationalisation. They mainly address local and regional levels and very few national or international levels. An explanation for this is their very small size (generally speaking, micro-enterprises) and the resulting limited size of available funds, little experience and lack of know-how, low consolidation in the domestic market, etc. This is why there are no quantitative data available for international activities. Based on these features, social enterprises in Greece fail to respond to criteria of extroverted Social Enterprises and, in particular, those related to the strong and economically viable business model, to the achievement of escalation at national level and to sufficient experience and confidence gained by entrepreneurs in their operational model.

The internationalisation of Greek Social Enterprises will be promoted to the extent that existing barriers are lifted, both in the external environment, such as inadequate regulatory framework and support policies, difficulties in accessing financial resources, lack of business development and support services, problems of access to markets and the wider economic environment in times of crisis, as well as in the internal environment where there are barriers affecting social enterprises themselves, such as the lack of sustainable business models, high dependence on the public sector, lack of entrepreneurship and lack of professional qualifications and management skills. Action is required in order to enhance extroversion: tackle problems faced by Greek export businesses, such as complex administrative procedures or delivery costs, locate business partners abroad, support financial investments, resolve cross-border complaints and disputes, combat the lack of security of payments, help qualify staff, inform about rules, etc.

In regard to our fifth research question on the method of internationalisation, when taking into account the fundamental characteristics of Greek Social Enterprises and the lack of relevant experience, it seems that the model of networked busi-

nesses is appropriate, i.e. interconnecting with other similar companies with similar activities, utilising these networks as a vehicle for internationalisation. An alternative way of low cost and risk would be internationalisation through exports and, in particular, indirect exports, through cooperation with specialised companies or local representatives of foreign buyers.

Finally, with respect to our sixth research question, support and encouragement measures and policies that can help social enterprises internationalise are grants, subsidies and loans, tax incentives, support for business partners and networking, opportunities to participate in international trade fairs, information on market opportunities, rules and regulations, counselling and training. Based on international experience, the role of the Country's regions is important, since they can be seen as small open economies with a special interest for business involvement in exports, since exporting performance reflects regional competitiveness. In this direction, in addition to other measures to support social enterprises, facilitating their regional networking and creating small, flexible, specialised demonstration structures in every region of the country, with the cooperation of further education institutions, would be very helpful.

The incentives and effects of internationalisation on sustainability, consolidation and further development of Greek social enterprises are: exploiting new markets, maintaining a competitive position in the international and domestic markets, customer service, horizontal integration and meeting consumer needs in host countries, exploitation of scale economies, changes in demand conditions, reorganisation of productive activities, exploitation of lower costs in host countries, strengthening competitiveness, increasing sales, growth of jobs and the size of enterprises and maintenance of a sound financial position. The international business environment will stimulate innovation ability, since the scale of international relations increases the capacity for innovation. Furthermore, social enterprises operating at an international level should use innovative organisational structures and business models.

As seen in relevant literature, through internationalisation, improvement of quantitative (labour, capital, jobs, etc.) and qualitative characteristics (competitiveness, efficiency, innovation, etc.) is achieved. In particular, increase in the size of enterprises through internationalisation is not only a quantitative but also a qualitative matter. Micro Greek Social Enterprises can acquire competitive sizes and, henceforth, become able to cope with international competition more effectively and engage in complex processes of internationalisation more successfully.

## 5. Conclusions

Social enterprises, whether in the world or in the EU or in Greece, significantly contribute towards addressing today's social and economic challenges (OECD, European Commission, 2013; Manoj Joshi, S. P Tiwari, Vindhyalaya Joshi P.). Their



contribution can be increased by policies that promote sustainability, growth and efficiency. In this direction, appropriate institutional conditions provide an efficient function for social enterprises. Social entrepreneurship can help compensate for the state's shortcomings in addressing social problems, but government action can provide significant institutional support for the development of social entrepreneurship (Ewald Kiblera, Virva Salmivaarab, Pekka Stenholm, Siri Terjesend, 2018).

In Greece, social enterprises have a very low degree of internationalisation. Based on their fundamental characteristics (turnover, employment, size), they are unable to meet the criteria of outward-looking social enterprises (European Economic and Social Committee, 2016, Ministry of Labour (Greek), Annual Report 2017, 2018). The internationalisation of Greek Social Enterprises can be promoted as long as obstacles to their development are removed from both their external environment and their internal environment (Sarris K., Trichopoulou A., 2017).

Regarding the method of internationalisation, taking into account the fundamental characteristics of Greek Social Enterprises and the lack of relevant experience, it seems that the model of networked enterprises is suitable or, alternatively, the model of low cost and risk of internationalisation through indirect exports through cooperation with specialised export management companies or local dealers in foreign markets (Kristian Behrens, Jacques-Francois Thisse, 2006, Hisrich, R. & Peters, M., 2002). As indicated by international experience, international companies operating on an international level use innovative organisational structures and business models, follow collaborative strategies and are associated with different sources of capital around the world (Shaker A. Zahra, Hans N. Rawhouser, *aa.*, 2008). The business model must be strong and economically viable; internationalisation should take place at a later stage in the social enterprise's 'life cycle', when entrepreneurs have gained sufficient experience at national level and social enterprises tend to expand to geographically close and culturally similar countries (Scaling Social Impact in Europe, 2015). In addition, the social capital of an enterprise may allow changes in the internationalisation function, despite limited experience, since accumulation of market knowledge is an important determinant of internationalization (Sylvie Chetty and Henrik Agndal, 2007).

Significant incentives for multinational activation are: exploiting new markets, maintaining a competitive position in the international market, customer service, increasing sales and jobs, horizontal integration and meeting consumer needs in host countries, exploiting economies of scale, changes in demand conditions, reorganisation of productive activities, lower cost in host countries and the maintenance of a competitive position in the domestic market (IOBE, 2007).

Through internationalisation, there will be positive effects on the sustainability and further development of Greek Social Enterprises, especially in terms of exploiting new markets, strengthening a competitive position in the domestic

and international markets, exploiting economies of scale, reorganising productive activities, stimulating increase in their sales, increase in the number of jobs and size of businesses and securing a healthy economy. In addition, the international business environment stimulates innovation capacity more than a regional cluster and the scale of international relations increases innovation capacity (Martin Gjelsvik, 2014).

Policy measures (European Commission, 2015) that can support and encourage social enterprises to internationalise are grants, subsidies and loans, tax incentives, support for business partners and networking, opportunities to participate in international trade fairs, information on market opportunities, rules and regulations, counselling and training, and a friendly, supportive institutional environment (Ewald Kiblera, Virva Salmivaarab, aa., 2018). On the basis of international experience, the main factors of regional exports are local conditions, foreign direct investment, infrastructure, market conditions, geography, rural settlements and technological knowledge (Tomasz Brodzicki, Laura Márquez-Ramos, Stanisław Umiński, 2018). This is why the role of the country's regions is important, alongside other support measures for social enterprises, in facilitating their networking at the regional level and creating small, flexible, specialised Internationalisation structures in each region of the country, with the cooperation of Further Education Institutions.

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