

SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN SLOVAKIA

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Social Economy Concept: Europe and Slovakia

■ In the context of global crisis that is framed not only by its financial dimension, but by a crisis of modern institutions to cope with challenges of resource depletion, climate change, demography or developmental issues such as poverty and unemployment in post-industrial societies – the concept of social economy is perceived broadly as one of potential approaches to respond to these new challenges.

The social economy emerged in the socio-economic thinking and approaches in early 20th century in Europe as an expression of unleashed energies of new middle classes that strengthened in European industrializing societies. The growth of welfare state slowed down this excitement and overshadowed this concept. With the crisis of the welfare state in the late 20th century social economy became again a hopeful solution to emerging problems. It is visible in fields producing work and social integration, social services and community care. In this period also the concept of social enterprises has emerged. (Monzon 2008:550)

In countries of Central and Eastern Europe which were for forty years linked to the Soviet system with centrally planned economies and omni-present state, there was no space for social economy. Cooperatives had a strong presence but without their traditional principles as voluntary and open membership and democratic organization. (Monzon 2008:550). As the communist system collapsed, old actors needed to

transform. The playfield has emptied in order to be populated by new actors. This was the case of Slovakia as well.

Soon after 1989 post-communist countries – Slovakia included – experienced a strong growth of the third sector including foundations and self-help organizations which itself represent a potentially important source of social economy (Lubelcová 2012: 87). However, there are great differences among these countries (new EU member states) how social economy concept has been adopted and manifested. Recent research concludes that for most of the new EU member states it is a concept, which is very new and not yet clear (Monzon 2008:562, 570). This very well reflects the situation in Slovakia.

Slovakia is one of the countries that are almost invisible in the European map of social economy. A relatively recent research conducted through surveying expert knowledge of the concept in the EU member states did not cover Slovakia in most of studied indicators which suggests that there is a relatively low capacity to participate in pan-European discourse (Monzon 2008:562).¹

As a working definition of the concept of social economy we may use the one offered by one of the leading theorists of the concept, Jacques Defourny²:

“...The social economy gathers enterprises of the co-operative movements, mutual benefit and insurance societies, foundations and all other types of non-profit organizations which all share some principles making them correspond to the “third sector” of modern economies. Social economy organisations differ from the private for-profit sector, as their primary goal is to serve members’ needs or a broader public interest instead of maximizing and distributing profits to shareholders or members. They are also clearly distinct from the public sector although non-profit organisations may receive public subsidies to fulfill their mission: they are self-governed private organisations with the rule ‘one member, one vote’ in their general assembly”.

Spectacular growth in social economy in Europe has taken place in the field of organizations engaged in producing what are known as social or merit goods, mainly work and social integration and providing social services and community care. (Monzon, 2008:551).

In our article we look at the level of discourse about the concept, identify the key actors that play a role in the field of social economy and discuss the concept of social economy from historical perspective and present situation.

Discourse on Social Economy in Slovakia

The discourse on social economy and its potential contribution towards social and economic development in Slovakia is limited (Lubelcová 2012:103). It takes place within the boundaries of particular communities – mostly in academic community, but to some extent also in traditional cooperative movement, grass-roots civil society, new venture

philanthropists and entrepreneurs, government and recently – since 2010 in media – and with a very limited interaction among them.

In these communities the exchange of ideas, practices and reflections of and about social economy is limited by the relative lack of active actors in. There are only few academics who reflect upon this concept, mostly from sociological and economic point of view; couple of non-profits that actively identify with the concept, and a handful of private venture entrepreneurs. The capacity on the side of the government to design and manage support programs for the concept is also limited which documents the scandal with subsidies to social enterprises in 2008–2009 which influenced a lot how public perceives the concept. The strong actor is the cooperative movement, which on the other hand covers a relatively narrow niche of the concept and does not identify with it.

This article argues in some coherence with Lubelcová (2012:103) that for achieving higher levels of impact of this concept on the social development in Slovakia in future, there needs to be a more intensive discourse on this issue among these different environments and communities to identify such support infrastructure that would be able to nurture visible growth of social economy in Slovakia.

Also, this article proposes, that legalistic approach towards stimulation of social economy concept has failed and new approaches are needed that will draw on potential of all different actors that play an active role in the development of this concept.

The missing or insufficient discourse might be also one of the reasons why Slovakia has not yet discovered the potential of social economy for social and economic development as translated in mainstream policies aimed at increasing social cohesion and employment. The needs are great – extreme poverty of Roma ghetto-like communities, insufficient social inclusion and integration of people with special needs, high unemployment in selected pockets of poverty and underperforming educational system. All these would greatly benefit of stronger sector of social economy.

There might be of course other reasons for the relatively weak presence of social economy in Slovakia. These include insufficient understanding of the concept among decision-makers and public, lack of enterprising culture, nature of the policy making or the inability of the public sector human resources to implement and manage socially innovative approaches and programs that would effectively support the field or lack of interest of civil society in its advancement.

Social Economy Actors in Slovakia

As in any developmental situation, also in the field of social economy, one can understand the situation through looking at specific individual and organizational actors that shape and influence this situation by their behavior – actions or non-actions³. In a

glimpse view in Slovakia relevant actors can be found in the following professional communities:

In the *academic sphere* recently two institutions produce research outputs on the development of the concept: Department of Sociology at Comenius University in Bratislava or Center for Research and Development of Social Economy and Social Entrepreneurship at the Economic Faculty of University of Matej Bel in Banská Bystrica. The historical dimensions are also quite well covered from the point of view of economic history as well as social history (especially the cooperative movement as a part of the associational life) by historical and archive research. The role of academic reflections is crucial for critical understanding of the potential of social economy in Slovak societal and cultural context and also for capturing and disseminating learning that is produced through experimenting and experiences of different actors. It can also inform policies in their early stage.

There are several initiatives in *civil society* at present that promote and support the idea of social economy and development of social enterprising within the non-profits by developing their soft skills, business planning and enterprising skills (NeSST, UNDP, Integra Foundation or TriLobit association). Other segments of civil society act as participants in the field of social economy by selling mostly services, less products – social enterprises – but they do not stress this aspect of their work⁴. These include various non-profit organizations that run schools, social housing, day-care centers for children or people with special needs and otherwise disadvantaged, protected sheltered workshops, educational organizations in the non-formal education or cultural associations. They are strongly mission-driven and do not identify themselves as social entrepreneurs, although in last period this name becomes more popular. To some extent they use support provided by the state for employing persons with decreased working abilities, however, the size of their operations is local and community based. Because of the plurality of the third sector, initiatives that touch the concept provide great resource of experience.

Relatively new actors that emerged recently are *venture philanthropists* who come from business and apply their successful business experience and skills and invest their resources and assets in innovative and income generating but socially bound projects that meet the criteria of social enterprising. One of such organizations is Pro-Vida foundation that invests in projects that have strong social benefit, are innovative and at the same time can be financially sustainable⁵.

The strongest actor in the field of social economy in terms of its capacity and economic size is the *cooperative movement*, which has strong tradition in Slovakia and identifies itself as a descendant of the early cooperatives in 19th century (see later in the text). It consists of successors of production cooperatives, commodity cooperatives, housing cooperatives and agricultural cooperatives since 1960s. They are associated in the Cooperative Union of Slovakia, which represents their voice towards the public and policy makers. However, the movement does identify itself with social economy and social enterprising.

Finally, the *government* of Slovakia is also an important actor. It has promoted social economy since 2008, when legislation was adopted that created the framework for social enterprises in Slovakia. The Law on employment services defined a social enterprise as a legal or natural person with a workforce at least 30 per cent of who were disadvantaged job seekers prior to this employment. The act established the right to a financial contribution towards creating and maintaining jobs for employees who were disadvantaged job seekers before being taken on. The Ministry of Labor, Family and Social Affairs covered the agenda of social economy. An important element has been also the European funding from the European Social Fund that provided support for this initiative.

(Broken) Roots of Social Economy Concept in Slovakia

Despite social economy in Slovakia is not a new phenomenon in the socio-economic history of Slovakia, at present it is only in a nascent stage. How is it possible?

One of early manifestations of social economy was the cooperative and mutuals movement that started to emerge in the space of the Austrian-Hungarian monarchy in mid 19th century. In this period in the territory of Slovakia emerged variety of types of cooperatives and mutual unions such as school savings unions, credit unions, commodity cooperatives or purchase cooperatives that can be seen as predecessors of social economy movement.

In 19th century Hungary (which Slovakia was part of) the cooperative movement was growing out of mutual brotherhoods, fraternal treasuries or village economic communities (land-owners associations or indemnification associations) that are considered as predecessors of insurance companies (Milov 1947:52–53). In 1845 in Sobotište in Western Slovakia was established one of the first cooperative-like organization not just in the territory of Upper Hungary but also in the continental Europe by one of the pioneers of cooperative movement in Slovakia, the protestant teacher Samuel Jurkovič (Dudeková 1998:n.a.).

A separate branch in the mutual and cooperative movement aimed at increasing the *access to capital* and savings to emerging middle class while stimulating its clients towards the culture of savings. The emergence of the savings bank movement in the Danube region of Austrian-Hungarian empire dates back to early 19th century. First banks founded in Slovakia were branches of the “First Austrian Savings Bank”. They were founded in Bratislava (1824), in Trnava, Nové Zámky and Zvolen (1827). Although they operated only till 1841 and in a transformed form as independent city savings banks since 1842, they gave a rise to later independent savings banks which lasted until 1948 when communists submerged them under one system of savings banks. Soon after, also first credit, agricultural associations and cooperatives and so-called cooperative credit unions (Raiffeisengennossenschaften) started to emerge and followed the movement coming from Austria⁶ (Chloupkova 2002:14).



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Agricultural cooperatives combined three functions – selling products of its members, also arranged for discounted purchase of commodities and provided also credit. Cooperatives were organized into a movement at the time of establishment of Czechoslovakia after 1918. New cooperatives started to emerge – construction, housing and small business cooperatives (Martuliak 1995).

The cooperative movement was deformed by the communists through forced collectivization after 1948 and by its operations in the centrally planned economy. As Chloupkova (2002:8) reminds “cooperatives” under the communist regime denoted agricultural production cooperatives. They resembled landowners pooling their land in order to farm together for higher return achieved through economies of scale. Despite their forced membership, they were following common interest. The fact that economically the system did not work was a result of number of factors, from which the biggest obstacle was that they operated in command economies with constrained input and output opportunities.

Today there are different types of cooperatives operating in Slovakia: production, housing, commodity and agriculture ones. All are independent legal entities and some of them are associated in the Cooperative Union of Slovak Republic. The total number of cooperatives in Slovakia has slightly decreased since 1990s and for last couple of years it stays at the level of 1,500 (see Table 1).

Table 1. Number of Cooperatives in Slovakia (1993–2011)

	1993	1996	1999	2002	2005	2008	2011
Cooperatives	1,922	2,233	1,802	1,523	1,542	1,535	1,573

Source: Slovak Statistical Office, 2012.⁷

Members of the umbrella organization of cooperatives – Cooperative Union of Slovakia associate several associations of cooperatives: Members of the Slovak Union of Production Cooperatives associate over 81 *Production cooperatives* that provide over 3,500 jobs and have more than 50 years long tradition. They provide a large space for employment of people with physical handicap. There are over 60 protected sheltered workshops with over 300 employees. Over 90 *Housing cooperatives* have more than 290,000 flats in their custody in the whole territory of Slovakia. *Consumption cooperatives* that are involved in retail and sale of products keep over 20 per cent of the food retail market share. In the agricultural sector there is over 160 *Agricultural cooperatives*.⁸ From the numbers it is clear that there are a large number of cooperatives that are not organized in the umbrella organizations.

The self-identification of the cooperative movement with the concept of social economy and social enterprising in Slovakia is very low. And this is in spite the fact, that representatives of the cooperative movement are active in the European arena and present their activities to the public as a special kind of enterprises that combine the social and economic purposes. However, as different authors (Chloupkova 2002:8)

suggest significant parts of the cooperative sectors in the post-communist CEE countries operate as production cooperatives – collective farms without meeting the some key elements of modern cooperatives. There is a significant difference between the cooperatives in EU and the Central and Eastern European countries. While the existence of farmer-owned marketing or supplying cooperatives is more common in the EU countries, the existence of production cooperatives, usually composed of landowners and employees, dominates the CEEC agricultural sector. Poland is the exception to this strong producer cooperative structure.

The functioning of the cooperative sector and in a broader sense of a social economy requires also higher levels of social capital, which is not so high in CEE countries, including Slovakia. Also, Chloupkova (2002:32) adds that evidence from a number of European as well as international cooperatives show that organizations that depend on government help are more fragile and tend to lose their activity focus. As it is visible further on, this may be extended also to subsidies provided to social enterprises.

It seems that historic roots of cooperative movement in Slovakia and its economic significance are strong sources for its modern identity and that the concept of social economy and social enterprising is not so needed in this environment. And this is despite the fact that important part of the cooperative movement in Slovakia contributes towards achieving higher social integration, local economic development and employment.

Social Economy in Slovakia: In a Friendly Fire?

The Scandal with Subsidies for Pilot Social Enterprises. The concept of social economy and social enterprising suffered in Slovakia a serious blow in reputation due to a scandal with government support to eight “pilot social enterprises” in 2008. The scandal had a profound influence on how the concept is perceived in Slovakia today; therefore we stay with it in next paragraphs to provide basic facts.

Based on a call for proposals eight new social enterprises received a start-up contribution ranging between €0,3 and €2 mil from the Operational program Employment and Social Inclusion from the European Social Fund. The contribution represented over 95 per cent share on their total income, which means that these funds were going to be used not just for operating but capital expenditures as well – buying of equipment (luxurious SUVs among other things), training of employees etc. Practitioners from the third sector criticized this in the media and rightly questioned the word “enterprise” in this context, as their behavior was not enterprising one.

The goal of the support scheme was to support the implementation of social enterprise as a new instrument in the area of social and economic activities with the emphasis towards support of employment (Pogrączová 2011:67). Audit in 2010 revealed that there were unauthorized procurements and purchases, suspicion of manipulated procurements and clientelistic behavior of their managers related to the ruling political

party SMER-SD⁹. Media widely reported about the misuse of these funds and the concept of social economy and social enterprise became associated with these misbehaving entities. Therefore the connotations of the concept among the Slovak general public have been since then negative and this affair has caused the negative perception of social economy (Lubelcová 2012:103; Sokol 2011:18).

The affair had two aspects: managerial and conceptual. The fact that the subsidies were provided in a clientelistic way to inappropriate recipients is not so surprising in the context of overall perception of corruption and the potential corruption risks related to structural funds in Slovakia (Strategic Plan... 2011:11; Spectator 2012)¹⁰. These are important issues, but can be partly corrected by improvement of allocation terms and procedures, their correct enforcement, increased transparency and public oversight and more sound human resource policies in the state administration that deals with structural funding and subsidies in general¹¹. However, the conceptual failures and their consequences on the subject of social economy and social enterprises are more important (Lubelcová 2012:103).

Social Enterprises in Slovak Law: Legislative Optimism. It seems that Slovakia has trapped itself into a legalistic vision of social economy by adopting the amendment Act No. 5/2004 on Employment Services, which came into effect on September 1, 2008 with a purpose to promote social enterprises as tools for employment policies. The concept of the social enterprise as defined by the law is an integration instrument of so-called interim job market that should prepare the disadvantaged job-seekers for their success in an open labor market (Lubelcová 2012:103). The act has defined that to qualify for a social enterprise a business entity – physical or legal person – should:

- a) employ at least 30 per cent of people who before taking on the job were classified as disadvantaged job-seekers;
- b) provide assistance and support to these people in their job search;
- c) at least 30 per cent of the financial means gained through its activity and after deducted all eligible costs, shall be re-invested towards creation of new jobs or to improvement of working conditions and
- d) be recorded in the registry of social enterprises.

Meeting of these criteria is checked regularly once a year through an annual activity report submitted to the Central Office of Jobs, Social Affairs and Family. This office holds an authority to issue a certificate of social enterprise to requesting entity. The status of social enterprise may be awarded also to protected workplaces and sheltered workshops¹².

Another important feature of this policy is the possibility of financial subsidy for those who qualify as social entrepreneurs.

The law has defined that entities with status of social enterprise are eligible for financial contribution for the support of creation and sustaining of jobs in this entity, in the maximal amount of 50 per cent of the total labor cost calculated from the average wage of employees in the economy of Slovakia. The law stipulated that the office shall provide a contribution even after the period of 12 months, provided the employee did

not find employment on the open labor market. In this case the maximum level of contribution represents 40 per cent of the labor costs of average wage in Slovakia.

The number of social enterprises registered according to the law decreases over time. By August 2012 there were 56 social enterprises registered according to the law, while in 2011 there were 63 of them. By August 2012 23 social enterprises were abolished and 9 had their entry into registry withheld.

Discussion

Even before the amendment of the law that defined social enterprises in Slovakia, there were entities behaving as social enterprises – associations or foundations that performed economic activity while pursuing social goals. They operated mostly in a small size, with limited capital and assets and with emphasis on social goals. Their attitude and work culture has been more socially driven than entrepreneurial. Once the law came into effect they did not embrace the new concept and only few of them registered as social enterprises¹³. This could be due to different reasons. One of them could be their limited economic capacity and ability compared to business and public sectors. Another could be their self-identification as third sector organizations and not as social enterprises. What is also interesting is that no cooperatives registered as social enterprises, despite their stronger economic profile than the third sector organizations. The registration became more popular among limited companies and municipalities. However, the overall effect of these organizations on the employment has been limited.

It seems that the mis-assumption of policy-makers in Slovakia was that the solution to promotion of social enterprising in Slovakia is to be done through adoption of a law. Some observers consider this legislative effort as valuable and pioneering in the context of the European policies aimed at promotion of social enterprises (Korimová 2011:n.a.), while others do not attribute a value to this initiative.

The situation in Slovakia in our opinion bears elements of what can be called a *legislative optimism*. That is a naïve idea that every social problem can be solved by adoption of a legal rule and leads to formalism (Holländer 2003:78).

Also, another point of critique is that the legal definition of social enterprise in the law was too narrow¹⁴ (Sokol 2011:9) and that the focus of policies should be more on creating opportunities for activities, than on legal definitions (Lubelcová 2012:103).

The law defined social entrepreneurship narrowly only as an enterprise whose principal goal is to prepare the long-term unemployed for the open labor market. This seems inadequate in the light of the current understanding of the concept of social enterprise and social economy that is much broader and extends beyond the work integration to areas as social services and community development.

The technical critique of the law was based on the fact that 24 months were considered “too short period of provision of support” for the disadvantaged job-seekers

to gain skills and work habits that will make them successful in an open labor market (Korimová 2011:n.a.).

It needs to be added, that the act has been at the same time very progressive because it allowed different entities to acquire this status, regardless of their legal form. This can be considered as positive as it extends the space for different actors to perform activities in the area of social economy without being discriminated by a specific legal form. Limited liability companies, cooperatives, joint-stock-companies, associations, self-help organizations and others are eligible to register for obtaining a social enterprise status.

Different studies argue that more important than to legally define the social enterprise is to open a space for social enterprising as an activity driven by local initiative of different actors not just in the area of interim employment or work integration but in a broader sense (Lubelcová 2012:103; Sokol 2011:9). Otherwise the concept of social enterprising will remain confined to a formal definition by the law and will be under-used.

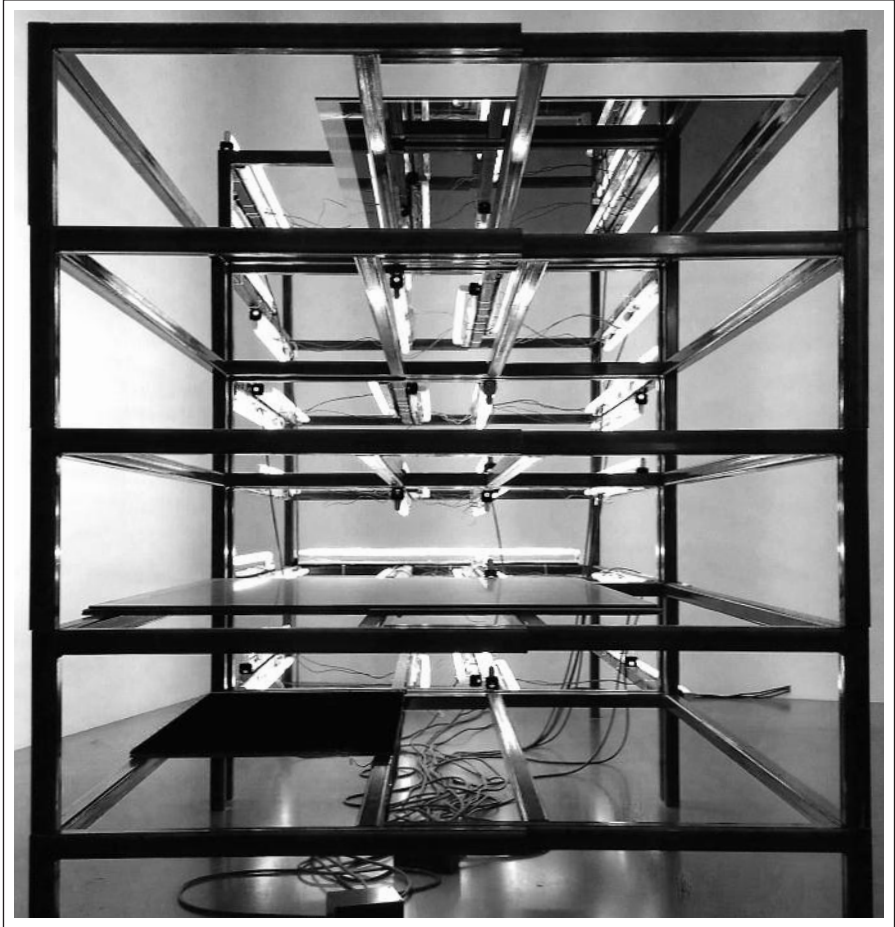
Second conceptual problem with the policy approach that Slovakia has taken is the financial support scheme that allowed registered social enterprises to obtain subsidies. In a superficial interpretation nurtured by the before-mentioned scandal with subsidies, the social enterprises could be viewed by lay public as nothing more than a contribution towards refunding part of the wage costs of employing long-term unemployed (Sokol 2011:10). This feeds into a stereotype that social enterprises are possible only with state support, which is obviously wrong.

Third problem was that the policy of social enterprise development was implemented without preceding expert discussion and in the environment that lacked awareness of the social economy, social enterprising and its supportive context. There was no discourse among various stakeholders – business community, NGOs, experts, public sector that contributed towards insufficient critical analysis of the concept, its legislative anchoring and policy debate.

The development of social economy concept in Slovakia has been also influenced by additional factors: *ability and interest of other actors such as third sector, venture philanthropy initiatives or cooperative movement to participate in the social economy development, social capital and enterprising culture.*

Despite the third sector has gone through dynamic development in the nineties and in early 2000 (there is almost 40,000 entities – civic association, not-for-profit organization, foundations, etc.) and it is present in the public as an active social actor which is a source of new ideas and innovation, its economic power and capital base is rather limited. For third sector organizations the concept of social economy is very compatible and they are natural allies, but there is a lack of interest in self-identification with this field, limited assets combined with a lack of enterprising culture among third sector organizations.

The cultural and social norms in Slovakia in general in comparative perspective of EU are counter-supportive to enterprising.¹⁵ Also the lack of social capital¹⁶ in the society



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(Lubelcová 2012:104) is a factor that will limit the development of social economy in Slovakia in foreseeable future.

However, there are also opportunities in Slovakia, that should be utilized in more down-to-earth policies to support social economy: growing demand in social services, need to address issues of unemployment and pockets of poverty and existence of variety of initiatives of different actors that participate in this field and who have not seen in this concept any opportunity: production cooperatives that employ people with disabilities, social service facilities, crises centers for families, day care centers for elderly, mother-centers, non-profit organizations providing publicly beneficial services, emerging venture-philanthropy initiatives, fair-trade movement, community centers, cultural centers and others.

There is a need for a real discourse of all stakeholders of this concept to draw lessons that can be learned from the development so far and identify a joint vision for the social economy concept in Slovakia for the future.

Translated by Gabriella Farkas

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Footnotes

- 1 The gathering of information included questionnaire survey with respondents from university researchers, professionals from federative and representative structures and top officials from national public administrations with power in the field of the social economy. The research studied national acceptance of the concept and perception of key components of "social economy". The findings of this research include that main social economy challenge is its institutional invisibility and lack of conceptual identification. Specifically, Eastern European countries are typical of lower levels of employment in the social economy (4.2 per cent) and having a strong cooperative branch. But foundation and associations also strengthened hand-in-hand with the development of civil society.
- 2 HEC Management School and Centre for Social Economy, University of Liege, Belgium and member of the EMES Network (European Research Network)
- 3 We use the term "social actor" in a general way to help the reader to understand who are the players in the field of social economy and what is their capacity and role they play in the system. We do not imply that these actors are a part of a social movement or collective action, as some theories propose.
- 4 Unlike some other countries, the third sector in Slovakia does not identify itself as a social economy sector. In Slovak media and popular understanding the social and charitable role of the third sector is more emphasized and present.
- 5 For example ProVida Foundation established by a Slovak venture investor and entrepreneur (www.nadaciaprovida.sk)
- 6 The social situation of the rural population in Austria was a direct reason for the founding of the first Raiffeisen cooperative, the Raiffeisenbank in Muhldorf in 1886. This cooperative banking system, named after its inventor Friedrich Wilhelm Raiffeisen, became widespread within ten years all over the country and resulted in a set-up of 600 "Raiffeisenkassen". This bottom-up development of Raiffeisen cooperatives was supported politically by the Austro-Hungarian Monarchy and financially by regional parliaments. Consequently, the financial support provided by the Raiffeisenbanks led to the establishment of storage- and commodity cooperatives.
- 7 http://www.statistics.sk/pls/elisw/objekt.send?uic=385&m_sso=1&m_so=5&ic=66
- 8 Based on information provided on the website of Družstevná únia Slovenska – http://www.dusr.sk/dokumenty/DU_SR_novinky_2012.pdf
- 9 <http://www.monitoringfondov.eu/print.php?socialne-podniky>
- 10 According to results of anonymous survey among 425 businessmen published in September 2012 by the Podnikateľská aliancia Slovenska (Business Alliance of Slovakia) the biggest risk of corruption prevails at ministries, in institutions providing money from structural funds, other central state administration bodies, regional governments, courts and prosecutors' offices.
- 11 Full correction would require systemic change in the political party financing and change of the political culture that supports clientelism.
- 12 Protected workplace or sheltered workshop is such work-place where is employed at least 50 per cent of employees with some disability. If employee arranges for a job for such person, it may apply for a contribution, under the condition that the person stays on the job at least, for 24 months.
- 13 As of August only 8 of 56 registered social enterprises were not-for-profit organizations or associations. The rest are limited companies or municipal public corporations and no cooperatives.
- 14 The law has been still in effect at the time of publishing of this article (10/2012).
- 15 The Eurobarometer survey of 2009 presented results that in Slovakia, Belgium, Denmark, the Czech Republic and Sweden only one third of the population or less declares an interest for being an entrepreneur. Recent (2012) study on entrepreneurship in Slovakia as a part of the GEM research (Global Entrepreneurship Monitor) proves that cultural and social norms in Slovakia are not conducive towards entrepreneurship.
- 16 Some sociological research suggests that Slovak society suffers with atomization and individualization and that the traditions of mutuality and self-help decrease. There is a decreasing trend of trust towards public institutions. The social capital is not the "bridging" social capital, but the "inner" social capital of family and friendship networks.