

## **Economic Crisis, Social Solidarity and the Voluntary Sector in Greece**

**Summary report of the Crisis Observatory research project  
on the social consequences of the economic crisis in Greece  
and the response of civil society organizations to the crisis**

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## Abstract

After the onset of the economic crisis in Greece, the social situation of middle- and low-income groups deteriorated rapidly. As the welfare state was receding, owing to the government's drive towards fiscal consolidation, social protection became sparse. Formal organizations, such as NGOs, were starved of state funding and turned to not-for-profit foundations and private sources for funding, while also relying on volunteer work and contributions in kind. NGOs active in social solidarity started catering not only to socially excluded groups of the Greek society and foreign migrants and refugees (who used to be their main target-groups before 2010), but also to newly impoverished Greek citizens seeking to obtain social services and basic consumer goods. In parallel, informal social networks and self-help groups emerged and became active in exchange and distribution of goods and services, healthcare, education, food and shelter provision, offering simultaneously a more critical view towards the state and seeking alternative forms of social organization. Field research and interviews with representatives of NGOs and informal organizations, conducted in 2013 in Athens, show that social solidarity has expanded, organizations have developed and have adapted to the new social needs of the population, but certainly could not and should not replace the welfare state which ought to be rebuilt. Nevertheless, policy proposals are put forward with the aim of making both formal and informal social solidarity organizations more sustainable, accountable, transparent and effective.

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## 1. Introduction

Imagine a crisis-stricken modern society, in which the welfare state is unevenly developed and suffering from loopholes in social protection, while the voluntary sector is underdeveloped. Chances are that, once the economic crisis erupts, historical legacies of deficient social protection will continue to grow, to the detriment of the poorer strata, while existing income inequalities will become more acute. In such circumstances, in the absence of a strong civil society playing an advocacy role in favour of the poorer strata and offering social services to those in need, there is little to be done in order to counter the adverse effects of the economic crisis. And yet in Greece after 2010 -that is, after the onset of the economic crisis- social solidarity groups emerged, while non-governmental organizations (NGOs) mobilized to help the victims of the crisis. Social solidarity emerging “from below” took two forms. Firstly, the form of formal organizations, such as officially registered voluntary associations and NGOs; and, secondly, informal networks and self-help groups, which were neither legally recognized nor wish they were recognized by state authorities. Without covering the large social protection gap left over after the welfare state had receded, both formal and informal groups contributed to the rise of social solidarity in Greece. While the size of voluntarism *per se* may have not grown, volunteer groups involved in social protection expanded their activities and made their presence felt.

In this paper, we analyse the social consequences of the economic crisis in Greece, we discuss the anaemic status of Greek voluntarism, describe and explain the rise of formal and informal social solidarity organizations, present the results of a pilot study conducted by ELIAMEP among such organizations in Athens and conclude with policy proposals for the further strengthening of the voluntary sector in social protection.

Throughout the paper, we contrast formal with informal social solidarity organizations. The former are usually Non-governmental Organizations (NGOs) but also associations (e.g. of people with disabilities) which have been formally set up by submitting a petition to the first instance civil court of their region and have their own standing orders or by-laws and a recognizable, usually elected, administrative board. The court normally approves such a petition and does not proceed to a substantive control of the aims of the organization, nor does it keep an updated registry of

approved organizations.

On the other hand, informal organizations are networks and self-help groups, loose circles of likely-minded individuals. They do not adopt an officially approved name nor are they sanctioned by judicial authorities, as is the case with formal organizations mentioned above. Networks and groups in which individuals participate, forming informal ties both among themselves and with the beneficiaries of their activities, may still be understood as organizations. They are modern albeit informal organizations to the extent that they have aims, marshal and combine resources to achieve their aims, have a usual meeting place (or just form a virtual community) and rely on a usually small group of founding members or activists who are committed to the network's or group's cause.

## **2. The social consequences of the economic crisis in Greece**

The social consequences of the economic crisis in Greece have been tremendous and have mostly resulted from policy measures adopted from May 2010 onwards. In that month, Greece and representatives of the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF), i.e. the so-called 'troika', signed the first Memorandum of Understanding (MoU) and loan agreement, which had become necessary as Greece had proven unable to service its soaring public debt (129 per cent of GDP in 2009). The MoU was accompanied by a set of austerity measures in return for the loans, including wage and pension cuts and cuts in social spending. Admittedly, some type of austerity was necessary in a state which had clearly been derailed with regard to its finances. Moreover, some rationalization of the Greek welfare state was long overdue. Such a need was made clear by the level of runaway government expenditure on pharmaceutical and hospital supplies and in the unequal provision of state funds, including early pensions and supplementary allowances of all kinds to privileged groups of beneficiaries, such as the members of liberal professions and employees of state-owned enterprises, while at the same time the unemployed and precariously employed enjoyed minimal, if any, social protection. In short, before 2010 social solidarity in Greece was deformed, manifested in the grossly unequal

disbursement of social assistance funds distributed on the basis of long-term patronage arrangements, between successive governments and organized interests of recipients who had a strong voice and political leverage.<sup>1</sup> The situation did not improve after 2010, as governments drastically cut social expenditure which may have led to some streamlining of social spending but, above all, has resulted in the retreat of the state from the social protection of the salaried strata, the unemployed, the poor and the socially excluded.

Indeed, in the beginning of the crisis, government measures mostly hit the civil service, but as the economic climate deteriorated, depression followed and the public debt kept soaring, further measures were deemed necessary. The aims of the first Memorandum, such as fiscal consolidation, were only partially achieved. A second MoU between Greece and the 'troika' was signed in February 2012, this time affecting the wages of employees of state-owned enterprises, which had not been significantly reduced earlier, as well as those of employees in the private sector.

The austerity measures had dramatic social consequences. Between 2008 and 2013 the Greek economy was in recession for six consecutive years and by the end of 2013 GDP had shrunk by 25 per cent. In 2013, unemployment rose to 27.5 per cent, while youth unemployment (15-24 age group) stood at 61 per cent.<sup>2</sup> Notably, owing to the fragmented, occupation-based, inefficient and very unequal structure of the Greek welfare state, covering mostly the insiders (e.g. civil servants, employees of state-owned enterprises, the liberal professions) rather than the outsiders (e.g. precariously employed workers of hundreds of thousands of small and medium enterprises and the self-employed), social protection was sparse: only 17 per cent of all those unemployed obtained unemployment insurance in 2013. Moreover, in 2012 as much as 35 per cent of the country's population ran the risk of poverty or social exclusion, while the share of those who were severely materially deprived was 19 per cent.<sup>3</sup>

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1 Manos Matsaganis, "Social policy in hard times: the case of Greece", *Critical Social Policy* 32 (3), 2012, pp. 406-421; Dimitri A. Sotiropoulos, "The EU's impact on the Greek Welfare State", *Journal of European Social Policy*, 2004, 14, pp. 267-284.

2 Press Release, *Hellenic Statistical Authority*. Available at: [http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0101/PressReleases/A0101\\_SJO02\\_DT\\_MM\\_11\\_2013\\_01\\_F\\_GR.pdf](http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0101/PressReleases/A0101_SJO02_DT_MM_11_2013_01_F_GR.pdf) accessed on 10-04-2014.

3 All data for 2012 are drawn from the *Statistical Annex of the European Economy*, May 2013 edition, available at:



A briefly discussed aspect of the crisis concerns the limits placed on social citizenship. After 2010, citizens could exercise their social rights only in a very uneven fashion. Examples are the uninsured persons who lost access to public hospital care or pension earners who saw their annual income from pensions fall below the poverty line. While, before 2010, access to public healthcare and pensions was also unequal and depended on one's own occupational insurance scheme, most of the population was covered in one way or another. After the crisis erupted, a series of haphazard welfare reforms, formulated under time pressure and fiscal constraints, led to severe restrictions in social protection and affected negatively social citizenship.

As the government cut civil service salaries and pensions, raised income and property taxes and rolled back the Greek welfare state for four years in a row (2010-2013), eventually the target of fiscal consolidation was achieved: the primary budget deficit, which stood at more than 10 per cent of the GDP in 2009, was turned into a substantial primary surplus by 2013. As the IMF itself admitted in 2014, this achievement was accompanied by a dramatic decline in the living standards of the middle- and low-income groups, the income of which experienced a free fall.<sup>4</sup> Indeed, the per capita income declined from 17,374 Euros in 2008 to 12,354 Euros in 2013.<sup>5</sup> In brief, as the crisis evolved, most Greeks could not rely on either their personal income or the receding welfare state. As shown in the next section, in the beginning of the crisis they could not count on Greece's traditionally weak voluntary sector either.

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[http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2013/pdf/2013\\_05\\_03\\_stat\\_annex\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2013/pdf/2013_05_03_stat_annex_en.pdf) accessed on 27.11.2013.

<sup>4</sup> International Monetary Fund (2014) *"Fiscal Policy and Income Inequality"*, IMF Policy Paper, 23 January 2014. Available at: <http://www.imf.org/external/np/pp/eng/2014/012314.pdf> accessed on 10-04-2014.

<sup>5</sup> Data of the Hellenic Statistical Agency, as summarized at: <http://www.nooz.gr/economy/sta-epipeda-tou-2001-to-kata-kefalin-eisodima> accessed on 14-03-2014.

### 3. Voluntarism in Greece

In Greece, voluntarism reflects the weakness of the Greek civil society after the 1974 transition to democracy.<sup>6</sup> The only time interval in which there was an upsurge in voluntarism occurred in the period preceding the Athens Olympics of 2004, when approximately 58,000 volunteers worked for the preparation and conduct of the Olympic Games.<sup>7</sup> The impetus given to voluntarism by holding the Olympic Games in Athens was probably not sustained in the second half of the 2000s.

Evidence on the size of voluntarism in Greece since the mid-2000s is not conclusive, because there have been few relevant research projects, using different sampling frames and sampling techniques. Generally, available surveys show that Greeks do not normally engage in voluntary action. A survey of the National Statistical Service of Greece conducted in 2006, showed that 29 per cent of Greeks participated in activities of ecclesiastical or religious associations, 3 per cent in charity activities, 8 per cent in entertainment groups and 5 per cent in political parties and labour unions.<sup>8</sup> These are low levels of voluntarism both in absolute and in comparative terms. Indeed, a European Union (EU) study conducted by the Educational, Audiovisual and Culture Executive Agency in 2010 classified Greece among countries such as Italy, Lithuania and Bulgaria, in which less than 10 per cent of the population aged over 15 engaged in voluntary activities, whereas the EU average was 22 per cent.<sup>9</sup>

One of the few international attitudinal sample surveys, the European Social Survey (ESS), first conducted in 2003, also confirmed that Greece is an outlier with regard to participation in voluntary associations. The survey showed that Greeks primarily join professional associations and labour unions (5 per cent of the survey's respondents in Greece) rather than charity, cultural,

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<sup>6</sup> Dimitri A. Sotiropoulos, *"Formal Weakness and Informal Strength: Civil Society in Contemporary Greece"*, Discussion Paper no. 16, Hellenic Observatory, The London School of Economics, London, 2004, available at <<http://eprints.lse.ac.uk/5683/1/sotiropoulos16.pdf>> accessed on 12-03-2014.

<sup>7</sup> Article published on 15-06-2012 in the Athens newspaper *To Vima*, available at: <<http://www.tovima.gr/society/article/?aid=462361>> accessed on 10-04-2014.

<sup>8</sup> Survey results obtained from *Table 3* of the Service's report, available at: <[http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0802/PressReleases/A0802\\_SFA10\\_DT\\_AN\\_00\\_2006\\_01\\_F\\_GR.pdf](http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/A0802/PressReleases/A0802_SFA10_DT_AN_00_2006_01_F_GR.pdf)> accessed on 08-01-2013.

<sup>9</sup> Page 7 of the published study, available at: <[http://ec.europa.eu/citizenship/pdf/doc1018\\_en.pdf](http://ec.europa.eu/citizenship/pdf/doc1018_en.pdf)> accessed on 10-01-2013.

consumer or environmentalist associations.<sup>10</sup>

In 2011, after the crisis had erupted, research showed that only 14 per cent of Greeks participated in voluntary activities, while 26 per cent of Italians, 15 per cent of Spaniards and 12 per cent of Portuguese did so (EU-27 average: 24 per cent).<sup>11</sup> Greeks were as reluctant as the Portuguese and Spaniards to engage in voluntarism. However, in 2011, an average of 7 per cent of Greeks devoted money to community activities, whereas 33 per cent of Italians, 21 per cent of Spaniards and 23 per cent of Portuguese did so. On average, Greeks devoted 3 per cent of their time to community activities; Italians devoted 14 per cent of their time, Portuguese 10 per cent and Spaniards 18 per cent.

In this context, one should understand the emergence of social solidarity networks and groups, which constitute the subject of ELIAMEP's pilot study, presented in this report, as an exceptional situation. Such groups and networks have attracted wide publicity and have supported the newly impoverished Greeks, but have certainly not lifted Greece's rising poor population out of poverty, nor have they signalled a large scale shift in Greece's frail model of voluntarism.

#### **4. Social solidarity groups and networks in Greece since 2010**

Traditionally, Greek voluntary organizations, such as NGOs, have been depended on state funding, which was provided to them by various ministers in a less-than-transparent fashion. After the onset of the crisis, in a series of abrupt moves aimed to cut government expenditure, the Greek government limited state funding to NGOs and in August 2012 suddenly froze all state funds earmarked for NGOs, through a letter sent by the Deputy Minister of Finance to all Ministries.<sup>12</sup>

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<sup>10</sup> The survey was conducted in Greece by the National Centre for Social Research (EKKE). A summary of the results in Greek is available in the brochure entitled *"Greece – Europe: Results of the European Social Survey"*, published in November 2003, EKKE, Athens. Available at: <<http://www.ekke.gr/ess/>>

<sup>11</sup> Data obtained from the European Social Survey, as reported in Greece by the Greek National Centre for Social Research (EKKE).

<sup>12</sup> See Athens Newspaper *To Vima*, "Μετά τις ΜΚΟ κόβουν τα λεφτά σε οργανισμούς του δημοσίου", 22-08-2012. Available at: <<http://www.tovima.gr/finance/article/?aid=471593>> accessed on 10.04.2014.

Moreover, in February 2014, prosecutors delivered a further blow to NGOs, as it was revealed that a criminal investigation was under way for the misuse of funds dispensed by the Ministry of Foreign Affairs to Greek humanitarian and other NGOs throughout the decade of the 2000s.

Despite everything, after 2010 some voluntary organizations rose to the challenge of mitigating the effects of the economic crisis. Greek annexes of international NGOs and the Greek Orthodox Church mobilized to help the poor, using whatever funds at their disposal, municipal resources and also contributions by individuals and sponsors.<sup>13</sup> They provided food, medical and social services to people in need. In 2010-2013, large not-for-profit foundations, such as the Niarchos Foundation, the Bodossaki Foundation and the Leventis Foundation, supplied NGOs with funds and technical assistance. In each sub-sector of social protection, such as those listed below, NGOs coexisted with informal social networks and self-help groups which had neither a formal organizational structure nor were registered with any official authority.

### ***Exchange and distribution networks***

For example, after 2010 informal groups organized bartering networks, in the context of which they exchanged goods and services for vouchers or online credits. In 2012, there were at least 22 such exchange networks in 17 cities.<sup>14</sup> Originally set up by volunteers, the networks attracted participants who exchanged vouchers or online credit for other goods, thus creating what has been termed a “Local Exchange Trading System”. The most well-known was in Volos, where a specific bartering street market existed, along with the local currency known as the “TEM”. Similar systems existed in the suburbs of Athens and in smaller cities (Patras, Katerini, Corfu). Another example is the emergence of time banks, namely voluntary networks in which participants commit time to help one another.

A different type of social solidarity initiative was manifested in the informal distribution networks,

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**13** The Greek Orthodox Church stands at the crossroads between the civil society and the state. It is not a typical civil society organization, in the sense that -at the national level- it is officially recognized by the Constitution of Greece as the carrier of the prevailing religion in the country, while priests are on the state’s payroll. Yet, at the community level, priests and volunteers have traditionally formed social solidarity groups to support the poor by providing foods, clothes and shelter.

**14** Field research by Dimitris Bourikos and Myrtia Vellianiti, Athens, 2013.

among which the most famous was the “potato movement”. In the past, most farmers used to sell their products to middlemen, who then transferred the agricultural produce to cities and sold it to supermarkets and grocery stores, thus inflating the original price of the products. In the wake of the crisis, some potato producers in Katerini, a town located to the south of Thessaloniki, decided to do otherwise. They bypassed the middlemen and started selling directly to consumers, by regularly travelling to city centers to sell their products or making arrangements to receive orders directly from consumers.<sup>15</sup> Municipalities helped to create ‘social groceries’, namely shops housed on the premises of municipal buildings in which volunteers distributed goods to poor citizens, entitled to receive them because, being very low-income earners, they could not afford to buy them in super markets.

### *Healthcare*

After 2010, the unemployed and self-employed who had stopped paying health insurance to their occupation-based social security funds lost access to public healthcare. Further on, very poor people who could not count on their family for financial aid resorted to the Greek branches of international healthcare NGOs, such as the “Doctors without Borders” and the “Doctors of the World”. The latter used to cater to foreign migrants and refugees but -after the outbreak of the crisis- they expanded their services, under the sponsorship of not-for-profit foundations.<sup>16</sup>

In addition, volunteering doctors, nurses and social workers put together informal healthcare networks. They created make-shift clinics, called “Social Medical Centers”, usually in space provided by the municipal authorities in various cities.<sup>17</sup> In 2012, there were 33 such clinics in 29

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<sup>15</sup> Reported by *The Guardian*: Jon Henley, “Greece on the breadline: ‘potato movement’ links shoppers and farmers”, 18 March 2012. Available at:

<<http://www.theguardian.com/world/blog/2012/mar/18/greece-breadline-potato-movement-farmers>> accessed on 10-04-2014.

<sup>16</sup> For the Doctors of the World, see: <<http://www.mdmgreece.gr/en/Polyclinics/>>; For the *Doctors without Borders* (MSF) see: <<http://www.msf.org/international-activity-report-2012-greece>>

<sup>17</sup> An example is the *Social Medical Center of Thessaloniki*, which is staffed by volunteer doctors and dentists who have been providing free treatment -since November 2011- to foreign migrants or Greeks who are unable to keep up with social insurance contributions. As of March 2012, approximately 30 dentists and 40-50 doctors worked in that Center, as reported by Helena Smith (*The Guardian*) “Euros discarded as impoverished Greeks resort to bartering”, 02-01-2013. Available at: <<http://www.theguardian.com/world/2013/jan/02/euro-greece-barter-poverty-crisis>> accessed on 10-04-2014.

cities (among which seven clinics in Athens and another four in Thessaloniki).<sup>18</sup> In parallel, pharmacists volunteered to set up “Social Pharmacies”.<sup>19</sup>

### ***Provision of food and shelter***

Private and voluntary formal and informal organizations teamed up to provide food to people in need, thus blurring the distinction between civil society and the market. For instance, large supermarkets cooperated with volunteer organizations to supply food to soup kitchens, shelters, orphanages, homes for the elderly and other charitable institutions.<sup>20</sup> Every afternoon, the Greek Orthodox Church ran soup kitchens in the center of Athens and other cities. Similar arrangements for food provision were made in the poorer, i.e. the western and southwestern neighborhoods of Athens and Piraeus, where volunteers cooked several hundred meals a day.<sup>21,22</sup>

Moreover, informal networks of volunteers served as intermediaries between on the one hand shelters for the homeless, food banks and poor households, and on the other hand restaurants, hotels and bakeries which could spare food. Essentially, they put the former in touch with the latter.<sup>23</sup> Further on, some NGOs linked with municipal authorities, made rounds in the city centers to offer homeless people blankets, food and medical help.

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**18** Research by Dimitris Bourikos, 28-03-2013, Athens.

**19** Reported on 18-03-2012 by Jon Henley (Greece on the Breadline series), *op. cit.* <http://www.theguardian.com/world/blog/2012/mar/18/greece-on-breadline-volunteer-medics>

**20** Data reported by the *Financial Times*: Kerin Hope, “Volunteers step in as Greek poverty soars”, 16 April 2012. Available at: <<http://www.ft.com/intl/cms/s/0/cdd8ff86-87bd-11e1-8a47-00144feab49a.html#axzz2jgir7MvI>> accessed on 10-04-2014.

**21** See Helena Smith (The Guardian) “Greek homeless shelters take in casualties of debt crisis”, 10/02/2012. Available at: <<http://www.theguardian.com/world/2012/feb/10/greek-homeless-shelters-debt-crisis>> accessed on 10-04-2014.

**22** Data reported by the *Financial Times*: Kerin Hope, *op. cit.*

**23** Reported by *The Guardian*: Jon Henley, “Greece on the breadline: how leftovers became a meal”, 14 March 2012. Available at: <<http://www.theguardian.com/world/blog/2012/mar/14/greece-breadline-leftovers-dinner>> accessed on 10-04-2014. For the “Boroume” (=we can) network, see also: Helena Smith (The Guardian) “Greece’s food crisis: families face going hungry during summer shutdown”, 06-08-2013, available at:

<<http://www.theguardian.com/world/2013/aug/06/greece-food-crisis-summer-austerity>> accessed on 10-04-2014.

### ***Cultural and educational services***

After 2010, low-income families could not afford to pay for cramming lessons, often deemed necessary to prepare pupils for the university entrance examinations. Then groups of volunteering high school teachers set up “social cramming schools” (*koinonika frontistiria*) where pupils took lessons for free. Further on, online initiatives emerged, which connected volunteering teachers with families that could not afford tutors for their kids.<sup>24</sup> In addition, groups of experts also offered on-line training to whoever lacked the necessary information and skills on how to start a small business. Another informal group focusing on culture and community work was the “Atenistas”.<sup>25</sup> It first appeared in Athens in 2010 and then spread to another 11 cities. The “Atenistas” engaged in cultural events and recycling, combined with maintenance work in run-down streets and squares of Athens. One should not assume that large numbers of volunteers participated in any of the above activities, but the change for the better in Greece’s voluntary sector was certainly discernible.

### ***Explaining the rise of social solidarity after the onset of the crisis***

Why did new, particularly informal, social solidarity groups emerge after the onset of the crisis? Obviously, one reason was that as the government rolled back the welfare state, citizens stepped in to occupy the newly available public space. They distrusted the state because, after the crisis erupted, it was governed by the same elites which voters considered responsible for the derailment of the Greek economy. As the crisis unfolded, spending cuts and dismissals of employees increasingly affected not only low-income, but also middle-income groups. In the past, NGOs had been strongly linked to the state and were financially dependent on Ministries. Citizens distrusted NGOs because of the latter’s patronage-based relations with the state. In the wake of the crisis, civic activists wanted to take their distances from the state and also to be helpful to people hit by the crisis. In that respect, it was only natural that they would avoid setting up formal NGOs and would prefer to create informal social solidarity groups at various locations, all over

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<sup>24</sup> Reported by *The Guardian*, Jon Henley, “Greece on the breadline: pooling resources to provide an education”, 14-03-2012. Available at: <<http://www.theguardian.com/world/blog/2012/mar/14/greece-breadline-pooling-education-resources>> accessed on 10-04-2014.

<sup>25</sup> See <<http://atenistas.org/>> accessed on 28-03-2013. The organizations that imitate the original one and operate in other cities have adopted various names, such as “Thessalonistas” in Thessaloniki and “Patrinistas” in Patras.

Greece. The emergence of such groups had a political dimension as well. Participants of informal organizations shared and diffused anti-government ideas and alternative conceptions of organizing social and economic life, in an anti-consumerist, if not anti-capitalist, line.

ELIAMEP's pilot study, which is briefly summarized below, is a first step towards mapping and analysing how traditional NGOs changed because of the crisis and how new informal groups emerged.

## **5. A pilot sample survey of social solidarity organizations**

In 2013, we conducted a pilot field research, collecting data from 35 formal and informal organizations active in social solidarity in the Athens area. This sample consisted of 27 NGOs and also 8 informal organizations, such as networks and self-help groups. Initially, we studied the Register of 545 formal organizations which are listed in the website of Greece's National Center of Social Solidarity ([EKKA](#)). We subsequently composed a "population" of 197 formal organizations for which necessary information about thematic area of interest and legal status were available (Table 1 below). The fact that many such organizations do not publish a profile of their aims, resources and tasks, is a sign of the organizational underdevelopment of NGOs in the field of social solidarity/assistance. The majority of the 197 organizations, which constitute the "population" of our research, focused on support to people with disabilities, social services or child care. A random sample of 27 organizations was selected out of this "population".



*Table 1. Distribution of social solidarity NGOs by sub-sector of solidarity activity*

Type of solidarity activity	Number of organizations	Percentage share in the total of organizations (N=197)
Inability	71	36,0
Social services	22	11,2
Child care	22	11,2
Charity	17	8,6
Old age	15	7,6
Health	12	6,1
Mental health	12	6,1
Human rights	10	5,1
Drug addiction	6	3,0
Civil protection	4	2,0
Blood donation	3	1,5
Care for families with many children (>3)	3	1,5
<b>Total</b>	<b>197</b>	<b>100,0</b>

*Note: data presented only for NGOs for which adequate information is available, based on the list of NGOs registered at Greece's National Social Solidarity Centre ([EKKA](#)). The list is longer but not all NGOs offer details of their activities. 'Civil protection' refers to protection from natural and technological disasters.*

There is no reliable source on the number and geographical dispersion of informal organizations, such as social solidarity networks and groups. As constructing a “population” of informal organizations was impossible, a list of 49 such groups and networks was compiled, on the basis of personal visits of ELIAMEP researchers to the headquarters of such informal organizations in Athens and search on the internet.<sup>26</sup> The majority of listed organizations were exchange networks and social medical centers. A sample of 8 networks and groups was randomly selected from among the said population of 49 informal organizations (Table 2 below). Research proceeded with the conduct of face-to-face interviews, based on a common questionnaire administered to representatives of the 27 formal and 8 informal organizations.<sup>27</sup>

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26 Dimitris Bourikos, Constantina Karydi, Myrtia Vellianiti and Georgia Gleoudi worked together in winter 2012/13, in order to compile information on NGOs and informal groups that were active in social solidarity.

27 Face-to-face interviews were conducted by Constantina Karydi, Chara Georgiadou and Kyriakos Filinis in the spring and winter of 2013.

**Table 2. Distribution of informal social solidarity groups and networks by social solidarity activity**

Type of solidarity activity	Number of organizations	Percentage share in the total of groups and networks (N=197)
Exchange networks	22	44,9
Social medical centers	11	22,4
Social pharmacies	7	14,3
Time banks	6	12,2
Social groceries	2	4,1
Various social initiatives	1	2,0
<b>Total</b>	<b>49</b>	<b>100,0</b>

### ***Differences between formal and informal organizations in the social solidarity sector***

Formal organizations cater to groups with special needs, such as people with disabilities, single parent families, socially excluded ethnic groups and others (Table 3 below). Informal organizations do not target specific categories, but rather the general population or all members of the local community who sought support due to being poor or excluded from access to welfare services.

Formal organizations seek funding from Greek not-for-profit foundations, EU and international organizations and also from state authorities to the little extent that state funding may still be available. Informal organizations do not seek funding but try to commit volunteers to devote their time and skills to fulfilling the purposes of the organization.

Indeed, according to our respondents, informal organizations count almost exclusively on voluntary work, even though they report low numbers of volunteers. By contrast, formal organizations report relatively larger numbers of volunteers and contributors, namely individuals who pay a subscription to the organization without being members or devoting time as volunteers.

<i>Table 3: Examples of social solidarity activities of formal and informal organizations</i>	
Formal organizations	Informal organizations
<p>Medical care</p> <p>Advocacy in favor of socially excluded groups</p> <p>Care of pregnant women</p> <p>Prevention of spread of diseases</p> <p>Support of poor people</p> <p>Support of disabled children</p> <p>Shelters for the homeless</p> <p>Care for the elderly</p> <p>Material support to migrants and refugees</p> <p>Psychological support to migrants and refugees</p> <p>Material support to families with many children in underdeveloped regions</p> <p>Provision of food and clothes</p>	<p>Training of the unemployed through establishing electronic platforms which diffuse knowledge and skills on selected subjects</p> <p>Medical care</p> <p>Support to the poor and the unemployed</p> <p>Exchange of consumer goods</p> <p>Exchange of services</p> <p>Provision of food and clothes</p> <p>Repairs of the infrastructure of houses and small businesses of poor people</p> <p>Repairs of the infrastructure of local communities</p>

### ***How formal organizations relate to the state and to private business in the crisis period***

Formal organizations have registered with the national registry of EKKA, although this has not offered them any tangible advantage, particularly in a period of fiscal constraints. NGOs and associations which have registered with this center expect that they can benefit from the recognizability and credibility that a state organization can bestow upon them, and also create networks with other registered organizations.

Ideally, if an organization is registered with EKKA, it can be eligible for state funding in the future. On the other hand, some of the respondents to our pilot survey believe that the registry, in case that it remains a formality, is just one more bureaucratic hurdle which NGOs may have to overcome. Moreover, other respondents regard the existence of such a registry as a first, incomplete step towards making registered organizations more transparent.

The problematic relations between formal organizations and the state during the crisis plaguing Greece are also evident from the response of the NGOs sector to the latest Greek law, which was voted in autumn 2011 to foster the foundation of social enterprises (L. 4019/2011). Although three years have passed since its adoption, bureaucratic inertia and lack of funding have resulted in the law not being adequately implemented. In fact, 12 out of the 27 formal organizations of our sample did not even know that such a law exists, while another six (6) knew about the law but considered the administration and finance aspects of the law too complicated to deserve their attention.

It is not surprising, then, that during our interviews with representatives of NGOs there were more negative than positive references to the state on the part of NGOs. Only representatives of ecclesiastical organizations and foundations had a somewhat more positive view of the state. Respondents called for a more detailed and stable framework of state-NGOs relations and were more open to cooperation with the local government than the central state. Incidentally, informal networks and groups completely rejected cooperation with the central state, but would rather consider creating ties with the local government.

Informal organizations held the same, very hostile stance toward private business enterprises too. They considered the latter as insensitive to the social needs of the people, reluctant to sponsor social solidarity activities and exclusively interested in profit-making. Formal organizations, on the other hand, took a different stance during our interviews. Realizing that, both during the crisis and in the future, state funding would be very limited or practically unavailable, some representatives of NGOs were open to receiving goods and services from private enterprises or to becoming sponsored by a private enterprise or to starting partnerships with such enterprises.

***The value added by informal organizations in the Greek social solidarity sector and limits to informal social solidarity***

Our interviews have shown that informal organizations have a role to play in social solidarity in Greece, which cannot and should not supplant a comprehensive welfare state, offering state-funded social protection, as expected from a modern European democracy.

Yet, while the welfare state is in retreat, informal organizations function in parallel with NGOs, while they continue distrusting NGOs because of the latter's earlier non-transparent relations with the state. Informal organizations do not suffer from the bureaucratic ills sometimes affecting formal organizations and, thus, can be more flexible with regard to meeting the changing needs or profile of their target-groups. They are often closer to and more familiar with the needs of the people they cater to than either welfare state agencies or bureaucratic NGOs. In addition, in contrast to both state and NGO operations, the activities of informal organizations adopt a more critical and more participatory character, as beneficiaries of informal networks of social solidarity are also participants in the informal networks rather than passive receivers of goods and services. In this respect, the beneficiaries of informal social solidarity do not run the risk of being stigmatized as typical receivers of state social assistance and social care programmes.

Finally, given their anti-government and even anti-capitalist outlook, informal organizations are probably immune to becoming a long arm of the state reaching deep into society. They also rejected the commercialization of their activities. Needless to say, the fact that such organizations add an ideological dimension to their social solidarity activities creates a risk of a different kind, namely the possibility that they are patronized and coordinated by one of the political parties with

which they share an ideological affinity. The risk is that, in this respect, they may be turned into a front organization of a political party.

Apart from the risk of over-politicization of informal organizations, a second danger lies in the very fact that they have sprung in an unpredictable fashion, they are not easy to monitor and consciously resist becoming more predictable organizations. The result is that informal networks and self-help groups may support the poor and the socially excluded in some areas and neighbourhoods, but be completely absent from other ones; that their activities may overlap; that they do not benefit from any type of coordination; and that they often lack the skills and resources to program their interventions and plan ahead. This is not to downplay the important contributions of informal organizations to covering social needs of an unknown but probably large segment of the Greek poorer strata, but only to underline the problems of make-shift social protection in times of crisis.

### ***Consequences of the economic crisis on formal and informal organizations in the sector of social solidarity***

As already noted above, before the onset of the crisis, NGOs and other formal organizations, such as associations of families with more than three children, had forged strong financial and political links with the central government. In fact, a patronage relation had been formed between the competent ministries (Ministry of Health, Ministry of Labour) and selected formal organizations. The latter benefitted from such privileged relationships, because they regularly received state funding. Some organizations, while formally belonging to Greek civil society, had essentially become tools of the state, the preferred agents of social policy in particular social policy sectors (for example, family policy, child care policy). Obviously, things changed drastically after the economic crisis set in.

A first consequence of the crisis was the depletion of state funds normally channelled to NGOs, which downgraded the level of NGO-driven social protection offered to people in need, but also emancipated the relevant NGOs from the role of appendage of the state apparatus. Essentially, before 2010, sections of the NGO sector in social solidarity (e.g. NGOs offering healthcare and social services to the mentally ill) had become a shadow welfare state, complementing, if not

totally replacing, the underdeveloped welfare services which were understaffed and underfunded, already before the crisis.

Secondly, the economic crisis, which put NGOs in a difficult economic position, also provoked their organizational development in terms of division of labour and funding strategies. Some NGOs, realizing that the time period of relatively predictable financing of their activities was over, recruited volunteers, contacted municipal authorities in order to obtain resources such as office space, divided tasks among their staff in order to achieve a more efficient division of labour and sought funding from non-state sources, such as Greek and international charity foundations.

Thirdly, the scale of social problems encountered in Greece since 2010 has been such that another consequence, which came up through the research of ELIAMEP, is that previously untried combinations of civil society, private business and state actors emerged to cover social needs. NGOs and informal organizations, unable to meet the challenge of catering to the needs of crisis-hit categories of the population on their own, cooperated with state and private organizations in order to carry out specific tasks. For instance, supermarkets, the Greek Orthodox Church, the Greek army and NGOs periodically collected food, medicines and clothes and then distributed them to poor households.

Fourthly, the target groups of NGOs active in social solidarity projects has changed, as -in contrast to the past- not only foreign migrants and refugees, but also Greeks turned to such organizations for social assistance (not monetary assistance, but assistance in kind). Greeks from poor or heavily indebted households turned to NGOs for health care, counselling, training and even food and clothes. In the same context, while in the past NGOs offered assistance for limited or interrupted periods of time, now they witnessed a prolonged and continuous demand for their services.

As a fifth consequence, both formal and informal organizations claim that there has been an increase in the numbers of volunteers who approach the organizations, offering their time and skills to a public cause, such as social solidarity with the victims of the crisis. Volunteers are not necessarily upper- or middle-class citizens, but also the unemployed who have free time, citizens



who experience social isolation as a side effect of the economic crisis and employees and workers obtaining very low wages or having precarious jobs. All those may be both participants in and beneficiaries of social solidarity activities.

And lastly, informal organizations have not limited themselves to offering social services. Based on frequent references in the interviews conducted for this research, as we have already noted, it is possible to claim that social solidarity networks and self-help groups also offer a very politicized view of the crisis, namely a critical anti-government and even anti-capitalist outlook, blaming neo-liberalism for the crisis.

## **6. Conclusions and policy proposals**

In this report we have argued that, after the onset of the economic crisis in Greece, the social situation of middle- and low-income groups deteriorated rapidly. As the welfare state was receding, owing to the government's drive towards fiscal consolidation, social protection became sparse. Formal organizations such as NGOs were starved of state funding and turned to not-for-profit foundations and private sources for funding, while also relying on volunteer work and contributions in kind.

NGOs active in social solidarity started catering not only to socially excluded groups of the Greek society and to foreign migrants and refugees (who -before 2010- used to be their main target-groups), but also to newly impoverished Greek citizens seeking social services and basic consumer goods. In parallel, informal social networks and self-help groups emerged and became active in the exchange and distribution of goods and services, healthcare, education, food and shelter provision, offering simultaneously a more critical view towards the state and seeking alternative forms of social organization.

Field research and interviews with representatives of NGOs and informal organizations, which were conducted in Athens in 2013, reveal that social solidarity has expanded, organizations have

developed and have adapted to the new social needs of the population, but certainly could not and should not replace the welfare state which ought to be rebuilt.

ELIAMEP's preliminary field research, conducted in 2013 and based on data collection from primary sources (interviews and on-site visits by ELIAMEP researchers) and secondary sources (internet sources, the press, publications on the Greek NGO sector), has shown that the economic crisis has started transforming the NGO social solidarity sector. Both formal organizations, primarily NGOs, and informal organizations, mainly social solidarity networks and self-help groups, have risen to the challenge of offering social protection to poor and socially excluded Greeks whose living standards have been dramatically downgraded, owing to the economic crisis.

NGOs have been negatively affected by government measures that have frozen state funding since 2012, but have reoriented themselves to collaboration with not-for-profit foundations and private businesses. They now count on an increased number of volunteers and are interested in assisting or complementing the welfare state by focusing on specific categories of the population (e.g., poor children, people with disabilities and other such groups).

By contrast, informal organizations do not want to act in a fashion complementing state-driven social protection. They reject the state and charity activities of the business sector, they want to treat the beneficiaries of their activities as participants in the collective production and distribution of social assistance, and view social solidarity in the context of the economic crisis as part of a wider political movement to construct alternative forms of social and economic life.

In view of the above, a set of policy proposals may be formulated which relies on the field research discussed above. Proposals are not necessarily addressed to state authorities. The following list is primarily a call for action addressed to representatives, activists and experts of the NGO sector.

- There is an obvious need for a non-governmental coordinating mechanism of formal and informal organizations active in various sub-sectors of social solidarity (training and counselling for the unemployed, child care, services to the Roma, etc.).

- All organizations involved in social solidarity should commit themselves to the three principles of transparency, accountability and inclusion/ participation of the user-groups to which they cater. A Code of Ethics to which all interested parties (NGOs and informal groups) will subscribe is warranted.
- Larger and/ or more established NGOs should diffuse information and best practices to the rest of the social solidarity sector.
- Compilation and codification of all legislation relevant to the setting up, organization and functioning of NGOs, including a new comprehensive legal framework for NGOs which Greece currently lacks.
- Formulation of a short-term and medium-term strategy for the development of the NGO sector, including the relations between NGOs, the state and private businesses.
- Design of a plan for the economic survival of NGOs, including proposals for tax breaks and/ or decreased VAT for business transactions in which NGOs are involved.
- Activation of the fund for social enterprises, already provided by Greek legislation but not implemented in practice, and diffusion of information and training to NGOs regarding funding opportunities by the EU.

The claim made in this paper that such and other similar policy proposals are worth pursuing does not, however, assume that it is ever possible or desirable for the NGO sector to replace the welfare state in Greece. Clearly, given the scale of social problems which the management of the economic crisis has created and which have been compounded by acute economic inequalities preceding the crisis, the challenge for the NGOs and informal social solidarity groups is not only to offer better social services in conditions of crisis, but also to claim and press for the re-building of the shattered welfare state in Greece.