

Economy



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Neoliberalisation and the Social and Solidarity Economy in Greece

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When SYRIZA drafted law 4430/2016 on the ‘Social and Solidarity Economy and the development of its actors’ (SSE), the left-wing governing party found itself in the tricky position of having to satisfy various competing demands. SYRIZA wanted this law to live up to their pledge to support the direct democratic and anti-capitalist practices of the solidarity movement in Greece that emerged as a response to years of austerity and neoliberalisation.[1] But they also had to adhere to the European Commission’s market-based requirements and definitions of social enterprises.[2] They wanted to harness the visions of the solidarity movement to radically transform the modes of production, distribution, and consumption. But they also decided to mobilize the law to alleviate the shattering rates of unemployment in the country’s labor market.

The adopted law can be read as an effort by SYRIZA to reconcile these competing demands, which are about either *alleviating* market failures by combining social needs provision with market-based principles, or about radically *transforming* socio-economic relations altogether. Indeed, the fact that the Ministry of Labor, which was tasked with drafting the law, held consultations with actors ‘from below’ (such as solidarity activists,

and prototypical collaborative enterprises) and experts 'from above' (including the International Labor Organization, and the European Commission's Expert Group on Social Entrepreneurship) is testimony to this effort.

The result of this process is the codification of a range of *hybrid-economic* practices in law 4430/2016, such as 'social impact measurement' and 'social innovation', which SSE actors are incentivized to perform in order to generate 'social benefit'. What is hybrid about these practices is that they do not follow either a distributive rationality of gift or market exchange,[3] which may explain why both market-based and anti-capitalist SSE research and practice tend to valorize them. But what are the effects of fusing market-based rationalities with non-market rationalities? Or put differently: if we are right to assume that these respective rationalities build on incommensurable 'ways of knowing',[4] what are the political and ethical consequences of fusing them in a unified legal framework?

Governmentality studies tell us that the law has a normative effect, in that it structures "the potential field of action of others".[5] Pragmatic sociology informs us that critical activity in neoliberalism comes at the cost of reproducing some of the values it opposes. [6] Hybrid-economic practices, therefore, run risk of undermining the transformative aspirations of the SSE. Specifically, they economise, entrepreneurialise, and communitarianise 'the social' and solidarity.

Economisation

Law 4430/2016 defines a constitutive relationship between 'social benefit' as an *end*, and 'social innovation' and 'solidarity' as *means*. Here, 'social impact measurement' is intended to audit this relation. The law requires organisations that are included in the SSE registry to submit yearly impact surveys through a government website. The official guidelines for submitting impact measurement reports clarify that "quantitative approaches" are required "to measure the change" of social impact, and that "you may need to create your own indicators ... to demonstrate a change that has taken place ...".[7]

While measurement allows for constructing commensurability between the previously incommensurable spheres of market-based and non-market rationalities via numbers, the translation of issues pertaining to solidarity and 'the social' to measurements (of costs and benefits) replaces critique with technique, and judgement with evaluation. In a classically Benthamite sense, social impact measurements effectively *economize* questions of solidarity and 'the social'. Because SSE actors are encouraged 'to create' their own indicators to measure social impact, they *construct*, rather than represent, an economised reality that is held together by the quasi-scientific legitimacy and affective appeal of measurements.

Entrepreneurialisation

Law 4430/2016 defines social innovation as the “production of products and the provision of services, which aim at the satisfaction of social needs, the reconciliation of production and consumption, the harmonisation of supply and demand, and the formation of a new type of social relations based on collectivity and parity, and not on competition”.^[8] The demarcation from competition highlights the law’s valorization of the universal and ‘antidotal’ effects of solidarity to economic uncertainty.^[9] Codifying social innovation in this way, however, somewhat camouflages the reality that the SSE is indeed a market sector which, by definition, is based on forms of competition. Indeed, SSE actors are themselves in a (morally) ambiguous position. On the one hand, they become wardens of alleviating the precarizing consequences of economic uncertainty, by innovating certain forms of social needs provision. In this sense, SSE actors are profiting from the deregulation of previously state-held responsibilities. On the other hand, by participating in a precarious labor market, they are themselves subject to economic uncertainty and in need of protection. These tensions produce morally ambiguous situations, as practices of solidarity and care are fused with somewhat Kirznerian entrepreneurial strategies of having to make a living.

Communitarianisation

If economisation is a process of exhausting the ethical and political components of solidarity and ‘the social’ to measurable indicators of utility-maximization, entrepreneurialisation explores and exploits the fact that these components are exhausted, to innovate social services and products *in the name of* solidarity. The risk of these processes is that the universal and normative effects of solidarity are emptied out and become radically contingent. In sum, what we arguably observe with the SSE law in Greece, is that it incentivizes a type of communitarianised solidarity. Here, there are no *a priori* political or moral principles.^[10] Rather, the principles of communitarianised solidarity are informed by the *indexical* nature of market signals, where market-based methods of evaluation (e.g. impact measurement) shape what *counts* as solidarity. This undermines the transformative aspirations of the law precisely because the market remains central in formulating and regulating the ethical and political character of solidarity and ‘the social’.

[1] Greek News Agenda (2016). Promoting Social and Solidarity Economy in Greece

[2] Liptrap, J. S. (2021). A Social Enterprise Company in EU Organisational Law? *Cambridge Yearbook of European Legal Studies*, 1-35

[3] Palacios, C. (2021). Symbiosis and the Humanitarian Marketplace: The Changing Political Economy of 'Mutual Benefit'. *Theory, Culture & Society*, 38(5), 115-135.

[4] Bacevic, J. (2019). Knowing Neoliberalism. *Social Epistemology*, 33(4), 380-392.

[5] Foucault, M., as cited in: Dardot, P., & Laval, C. (2017). *The New Way of the World: On Neoliberal Society* (2nd ed.). London: Verso.

[6] Boltanski, L., & Chiapello, È. (2017). *The New Spirit of Capitalism* (2nd ed.). London: Verso.

[7] Gov.gr (2021). Social Impact Measurement Tool, (in Greek).

[8] Law 4430/2016, Social and Solidarity Economy and the development of its actors, (in Greek).

[9] Rakopoulos, T. (2016). Solidarity: the egalitarian tensions of a bridge-concept. *Social Anthropology*, 24(2), 142-151.

[10] Etzioni, A. (1996). A Moderate Communitarian Proposal. *Political Theory*, 24(2), 155-171.

A research seminar on the topic, organised by the Hellenic Observatory, took place online on 16 November 2021. For more information please visit the event page.

Note: *This article gives the views of the author, not the position of Greece@LSE, the Hellenic Observatory or the London School of Economics.*

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