

«ΑΚΑΔΗΜΑΪΚΗ ΕΡΕΥΝΑ ΣΤΟΥΣ ΤΟΜΕΙΣ ΠΡΟΤΕΡΑΙΟΤΗΤΑΣ
ΠΡΟΓΡΑΜΜΑ “ ΔΙΑΦΟΡΕΤΙΚΟΤΗΤΑ, ΑΝΙΣΟΤΗΤΕΣ ΚΑΙ ΚΟΙΝΩΝΙΚΗ
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Πράξη: « **ΑΙΘΗΚΟΣ** - Δημιουργία Μηχανισμού
Υποστήριξης για την Ανάπτυξη και Προώθηση
της Κοινωνικής Επιχειρηματικότητας σε
Πληθυσμούς Ορεινών Περιοχών (ΕΟΧ GR07 /
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ΔΡΑΣΗ Π.Ε. 6 «Δημοσιότητα»

ΠΑΡΑΔΟΤΕΟ 6.5 «Εργασίες σε διεθνή συνέδρια»



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ΑΙΘΗΚΟΣ - Δημιουργία Μηχανισμού Υποστήριξης για την Ανάπτυξη και Προώθηση της Κοινωνικής Επιχειρηματικότητας σε Πληθυσμούς Ορεινών Περιοχών

Τίτλος Παραδοτέου	Π. 6.5 Εργασίες σε διεθνή συνέδρια
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Περίληψη

Το παρόν παραδοτέο αποτελεί τη σύνοψη των εννέα συνολικά επιστημονικών εργασιών που υλοποιήθηκαν στο πλαίσιο του έργου και παρουσιάστηκαν σε διεθνή επιστημονικά συνέδρια με σκοπό την προβολή του καθώς και τη διάχυση των αποτελεσμάτων του.

Από τις συνολικά οχτώ εργασίες που περιλαμβάνονται οι 4 παρουσιάστηκαν στο διεθνές επιστημονικό συνέδριο «Business Economic Social Science & Humanities» που πραγματοποιήθηκε στο Τόκιο της Ιαπωνίας, οι τρεις στο 9^ο ετήσιο συνέδριο «Innovation Entrepreneurship and Digital Ecosystems» που έλαβε χώρα στη Βαρσοβία της Πολωνίας και δυο επιπλέον στο διεθνές συνέδριο «Business and Social Science Research» που πραγματοποιήθηκε στο Λος Άντζελες των Η.Π.Α..

Επισημάνεται επίσης το γεγονός ότι οι τέσσερις εργασίες που παρουσιάστηκαν στο επιστημονικό συνέδριο «Business Economic Social Science & Humanities» καθώς και οι δυο που παρουσιάστηκαν στο «Business and Social Science Research» έχουν γίνει ήδη δεκτές προς δημοσίευση και σε επιστημονικά περιοδικά η οποία αναμένεται το προσεχές διάστημα.

ΠΡΟΛΟΓΟΣ

Η παρούσα έρευνα αποτελεί το Παραδοτέο 6.5 «**Εργασίες σε διεθνή συνέδρια**» του έκτου Πακέτου Εργασίας «**Δημοσιότητα**» που συντάχθηκε στο πλαίσιο υλοποίησης της Πράξης «**ΑΙΘΗΚΟΣ - Δημιουργία Μηχανισμού Υποστήριξης για την Ανάπτυξη και Προώθηση της Κοινωνικής Επιχειρηματικότητας σε Πληθυσμούς Ορεινών Περιοχών**», η οποία συγχρηματοδοτείται από το Χρηματοδοτικό Μηχανισμό του Ευρωπαϊκού Οικονομικού Χώρου 2009 – 2014 στο πλαίσιο του Έργου «**Ακαδημαϊκή Έρευνα στους Τομείς Προτεραιότητας**» του Προγράμματος «**Διαφορετικότητα, Ανισότητες και Κοινωνική Ενσωμάτωση**». Η πράξη υλοποιείται με τη συνεργασία του Αριστοτελείου Πανεπιστημίου Θεσσαλονίκης, του ΤΕΙ Θεσσαλίας, του Δήμου Πύλης από την Ελλάδα, και του Norwegian Institute of Wood Technology από τη Νορβηγία.

Στόχος του έργου είναι η πιλοτική δημιουργία ενός μηχανισμού «συνδυαστικής στήριξης» για την υποστήριξη και προώθηση της κοινωνικής επιχειρηματικότητας στην περιοχή του Δήμου Πύλης, με σκοπό την αντιμετώπιση του κοινωνικού αποκλεισμού και της ανεργίας των κατοίκων και ειδικότερα των νέων.

Στο συγκεκριμένο παραδοτέο παρουσιάζονται οι πρωτότυπες ερευνητικές εργασίες που προέκυψαν στο πλαίσιο του έργου και παρουσιάστηκαν σε καταξιωμένα διεθνή συνέδρια του εξωτερικού. Ορισμένες από αυτές μάλιστα, έγιναν αποδεκτές προς δημοσίευση και σε διεθνή επιστημονικά περιοδικά, μετά από σχετικές αλλαγές που θα πρέπει να υπάρξουν στο πλαίσιο της διαδικασίας δημοσίευσης. Το εν λόγω παραδοτέο, αποτελεί τμήμα του ευρύτερου πακέτου εργασίας που αφορά τη δημοσιότητα και τη διάχυση των αποτελεσμάτων αλλά και των δράσεων του έργου, στο πλαίσιο υλοποίησης μιας ολοκληρωμένης στρατηγικής διάχυσης από την ερευνητική ομάδα.

Επιπλέον, δύο εκ των εργασιών βραβεύθηκαν ως "best innovative papers" στο σχετικό σεμινάριο το οποίο παρουσιάστηκαν.

Περιεχόμενα

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BESSH -16**Rural Entrepreneurship in Mountainous Regions within the Severe Crisis in Greece**Karagouni Glykeria^{1*}, Trigkas Marios², Papadopoulos Ioannis³, Mpasdekis Dimitris⁴^{1,3}*Technological Educational Institute of Thessaly, Greece*²*Aristotle University of Thessaloniki, Greece*⁴*Athens University of Economics and Business, Greece*

Abstract

The paper purports to explore the actual entrepreneurial processes in rural and more precisely in mountainous areas taking into account the specificities of the place. Research focuses on two core aspects of rural entrepreneurship according to existing literature and namely the distinctive characteristics of the businesses ecosystem structure of the mountainous Pyli area, Region of Thessaly, Greece and of its population. The first aspect regards the institutional environment, the firm and market size and types, transport and communication infrastructures; access to information, finance and advice services. The second group of factors refers to the existing entrepreneurial attitude regarding entrepreneurial culture, innovativeness and the importance of knowledge. The field research included one third of the existing enterprises of the area providing an adequate sample for its purposes. The data of the study was captured using structured questionnaires. Findings confirm existing literature and contribute to efforts for the development of policies to regenerate rural areas in Greece which is still in a long-lasting severe socio-economic crisis. The paper aims to inspire more generic policy innovation for the bottom-up development of local approaches to strengthen rural entrepreneurship in mountainous areas especially in times of crisis.

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Keywords— Rural Entrepreneurship, Rural Regions, Mountainous Areas, Social Entrepreneurship

Introduction

What are actually the factors that enhance or weaken entrepreneurship in rural areas? Relevant literature is replicate of directions, policies and views, carefully analyzed by researchers in various fields of science, such as Business Administration, Economics, Sociology and Geography (Stathopoulou, Psaltopoulos, and Skuras, 2004; Jack and Anderson, 2002). Contemporary approaches of significant interest also have been developed, such as “Actors Network Theory” (Economic Geography) or the “Structuration Theory” in Sociology. For example; Lockie & Kitto (2000) claim that the Actors Network Theory constitutes a useful theoretical framework for understanding the entrepreneurial process in rural areas. The authors explore the personality of those able to promote their business objectives and achieve the best results in rural areas; they delve into the strategies or practices they use, the technologies they adopt and the forms of institutions they develop. Traditional approaches to the entrepreneurship issue especially of lagging rural areas have been focusing on the creation of competitive business (mainly SMEs) especially in the secondary and tertiary sectors (Stathopoulou, Psaltopoulos, and Skuras, 2004), through the mobilization of local resources in order to create competitive advantages (Kumar, 1989).

However, even nowadays, research on entrepreneurship in rural areas is relatively sparse especially within a crisis framework which produces further constraints in rural regions. The exploration of existing and surviving entrepreneurship in mountainous areas aims to inspire an innovative approach and policy directed towards the model of social entrepreneurship as well as the development of local approaches to strengthen entrepreneurship.

The next section of this work attempts a short description of the key concepts of entrepreneurship and rurality and a review of the major factors that shape a rural entrepreneurial milieu. The empirical part will outline the challenges and obstacles of rural entrepreneurship in a specific Greek mountainous area in Greece (Pyli, Region of Thessaly) within the current and long-lasting crisis framework. Statistical data will be discussed in order to produce useful insights about the future and the conditions for rural entrepreneurship under stressful conditions and provide indication for relevant policies. The concluding section includes future research, limitations and some policy recommendations.

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Literature Review

Rural Entrepreneurship

Rural entrepreneurship emerged in the 80s; however, it was only after 2000 that it drew significant attention (Pato and Teixeira, 2014). Today, it is a dynamically developing area of research in the entrepreneurship field and one of the most important areas to support rural economic development. According to an epitome of relevant literature, population density in combination with percentage of people in rural communities and in contrast to the size of urban centers may define the “rurality” of an area (OECD, 2005; Skuras, 1998). Besides its name as “rural entrepreneurship” the field covered “a myriad of other activities (namely industrial activities)”, according to Miljkovic et al. (2010).

In recent literature on the issue, studies have focused on differences between rural and urban areas, several types of traits, economic growth, institutional frameworks and regional growth policies (Avramenko and Silver, 2010). Within the social context investigation, ‘embeddedness’ and networks have been also emphasized (Kalantaridis & Bika, 2006; Pato and Teixeira, 2014; Smallbone and Welter, 2006).

Characteristics of the Rural Entrepreneurial Milieu

In general, rural regions represent more than half (57%) of the European territory and 24% of its population (EC, 2012). Especially mountain regions are dominated by the agricultural sector, present a rather poor socioeconomic environment and a rapid decline in employment (López-i-Gelats, Tàbara, and Bartolomé, 2009), while they suffer from distance to markets and services. According to a recent OECD 2005 report, aging population, associated with an outmigration of young people eliminates the chances of potential entrepreneurs.

When studying the rural entrepreneurial milieu, there are certain parameters to take into consideration. Heterogeneity, for example, reflects potential variations at local level even within national economies. Heterogeneity actually forms the distinctive business ecosystem of each rural region within the common rural environment characteristics such as small local markets, usually poor infrastructures regarding communication and transport, access to finance or even skilled labor, advice and information (Labrianidis, 2006).

Another significant group of factors regards the rural area’s social capital, attributes and culture of these areas population (Bosworth, 2012; Mandl Oberholzner and Dorflinger, 2007). This stream is strongly related to the one dealing with the characteristics of the existing rural business. Business in rural areas are usually small ones with a more personal image; they are mainly one-person or micro-firms and although called “rural” they actually cover a large variety of farm, re-creation and non-farm activities (Whitener, and McGranhan, 2003). However, agriculture remains the dominant sectors in the majority of these economies. At the same time, changing policies such as reductions in agricultural support, increase pressures on rural business especially when combined with changing market trends; the healthy reaction is - of course - diversification of activities and exploration of new business opportunities. However, even in such cases, profitable entrepreneurial choices are strongly related to location and proximity to urban centers (Labrianidis, 2006). A very small stream of literature also attempts to explore the potential of innovation within rural entrepreneurship (Escalante and Turvey, 2006).

Empirical Part

Research Objective

This paper reports a quantitative research which is conducted in the mountainous region of the Municipality of Pyli in western Thessaly, Greece. The area of the Municipality of Pyli is characterized mountainous or highland (percentage 87.38%) with a significant rate of unemployment and a mediocre presence of entrepreneurial activities; these, however, cover all three sectors of economy (primary, secondary and tertiary) with the agricultural sector to be the dominant one. The region presents all the characteristics described above in literature; i.e. poor socioeconomic environment, aging population and outmigration of young people and poor infrastructures to name a few.

The research will try to map the major factors that shape the investigated rural entrepreneurial milieu in order to delineate the existing business ecosystem and to produce a rather representative profile of the entrepreneurial culture. The first part of the research is based on the existence of rich literature; for the purposes of the research firm characteristics, market sizes, existence of infrastructures and easiness of access to specific sources have been taken into consideration. Being by nature difficult to define and measure, the second part; i.e. entrepreneurial culture in rural areas has a strong impact on entrepreneurship (Westhead, and Wright, 1998). However, even today, this view is based more on assumption than evidence (e.g. Shields, 2005), since there is hardly any quantitative empirical research on the relationship between the “prevailing socio-cultural features of everyday life in rural areas and business operations” (Shields, 2005). In order to tackle the challenge, factors such as reasons of starting a business and thoughts and views regarding knowledge, innovation and networking were examined.

Methodological Approach

The research followed the quantitative research approach under the positivistic research philosophy. Research was conducted in 2015-2016 i.e. the seventh year of the severe socio-economic crisis. The population of the study consisted of around 300 enterprises as registered by the relevant authorities. The sample was chosen to include the primary, secondary and tertiary sectors of the local economy. In order to collect the necessary data, a structured questionnaire was prepared and random sampling was engaged. Likert scale was used for the majority of the questions. The research was conducted by skilled researchers who addressed the entrepreneurs or executive members of the firms by personal face-to-face interviews. Although the research targeted at a sample of 100 respondents (1/3 of the total population), the response rate was 87% yielding a quite satisfactory sample. A pilot study confirmed the reliability of the constructs.

The data were recorded, processed and analyzed via the statistical package SPSSWIN ver 20.0 and the appropriate tests for frequency (Frequencies), descriptive statistics (Descriptives) and variable comparison analysis (Crosstabs), were conducted. When correlation tests were required logistic regression was used since the response variables were bivalent categorical. The statistically significant -or non- effect of factors was estimated, based on the p-value (sig.) at 5% significance level and the related odds ratio was estimated, too. The goodness of fit of the models to the questionnaire data was tested by conducting Hosmer-Lemeshow tests. Additionally, the predictive ability of the models was estimated via validation tables (Classification Tables).

For the processing of responses to questions measured in Likert scale, methods of graphical visualization were used, as well as non-parametric tests (e.g. Friedman Test) to evaluate the statistical significance -or non- of the differences presented in the graphs. Non-parametric tests were conducted, due to the normality test resulting in that the data were not normally distributed, an outcome that was expected.

Results – Discussion

The data analysis focused on two core aspects of entrepreneurship in rural mountainous areas and namely the distinctive characteristics of the businesses ecosystem structure of Pyli area and of its population. The first aspect includes the firm and market size and types, transport and communications infrastructures; access to information, finance and advice services; and the institutional environment. The second group of factors refers to the existing entrepreneurial attitude regarding entrepreneurial culture, innovativeness and the importance of knowledge.

Sampled firms represent quite satisfactorily rural entrepreneurship in the selected mountainous region where services and more specifically tourism appears to be the dominant economic activity area. As evident in Table 1, firms of the tertiary sector cover more than 50% (actually 77,1%) while manufacturing companies are really scarce. However, services refer almost exclusively to the hospitality industry; this in turn focuses in accommodation, restaurants and bars while it lags in other relevant services such as transportation, thematic tourism and relevant. A special group named “mixed activity” regards firms that combine the above sectors (e.g. farming and hospitality). However, according to the researchers’ view and to relevant literature (e.g. Whitener and McGranahan, 2003), firms that stated “tourism” as main activity belong more or less to the “mixed activity” group since they may depend on a diverse mix of farming, recreation services and non-farm activities. However, agriculture appears to be of significant influence on the local and regional rural economy besides the fact that reductions in agricultural support and changing market trends due to globalization as well as the severe Greek crisis press farmers increasingly to abandon or diversify their activities.

Table 1:
Descriptive Statistics

Economic Sector	No of firms	Percentage	Turnovers	No of firms	Percentage
Primary sector	7	8,0	<100.000€	63	72,4
Manufacturing	4	4,6	100.000-300.000€	18	20,7
Trade	18	20,7	300.000-500.000€	2	2,3
Tourism	52	59,8	500.000-1.000.000€	3	3,4
Mixed activity	6	6,9	>1.000.000€	1	1,1
Total	87	100,0	Total	87	100,0

The majority of the firms are micro-firms with less than 9 people, with only a 4,3% to be SMEs and employ people outside family members. This is in line with relevant literature; e.g. Smalbone (2009) states that rural areas are dominated by micro businesses and they mostly consist of solo owner/managers. Furthermore, it appears that the

entrepreneurs of the area target mainly the everyday living since they are quite satisfied with turnovers less than 100.000€.

The turnover of 65,7% of the firms depends clearly on their local and regional market while the rest 34,3% regards the national market. This fact, in combination with the Greek crisis and the lack of penetration to European markets (not even regarding the approach of European tourists), can be considered the main reason of the drastic downturn in turnovers within 2009-2016. Extroversion appears to be scarce in this area; it is significantly related to the unwillingness of the respondents to developed extroverted networking activities so far and their adherence to local conditions and markets. According to the analysis results, surveyed firms seem to expect new markets to be provided by the institutional settings. This view is further supported by the fact that the limited market size is significantly related to the high score of “improvement of new market penetration and the development of international markets” as a main policy to support rural entrepreneurship in the area. However, several of the respondents commented on the need of self-created changes such as the development of niche markets or networking for thematic tourism and marketing.

Infrastructure is particularly important in this context, since it impacts heavily the effort to attract foreign customers (or even businesses, OECD, 2006). According to the results, the ICT – internet infrastructure constitutes a major issue; it is actually statistically significantly related to the core obstacles of the business environment together with bureaucracy, extremely high taxes and social insurance contributions. It has been mentioned as a major obstacle in overcoming the distance barrier together with several comments on cellphone reliability especially in cases where micro-firm owners cannot afford contact personnel. However, it is quite interesting to see that no-one of the respondents thinks that their business is excluded due to geographical reasons. This can be contributed to the good transport infrastructure which was actually realized during the first decade of the millennium.

Table 2:
Critical Areas to Foster Entrepreneurship in Rural Areas

Rates Areas	(a) Extremely important	(b) Very important	(c) Quite important	(d) Somewhat important	(e) Unimportant	(a)+(b)
Easier access to funding	79.8	13.1	6.0	1.2	0.0	92.9
High taxation / social insurance contribution	72.1	22.1	2.3	2.3	1.2	94.2
Easier access to internet	65.5	27.4	4.8	1.2	1.2	92.9
ICT / e-business	64.3	28.6	4.8	1.2	1.2	92.9
Bureaucracy	61.9	29.8	4.8	1.3	2.4	91.7
Lack of entrepreneurial knowledge	57.1	33.3	3.6	3.6	2.4	90.4
Support / promotion of innovation activities	48.8	39.3	9.5	1.2	1.2	88.1
Extroversion	19.0	35.7	34.5	8.3	2.4	54.7
Equal skills at regional level	14.5	47.0	33.7	4.8	0.0	61.5
Strong competition	4.7	7.0	12.8	22.1	53.5	11.7
Strict environmental requirements	1.2	2.4	20.5	50.6	25.3	3.6
Geographic exclusion	0.0	2.4	7.1	29.4	61.2	2.4

Table 2 presents the critical areas of the improvements regarding the business ecosystem environment. It is quite evident that the national framework regarding bureaucracy, taxation and funding is actually responsible for the major obstacles that enterprises in Greek rural areas face amidst the crisis. Indicatively, Greece still has one of the highest VAT rates at a European level with the biggest number of changes in in the rate. This volatile and unfavorable tax environment together with labyrinthine and extremely time-consuming licensing procedures is combined to ambiguity and the general lack of information and advice. Furthermore, the access of micro-firms to loans, credit and financial resources is quite difficult due to the extreme reluctance of banks for loans, the lack of specialized mechanisms of financial support and the on-going financial situation in general.

Within this framework, it is worth noting that lack of knowledge in entrepreneurship and entrepreneurial skills is considered as a significant barrier to rural entrepreneurship. A significant percentage of 58.6% stated that they have received no education or any kind of training regarding their business. According to the results, lack of proper education is mainly due to the non-existent relevant infrastructures in mountainous areas. Under this general umbrella, the need for both entrepreneurial knowledge as well as more special knowledge issues (e.g. hospitality) has

been mentioned. Cooperation with knowledge agents and access to information and advice are critical ways to enhance the local ability to enlarge business activities. This is in line with relevant findings in other countries as well; for example, North and Smallbone (2006) suggested the creation of an appropriate entrepreneurial education infrastructure in rural regions of Portugal.

Innovation appears to have become the target of the competitive advantages that surveyed companies want to develop. Innovation means new products or alternatives of existing ones incorporating novelties, the creative involvement of more sectors in their current activities or the novel use of the latest technologies. In these cases, there is a very strong relationship between this strategic choice and the expectation for innovation facilitation and promotion by state or other supporters. It is also significantly related to the promotion of the entrepreneurial culture as a pre-requisite for any new business. However, a frequent remark of the respondents was that their customers do not seem to perceive the novelty of their innovative products and services.

Besides innovativeness and knowledge, entrepreneurial attitude and culture constitute significant elements of the second group of factors that impact rural entrepreneurship. Path dependency appears to play a significant role in the creation or sustenance of business in the area of Pyli; practically people become entrepreneurs in the areas they were born and grown up (85,7%) to continue their family business (30%), increase their income while still living with their family (21,4%) or become independent within the wider family environment (a sum of smaller percentages of different reasoning, Figure 1). This group’s attitude is related to more complaints about lack of information, existence of satisfactory infrastructure or difficulties in funding. It appears that this group –not consciously committed in the entrepreneurial ecosystem – cannot see and exploit actions and situations in distinctive ways. This assumption is further based on their indifference so far to seek for knowledge sources on their own.

A 33% seems to be more conscious in developing opportunity-based entrepreneurship (Figure 1). This percentage usually starts business by taking advantage of EU programs such as Leader and Leader+. In practical terms, this means funding as well as involvement in rural development actions and sometimes learning processes and promotion networks. Furthermore, these entrepreneurs seem to exploit the specific advantages of the mountainous area (e.g. environmental beauties, cultural monuments, local products) in order to build their competitive advantages. They are also conscious of the local social capital and rely on the interaction between individuals in formal or informal ways; they build on long-term denser kinship and neighbor –based relationships and cooperation not easily found in urban areas.

These people constitute actually the dynamic part of rural entrepreneurs of the area which are also the critical mass for the development of social entrepreneurship. Nowadays, amidst the deep recession, the rest of the entrepreneurial community starts to become sensitive in the new forms of networking and cooperation. This is also quite evident by the big percentage of respondents that agree on the need of entrepreneurial knowledge (around 90% consider it as extremely or very important) and of support and promotion of innovative activities (88.1%) (see Table 2). This indicates a change in the attitudes and culture of the entrepreneurs of the area.

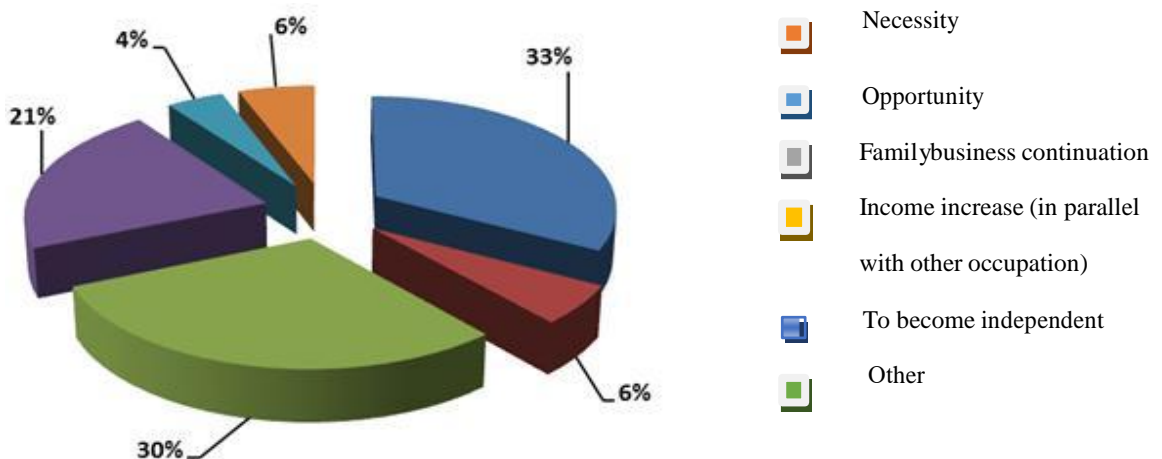


Figure 1: Reasons for Entrepreneurial Activity

The research confirmed that the nature of the business ecosystem in the mountainous area of Pyli satisfies the existing literature on rural entrepreneurship; enterprises of small size which target only local and regional and to a lesser extent the national market; difficulties in communications infrastructures; and significant weakness regarding

access to information, finance and advice services within a severe socio-economic crisis framework. On the other hand, respondents highlight the lack but also the importance of significant entrepreneurial skills and knowledge while the research indicates that people of such areas are in need of relevant education and support to develop proper entrepreneurial culture in order to confront the rather negative institutional setting nowadays. Furthermore, there is an effort and a turn to innovativeness more in the form of novel services and diversified products.

As entrepreneurs in rural mountainous areas face greater levels of market competition and entrepreneurial support is reduced within the long-lasting and still on-going severe crisis in Greece, one of the policy challenges is to encourage them to look for new business opportunities and perhaps turn to novel approaches such as knowledge-intensive or social entrepreneurship. For example, farm diversification can include retail activities by expanding business or in terms of networking and co-operation such as craft centers, thematic tourism or food processing); lodging can be combined with sports and recreation; services (e.g. agricultural, non-agricultural, and tourism) can be further enhanced by advanced promotion using ICT technology etc. Creation of sustainable competitive advantages, cultivation of the entrepreneurial culture and engagement in new forms of co-operation such as the scheme of social entrepreneurship may offer considerable scope for improving the economic viability of businesses in rural areas and leverage financing needs while contributing to the local rural economy as a whole.

Of significant importance is the fact that while transport costs seem to have removed the barriers of distance, weaknesses in communications technologies and the internet hinder the potential for a substantial expansion of market areas for rural businesses; additionally, it is quite evident that small enterprises need support to take full advantage of this potential.

The research highlights also significant national institutional roadblocks that hamper rural entrepreneurship. In particular, taxation, social security and bureaucracy are issues which should be immediately tackled by the political leadership as part of a coherent national entrepreneurial policy. Policies proposed regard simpler licensing procedures, special public procurement and taxation measures for mountainous areas as well as a friendlier framework for the absorption of structural EU funds. Encouragement and development of networks and other forms of social entrepreneurship could support the creation and sustenance of structures of services transferring knowledge, advice and strategic information which today appears to be non-existent in such places. In the context of these mechanisms, it is deemed necessary to develop and promote actions to map and analyze the current socio-economic and technological changes in societies, sectors and professions where rural enterprises operate and grow at least at national and European level.

Conclusions

Albeit the upward trend in rural entrepreneurship research, national, geomorphological and cultural factors appear to be still largely unexplored regarding the way they impact the entrepreneurial processes in rural areas or more specifically in mountainous areas in times of severe socio-economic crisis. On the other hand, rural entrepreneurship has been acknowledged as an important component that contributes to the sustainable development of a country and can act as a media to overcome crisis in Greece. Moreover, lately, a strong trend of abandoning urban places and returning back to country ones is evident in Greece. Thus, people seek to find alternatives to survive the crisis. Therefore, the role of rural entrepreneurship becomes rather crucial and therefore the issue is of great importance for both theorists and practitioners. More precisely, this paper contributes to adding empirical support to both a growing number of theoretical works on the issue as well as the necessary background for the formation of policies and institutions regarding rural entrepreneurship.

The main contribution of the study seems to be its indication that there is a significant difference or rural entrepreneurship even at local level. Findings actually support the assumption that different entrepreneurship support policies should be prepared for different regions at local, regional, national and European level in order to address successfully the distinctive culture and environment of the communities involved. Mountainous areas are usually less competitive than rural areas in fertile lowlands close to urban areas. Sustaining entrepreneurship in these areas means supporting the creation of strong competitive advantages so that rural mountainous enterprises can expand beyond the confines of local or even national markets especially in times of crisis (which imposes more constraints but also economic development challenges). According to the findings, the group of particularly the opportunity-driven entrepreneurs who are traced in these areas –if properly supported - may maintain profitable entrepreneurship in mountainous areas and also become the critical mass to lay the foundations for a stronger and better targeted focus on novel types of entrepreneurship such as social entrepreneurship.

The results of this questionnaire provided valuable insight into constraints to rural entrepreneurship, as perceived by rural entrepreneurs as well as major weaknesses in both cultural and institutional issues which policy makers may take into consideration. Although several good practice ideas have been proposed, these are frequently inadequately targeted to the specific needs of mountainous business, a sector which is notoriously hard to sustain.

Policy makers should engage educational institutions, government agencies as well as local members of the targeted entrepreneurial communities in order to form effective policies.

Admittedly, the results are tentative since the research bears certain limitations. In the first place, a significant drawback was the lack of sample diversity since the analysis was limited to only one geographically bounded sample limiting the generalizability of the findings. However, this choice enabled the control for potential confounds due to cross-region differences, increased the internal validity and provided the main contribution of the study highlighting the significance of bottom-up approach of every single area of interest when regarding rural entrepreneurship and policy making.

Furthermore, surveyed businesses have survived the long severe socio-economic Greek crisis; this might cause survival bias while the absence of a longitudinal analysis derives our research by a more evolutionary perspective and relevant useful insights. In addition, it appears that the factors used in the questionnaires deserve to be further broken down in sub-factors (e.g. regarding knowledge, innovation, culture, infrastructures etc) while other informal and informal institutional variables could be introduced to compliment the analysis. Consequently, further research could attempt to replicate similar analyses in different geographic, sectoral and territorial contexts, enrich the content of the questionnaire and explore reasons of failure. Researchers are also encouraged to explore the issue at case study level and from a longitudinal/historical perspective.

Acknowledgments

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BESSH -16**Social Economy and Entrepreneurship in Mountain Areas: The Case of the Municipality of Pyli in Greece**Papadopoulos Ioannisa^{1*}, Karagouni Glykeriab², Trigkas Mariosc³, Nakos Christosd⁴, Bekou Konstantinae⁵^{1, 2}*Technological Educational Institute of Thessaly, Greece*³*Aristotle University of Thessaloniki, Greece*^{4, 5}*Municipality of Pyli – Trikala Prefecture, Alderman, Greece*

Abstract

The concept of “social entrepreneurship” is becoming more and more popular. However, it appears that it still means different things to different people. Therefore, in spite the fact that the phenomenon seems to be well suited to the crisis framework –especially the one in Greece nowadays – practical efforts fail because of low level of familiarization, and ambiguity of all-agreed targets, expectations and ways to implement social entrepreneurship. The time is certainly ripe for a bottom-up approach of the phenomenon against social problems. Social entrepreneurs are certainly needed but they have to be consciously involved in order to avoid inefficient and ineffective efforts. The present research purports to shed light into the potential of social entrepreneurship in Greece and more precisely in the Municipality of Pyli, a mountainous area in Central Greece. It builds on a well-structured questionnaire using 1-5 Likert scale for the majority of the questions. The data were recorded, processed and analyzed via the statistical package SPSSWIN ver 20.0 and the appropriate tests needed. Results indicate that social entrepreneurship can act as a solution or as a valid option against the crisis if people get well informed on the concept, its potential, its type of application and the relevant institutional framework.

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Peer-review under responsibility of the Scientific & Review committee of BESSH- 2016.

Keywords— Social Entrepreneurship, Social Economy, Mountainous areas, Sustainable development, Market Research

Introduction

Almost twenty years ago, in 1998, Dees stated that “the idea of “social entrepreneurship” has struck a responsive chord”. Since then, social entrepreneurship is emerging as an active area of research. However, even today, scholars agree only on the fact that social entrepreneurship constitutes a rather contested concept generating a variety of competing definitions and relevant conceptual frameworks. Consequently, even after almost two decades, research on the concept is still considered to be in its infancy (Choi and Majumdar, 2014). Several researchers have attempted to record the different meanings and logics behind the developed conceptions, while practitioners encounter similar problems since it is quite unclear to public what social entrepreneurship stands for. Though the concept of “social entrepreneurship” is becoming more popular, it appears that it means different things to different people. Therefore, in spite the fact that the phenomenon seems to be well suited to the crisis framework –especially the one in Greece nowadays – practical efforts fail because of the lack of all-agreed targets, expectations and ways to implement social entrepreneurship. The time is certainly ripe for a bottom-up approach of the phenomenon against social problems. Social entrepreneurs are certainly needed but they have to be consciously involved in order to avoid inefficient and ineffective efforts.

The present research purports to shed light into the potential of social entrepreneurship in Greece; whether it can act as a solution or as a valid option against the crisis. The next section of this work attempts a short description of social entrepreneurship and social economy, their scope and mission. A brief reference in categories and criteria will establish the theoretical background of the research. The empirical part will outline the perceptions and views regarding social entrepreneurship in a specific Greek mountainous area in Greece (Pyli, Region of Thessaly) within the current and long-lasting crisis framework. Statistical data will be discussed in order to produce useful insights about the evaluation of factors regarding the phenomenon under investigation and its future in Greece. The concluding section includes future research, limitations and some policy recommendations.

Literature review

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Social Entrepreneurship and Social Economy

Social entrepreneurship regards the process of using market-based methods in order to address social problems (Grimes et al., 2013). The relevant theory seems to be of growing attention; academics, practitioners and policy makers appear to place great emphasis on social entrepreneurship and its various aspects. However, the phenomenon still remains poorly understood. Researchers continue to debate on its definitions and antecedents, as well as the solutions and benefits it offers, and its penetration to ordinary people (Arend, 2013; Miller, Grimes, McMullen, & Vogus, 2012).

Social entrepreneurship emerged within the framework of social economy; a collective term which describes that part of the economy that can be considered both privately and publicly controlled; non-profit organizations, co-operatives and associations belong to social economy. Among them, social enterprises, these hybrid organizations are of quite distinctive nature since they present a different approach of strategic goals, innovation and trade (Chell et al., 2016), challenging actually the sufficiency of terms and theories regarding entrepreneurship.

To date the principal focus concerning the role of the social economy has been its ability to generate jobs and permit the creation or acquisition of goods and services, while social entrepreneurship regards the nature, the quite differentiated logic and the actual role of its enterprises (Borgaza et al., 2011). Theoretically, such models might be embraced by people to function and to be supported to work effectively. Especially when economies lie within recession, these types of entrepreneurship form a vehicle to “provide ready solutions to economic woes” (Chell, 2007). These solutions imply that such innovative actions offer products and services of special social value

According to existing literature, research has focused so far on case studies, success stories (e.g. Sharir and Lerner, 2006) and theoretical efforts for concrete definitions of the phenomenon. On the other hand, it appears that there is scarce empirical analysis on the real appeal of the phenomenon, the individual drivers, pros and contras of the antecedents of social entrepreneurship (Lepoutre et al., 2013).

Current perspectives, Roles and Measures of Social Entrepreneurship

Social entrepreneurship appears to confuse people even after many decades. Trexler (2008) had stated that it is a “simple term with a complex range of meanings”; his saying is still very popular among both theorists and practitioners. Perhaps the main characteristic concerns its difference with regular entrepreneurship; although “economic value creation is seen as a necessary condition to ensure financial viability” (Mair and Marti’ 2006, p. 38), social entrepreneurs prioritize the creation of social value. Therefore, social entrepreneurship targets are usually set to be social cohesion, job creation, reduction of unemployment, and the improvement of the economy in general.

Yet, literature so far appears to add criteria regarding the term such as the existence of innovation and even the creation of new organizations (e.g. Mair and Marti’ 2006). It appears though that the social entrepreneurship phenomenon is not well perceived by plain citizens either. As a consequence, different interpretations have been already mapped around the globe (Lepoutre et al., 2013).

Which organizations can be characterized as social ones then? Within the notion of social economy, this was quite clear; popular associations and cooperatives constituted historically its backbones. Within the market and economy, social economy relates to the principle of democratic organization promoting social cohesion, the principles of social solidarity and social inclusion. According to Trixopoulou and Magoulios (2012), social economy structures support sustainable and local development, as well as maintain the democratic structures.

However, things are more complicated with social entrepreneurship. Scholars have tried different categorizations such as Zahra et al. (2009) who provided their own perception on the different kinds of social ventures and the motivations of social entrepreneurs. According to Lepoutre et al. (2013), there are three main social entrepreneurship categories: for profit, hybrid and NGOs. Hybrid enterprises combine both market-based and social logics; for-profit social enterprises exhibit high attention to social and environmental objectives; and NGOs are not the traditional ones but those that combine their social mission with an innovative approach in achieving their goals. The authors include traditional NGOs in social entrepreneurship too.

Social Entrepreneurship in Greece

Social enterprises have been related to the development and have been considered as innovative alternatives to social problems (Shaw and Carter, 2004). Several studies have highlighted the importance of the phenomenon around the globe (e.g. Seelos and Mail, 2005; Lundstrom et al., 2013). However, social entrepreneurship does not appear to be popular in Greece (Trixopoulou and Magoulios, 2012). Following the above categorization and according to Ioannidis et al (2010), there were 8 typical NGOs, 48 non-profit organizations, 24 hybrid ones and around 16 profit – oriented in Greece until 2009. This was the smallest percentage of social enterprises among the 15-member states of European Union. On the other hand at the same time, there were more than 8000 cooperatives and around 2000 voluntary organizations. The phenomenon appears to gain attention among young, educated people and due to the

delineation of the relevant institutional framework (Trixopoulou and Magoulios, 2012). According to Zikou et al. (2011), almost half of the social entrepreneurs in Greece think that they act in niche markets or that they offer novel products to markets. Furthermore, 70% of them combine social entrepreneurship with working for an employer at the same time. The authors state that Greek social enterprises are still very small ones. However, they conclude that the on-going severe Greek crisis results in a rapid increase of social entrepreneurship against unemployment and social exclusion.

Empirical Part

The Area Under Investigation

This paper reports a quantitative research in the Municipality of Pyli, at Trikala Prefecture in the Region of Thessaly, Greece. Municipality of Pyli lies on a "geographical zone" in the southwestern part of Trikala Prefecture. The area includes highlands and lowlands (dynamic) local districts, according to Directive 75/268/EEC. In total, the area includes 43 out of 146 local and community districts of Trikala Prefecture, while 33 of them are characterized as highlands and 10 are characterized as dynamic (lowlands).

According to the data of the 2001 and 2011 census of the Hellenic Statistical Service (EL.STAT), a depopulation of the area by 10.55% is observed over the last decade. The high dependency ratio (0.61) is considered to be evidence of unsatisfactory economic development perspective in the area. Furthermore, in regard of the ageing index in the area of 2001, the ratio is 1.65 (165 elderly for every 100 children) while the economically active population in 2001 is amounted to be 5.880 people, with 5.290 employed people (percentage 89.97%) and 590 unemployed people (percentage 10.03%). According to the data of EL.STAT, the percentage of the unemployed people by 18.17% and 34.17% in the last 10 and 20 years respectively.

Local economy and employment are mainly based in agriculture and its interdependence with the livestock production in the mountainous areas of the region, by creating a strong relationship for the productive sector of local economy. Forest exploitation in the area is limited to the production of forest products, especially timber and forage production. The manufacturing activity in the area focuses on the exploitation, processing and the utilization of the products of the primary sector, mainly with the production of dairy and wood-furniture products. There are a few small enterprises in the area, most of which are family enterprises. Because of their small size, the enterprises cannot achieve economies of scale which would make their products competitive not only among products from countries with low labor costs, but also among products from developed countries.

Tertiary sector constitutes the 43.8% of the employment in the Municipality of Pyli. There is a significant increase in tourist accommodation units in the last few years in the study area. Since 1992, there has been an increase (about 60%) in tourist accommodation units in the area.

Research Objective

The research will try to investigate the major factors of social entrepreneurship (SE) development in this peripheral and mountainous area of Greece in order to produce a rather representative profile of the local SE knowledge and culture. In this paper, we follow the recommendation of several scholars (e.g. Zahra et al. 2009) and adopt a broad definition of social entrepreneurship that considers individuals or organizations engaged in entrepreneurial activities with a social goal.

The first part of the research explores the level of familiarization of local entrepreneurial actors with the concept of social entrepreneurship, their perceptions regarding social economy and the potential social role of entrepreneurship. The second part delves into the evaluation of factors regarding the phenomenon under investigation. More precisely, targets, benefits and sectors related are highlighted within the severe socioeconomic crisis in Greece and especially in a remote mountainous area. Research will shed light into the potential of social entrepreneurship in Greece; whether it can act as a solution or as a valid option against the crisis.

Methodological Approach

The research followed the quantitative research approach under the positivistic research philosophy. Research was conducted in 2016 i.e. the seventh year of the severe socio-economic crisis. The area of investigation hosts around 300 enterprises as registered by the relevant authorities. The sample was chosen to include respondents of different background. In order to collect the necessary data, a structured questionnaire was prepared and random sampling was engaged. Questions are short, precise and easy to be understood by the majority of respondents. Likert scale was used for the majority of the questions.

At the beginning of the research, the researchers performed content validity of the questionnaire; this regarded an extensive literature review and several conversations with experts on the social entrepreneurship issue. A pilot research included a sample of 10 respondents. It actually led to gaps and needs for further specification of the questions. Thus, the final questionnaire was improved (Dillman, 2000).

The research was conducted by skilled researchers who addressed the entrepreneurs or executive members of the firms by personal face-to-face interviews. The questionnaire consisted by three groups and a total of 28 questions. The first group consisted of eight questions regarding the level of familiarization and information of respondents regarding the concepts of social economy and social entrepreneurship. The second group of seven questions investigated the factors that impact development and existence of social entrepreneurship in the mountainous area of Pyli. The third group of questions offered information about the respondents' profile such as age, sex, educational level, type of business and profession, income etc. This profile is presented in Table 1.

The data were recorded, processed and analyzed via the statistical package SPSSWIN ver 20.0 and the appropriate tests for frequency (Frequencies), descriptive statistics (Descriptives), variable comparison analysis (Crosstabs), and Correlation analysis (Person correlation) were conducted, in order to derive critical conclusions in regard of the issue under investigation.

Table 1:
The Profile of the Respondents in the Mountainous Area of Pyli

Sex	Percentage	Studies	Percentage	Profession	Percentage
Male	69.7%	Postgraduate	4.7%	Civil Servant	37.5%
Female	30.3%	Bachelor	34.4%	Forest-worker	28.1%
Age	Percentage	IEK	7.8%	Freelancer	12.5%
21-40 years	35.4%	Secondary school	35.9%	Stock-breeded	7.8%
41-60 years	58.5%	Primary School	Unemployed	Unemployed	6.3%
>60 years	6.2%			Farmer	3.1%
Income (€/year)	Percentage	Population of place of residence (persons)	Percentage	Private Employee	1.6%
<5,000 €	33.9%	<100	21.9%	Entrepreneurs	1.6%
5-10,000 €	27.4%	101-500	20.3%	Housekeeping	1.6%
10-15,000 €	21.0%	501-1,000	14.1%		
15-20,000 €	12.9%	1,000-2,000	4.7%		
>20,000 €	4.8%	2,000-5,000	12.5%		
		>5,000	26.6%		

Results - Discussion

Level of Familiarization and Perspectives of Social Entrepreneurship

The results indicate that the majority of the residents of the Pyli area are rather unfamiliar with the concepts of social entrepreneurship and social economy. A significant percentage of them (22.4%) were informed about the two concepts by the researchers that contacted the research. Almost half of the surveyed sample had a low knowledge of the concepts and only the rest 23.5% were really familiar with them. The respondents state that they lack knowledge on the issues (66.7%). Women appear to be more informed with a significant statistical relation (Pearson $X^2 = 10.448$, for a significance level $>99.9\%$ Approx. Sig= 0.001). Most informed are entrepreneurs of the age 41-60 years (Pearson $X^2 = 6.580$ for a significance level $>95\%$ Approx. Sig= 0.037).

It is quite interesting that people of the lower income (below 10.000 €) seem to be the less informed about social entrepreneurship with a statistically significant relation (Pearson $X^2 = 23.976$ for a significance level $>99.9\%$ Approx. Sig= 0.0001). This group perceives the concept of social entrepreneurship as the creation of business where employees are paid in the usual way but part of the profit goes to society as a whole.

Those with as minimum to quite satisfactory knowledge on the social entrepreneurship concept claimed as their main sources local and regional institutes (36.7%), internet (16.3%) and mass media (10.2%). Word of mouth was the information media for only a 6.1%.

As expected, the 86.2% knew nothing about the institutional framework for social economy and social entrepreneurship in Greece or at global level. The rest 13.8% declared a rather low level of knowledge. However, the 70.8% of the respondents believes that social entrepreneurship in Greece must be supported by both public and private initiative. This percentage believes that social entrepreneurship needs more than 5 years to be well established in Greece. This can be attributed to the rather negative mood of the local residents and entrepreneurs due to the downgrading of the area the last seven years because of the severe and long-lasting economic recession.

Social Entrepreneurship Activities

Forms of social economy that exist in the area and are well recognized and positively evaluated (as significant and very significant) are the agricultural co-operatives (1.84), cultural organizations (2.42) and women’s associations (2.75) at a Likert 1-5 scale (1= very important).

The social targeted groups which deserve to be promoted and supported within the framework of social entrepreneurship initiatives are young and unemployed according to the respondents’ views (Fig 1). This is quite important if we consider the fact that young unemployed (younger than 24 years old) compose a percentage of 55% during the last seven years of recession (Statistics 2016).

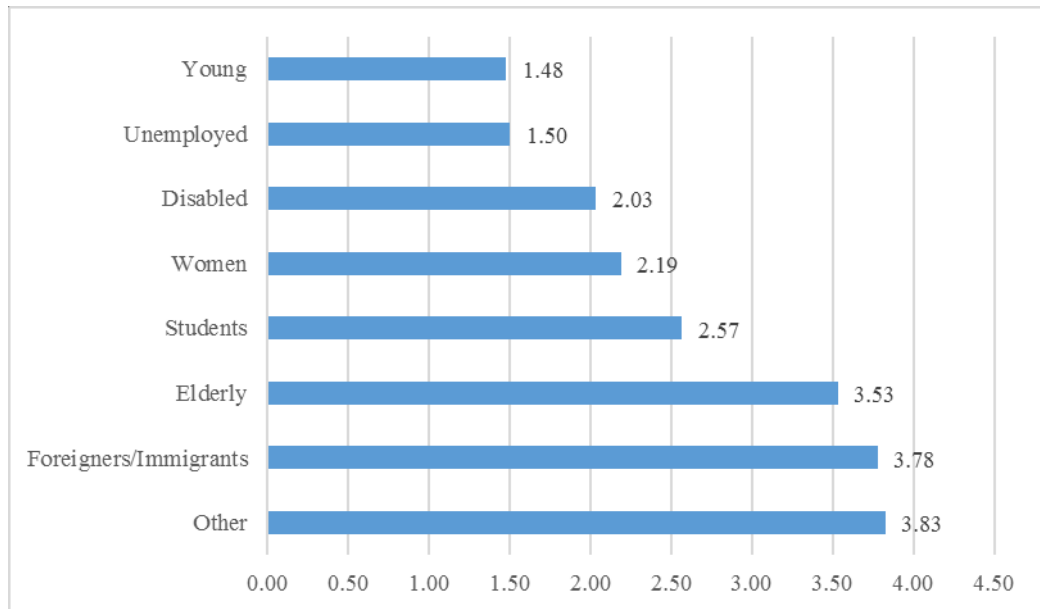


Figure 1: Social targeted groups which deserve to be promoted and supported within the framework of social entrepreneurship initiatives (1: very important 5: non-important)

However, when informed, almost all respondents (96.9%) agree that social enterprises can definitely (44.6%) and almost definitely (52.3%) assist the local society in solving the significant problems of the area due to the severe recession. Quite the same percentages seem to be positive in participating in a social enterprise which targets social benefits (Fig. 2). Women stated in total that they are positive but also rather skeptical in the perspective of participating into the creation of a social enterprise. The total negative percentage belongs to males. Furthermore and according to crosstabs control, there is a significant statistical relations between the intention to participate in a social enterprise and age (Cramer’s V=0.301 for a significance level >95% Approx. Sig= 0.019). Actually, the bigger the age, the bigger the intention is. On the other hand, it appears that there is no significant statistical relation between the intention and the educational level or the yearly family income.

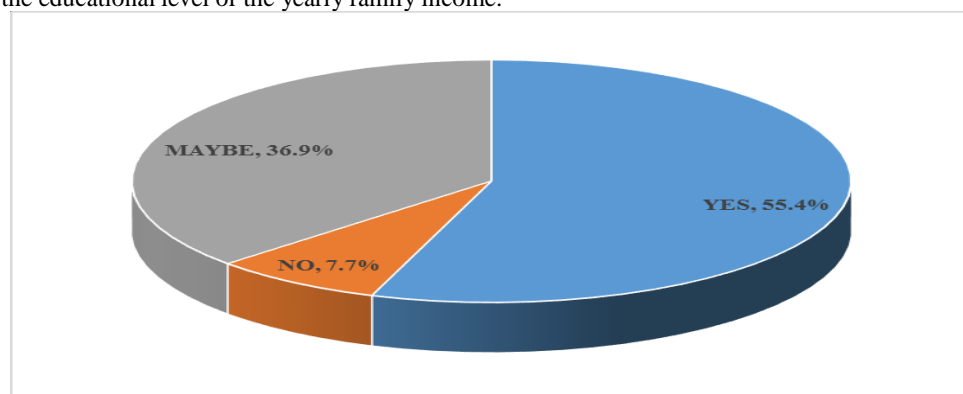


Figure 2: Intention of Participation in Social Enterprises for Social Benefit

The importance of social entrepreneurship development in the mountainous area of Pyli appears to be: the creation of jobs (1.42); the support of the financial support at local level (1.68) and the increase of income (1.69) using the 1-5 Linkert scale (1=very important) (Table 2)

Table 2: Importance of social entrepreneurship development in the mountainous area of Pyli (Likert scale: 1-5; 1= very important)

Factors	Means	Std. Deviation
Job creation – unemployment reduction	1.42	0.99
Strengthening of the economic activities at local level	1.68	0.86
Income increase	1.69	1.17
Local resources exploitation (human capital, knowledge, natural resources)	1.74	1.02
Environment protection	1.76	1.01
Introduction of new skills and knowledge in the market	1.81	1.18
Creation of innovation entrepreneurial environment	2.05	1.21
Development of cooperation culture	2.16	1.22
Transparency and social accountability of the entrepreneurial activities	2.22	1.37

The sectors more prone to social entrepreneurship at the area of research (Fig. 3), are: health services (1.3), livestock (1.42), forestry (1.45), tourism (1.47) as well as the socially vulnerable groups (1.48) using the Likert: 1-5 scale with 1 as very important.

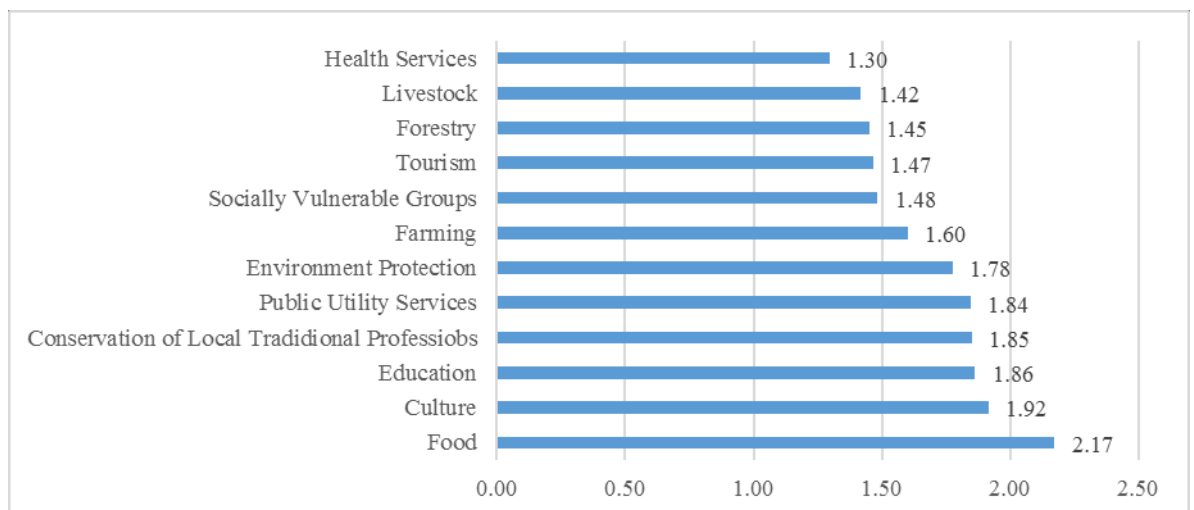


Figure 3: Sectors More Prone to Social Entrepreneurship at the Area of Research

The benefits that respondents expect from social entrepreneurship at Pyli area (Table 3) are according to results and using the 1-5 Linkert scale (1=very important): unemployment reduction (1.46) (unemployment has reached a percentage of 23.4% according to the Hellenic Statistical Service, 2016); the effort to keep people and more specifically the young at the area (1.52), the preservation of the local identity (1.66) and easier access to markets (1.92).

Table 3: Benefits which respondents expect from social entrepreneurship at Pyli area

Rates	Means	(1) Extremely important	(2) Very important	(3) Quite important	(4) Somewhat important	(4) Unimportant	(1)+(2)
Unemployment reduction	1.46	77.8	9.5	6.3	1.6	4.8	87.3
The effort to keep people and more specifically the young at the area	1.52	66.1	22.6	8.1	0.0	3.2	88.7

Preservation of the local identity	1.66	61.3	16.1	17.7	4.8	0.0	77.4
Easier access to markets	1.92	48.4	27.4	9.7	12.9	1.6	75.8
Protection of cultural and natural environment	1.94	48.4	24.2	16.1	8.1	3.2	72.6
Support of social innovation	2.07	43.3	25.0	15.0	15.0	1.7	68.3
Remove of socio-economic exclusion of the area	2.18	41.0	23.0	21.3	6.6	8.2	64.0
Niche markets creation for innovative products	2.18	34.4	29.5	24.6	6.6	4.9	63.9
Competitiveness support	2.25	35.0	30.0	16.7	11.7	6.7	65.0
Reduction of the deficit of social acceptance regarding entrepreneurial activities	2.26	25.8	33.9	29.0	11.0	0.0	59.7
Development of cooperative culture	2.39	32.3	21.0	27.4	14.5	4.8	53.3
Mitigation of social inequalities	2.61	29.0	19.4	29.0	6.5	16.1	48.4
The efficiency of the use of resources	2.96	25.0	12.5	16.7	33.3	12.5	37.5

Since the thirteen factors of Table 2 seem to relate each other more or less, Pearson correlation coefficient (Pcc) was used. Results at a significance level of 0.01 indicate that the most important factors that appear to impact positively each other are the following:

- Unemployment reduction impacts positively the intention especially of young people to stay at the area of (Pcc = 0.647) while it impacts positively the protection of the natural and cultural environment (Pcc = 0.567).
- The creation of niche markets for innovative products that may be developed by social enterprises are strong reasons to keep young people at Pyli area (Pcc = 0.540), support the local identity (Pcc = 0.634), the development of co-operative culture (Pcc = 0.63) and of course enhance the easier access to markets (Pcc = 0.689).
- Social innovation is a crucial precondition for the creation of niche markets for them (Pcc = 0.678), as well as it may constitute a significant reason to develop a culture of collaboration (Pcc = 0.712). Of course it facilitates access to markets for both local products and services (Pcc = 0.787).
- Consequently, the more competitive the products and services of the area (Pcc = 0.630), the easier creation of niche markets for them since they can penetrate markets much easier (Pcc = 0.712). This supports further the reduction of the deficit of social acceptance regarding entrepreneurial activities (Pcc = 0.571).
- The development of collaborative culture appears that affects positively the remove of socio-economic exclusion of the area (Pcc = 0.734), while enhancing the social innovation potential (Pcc = 0.712). This, in turn, facilitates market access (Pcc = 0.787), as well as the much more efficient use of the local resources (Pcc = 0.773).

Conclusions

Social entrepreneurship has been acknowledged as an important type of entrepreneurship that contributes to the rapid improvement of human lives and livelihoods. It has the potential to unleash innovation and to mobilize existing or create new resources which can offer solutions to significant problems and important issues that affect many, often underserved, groups of people, especially in disadvantaged areas in times of severe crisis like the one in Greece.

According to the findings, social entrepreneurship seems to be rather unknown to most Greeks while its nature and benefits are quite ambiguous. However, when explained, it seems to attract interest mainly among women. People perceive social enterprises as a solution especially for young and unemployed while it appears that all types of current activities of the area of Pyli are thought to provide chances for social enterprises. It is interesting that the quite sensitive sector of health services is considered to be the more important reflecting the inadequate existing system

especially for vulnerable groups within the severe crisis framework. The other sectors coincide with the core activities of the area; i.e. forestry, farming and livestock, which was rather expected.

The paper contributes to adding empirical support to both the growing number of theoretical work on the issue as well as the necessary background for the formation of policies and institutions regarding social entrepreneurship in Greece.

A very important practical contribution seems to be the fact that researchers who contacted the study informed a significant percentage of the area's population about the concept and the benefits of social entrepreneurship and raised interest on the issue as well as the institutional framework. Research actually appears to shed light into the potential of social entrepreneurship in Greece; whether it can act as a solution or as a valid option against the crisis.

The results of the research bear certain limitations. Firstly, the size of the sample and was the lack of sample diversity are significant drawbacks; the field study was limited to only one geographically bounded sample limiting the generalizability of the findings. However, this choice enabled the control for potential confounds due to cross-region differences, increased the internal validity and provided the main contribution of the study highlighting the significance of bottom-up approach of every single area of interest when regarding social entrepreneurship and policy making.

Consequently, further research could attempt to replicate similar analyses in bigger samples, different geographic, sectoral and territorial contexts, enrich the content of the questionnaire and explore further the phenomenon of social entrepreneurship.

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BESSH -16**Social Economy Policies. The Case of “AITHIKOS”, A Supporting Mechanism for Social Entrepreneurship in Mountainous Regions of Greece**Trigkas Mariosa^{1*}, Karagouni Glykeria², Papadopoulos Ioannis³, Lazaridou Dimitra⁴^{1, 4}*Aristotle University of Thessaloniki Greece*^{2, 3}*Technological Educational Institute of Thessaly, Greece*

Abstract

Social Economy can play an important role in the development of social innovation in many policy areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity and new job creation. European Commission places particular emphasis on the Social Economy sector during the current programming period (2014-2020). In mountainous areas, the need for economic differentiation and integrated development is even more intense since the topography, the remoteness of these areas, the environmental constraints and the social and economic structure of the population, reduce the number of job opportunities. On the other hand, many opportunities are presented. Main related policies focus on the promotion of the local and common interest, creation of new jobs, the enhancement of social cohesion and local and regional development by showing a particular emphasis on young unemployed people of mountainous areas. This form of social entrepreneurship could deal with the production of goods and services in sectors such as: culture, environment, ecology, education, public utility, local products, preservation of traditional activities and professions. The paper presents a proposed supporting mechanism, under the name “AITHIKOS” for social entrepreneurship in mountainous areas of Greece. The mechanism takes into account all these characteristics and needs of mountainous areas, as well as their combination through the need for taking initiatives to exploit the opportunities that exist, for creating new forms of entrepreneurial activity and occupation positions, along with targeted entrepreneurial support from Universities and local authorities. It is a unique research effort and policy proposal in Greece.

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Keywords— Social Entrepreneurship, Social Economy, Mountainous Areas, Rural Entrepreneurship, Mechanism For Social Economy, Aithikos

Introduction

Although there are differences both in institutional frameworks and in the terminology about Social Economy among countries, they are getting inspired by common values and mainly by the fact that the participants are not aiming to profit, but the profits are reinvested for the benefit of the enterprise and the society. European Commission places particular emphasis on the Social Economy sector during the current programming period (2014-2020), through the initiatives provided by the Social Business Initiative. Social Economy can play an important role in the development of social innovation in many policy areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity, new job creation, enhancement of social cohesion, active participation and empowerment of local communities and generally, the development of an economy with democratic values, by giving priority to the people.

Based on the available data, it is estimated that social economy in Europe employs more than 14.5 million people, representing the 6,5% of the active population of the EU-27 and around 7,4% of the active population of the EU-15 (EU, 2013). It is noteworthy that social economy has achieved disproportionate growth between 2002-03 and 2009-10, since it increased from 6% to 6,5% of the total European wage employment and from 11 million to 14,5 million job positions (E. E., 2013). According to the data regarding the cooperatives published in the recent World Cooperative Monitor of Euricse and International Cooperative Union ([www. monitor.coop](http://www.monitor.coop)), this phenomenon is not limited to Europe, but it is amplified throughout the world.

Focusing in Greece, because of the long lasting economic crisis, it also observed in a very intense way, the downwards social mobility phenomena. This is translated by the loss of thousands of occupation positions and minimization of the existing standard of living for major social groups of the country. The availability of at least some

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social mobility can be important in providing pathways to greater equality in societies with high social inequality. Specific policies launch, will give this opportunity to the communities and especially to the younger ones, in order to confront to this negative reality and to achieve an upwards social mobility.

It can be argued that Social Entrepreneurship is an emerging alternative form of entrepreneurship based on the Social Economy. Recently, a new legal form of entrepreneurship, the Social Cooperative Enterprise (SCE), has been instituted in Greece (Law 4019/2011) by setting the operating framework for these types of enterprises. The profit of this new form of entrepreneurship comes from the activities that serve the social welfare. The majority of revenues is reinvested aiming to create new jobs, because the entrepreneurial activity is been emphasized and not the profit.

According to the Strategic Plan regarding the Development of the Social Entrepreneurship Sector of the Ministry of Labor, Social Security and Welfare (2013), the successful development of the Social Economy requires an approach that relies primarily on the local social dynamics and mechanisms which will play the central role for the manifestation of this dynamic. At the same time, the local dynamics can arise efficiently by utilizing the European experience in the field of Social Economy and encouraging transnational cooperation initiatives. The concept of such a policy, is based on the systematic development of the Social Economy sector, focusing on the mountainous areas of Greece. Social Economy sector can provide important solutions for creating job opportunities and promoting social cohesion, which is threatened due to the adverse economic environment, by contributing to the preservation of the natural environment and the cultural heritage of these areas.

Literature Review

The Need for Supporting Policies for Social Entrepreneurship in Mountainous Areas

Social entrepreneurs and social enterprises, like any new entrepreneur and every small enterprise, need entrepreneurial support. However, the directly involved authorities and organizations (Central Government, Regional authorities, Municipalities etc.) have realized that information, consulting or mentoring services should be specialized and should deal with all the aspects of management, in order to help the social enterprises to fulfill their social mission and achieve economic viability (Y.E.K.A.P., 2013).

Main related policies focus to the promotion of the local and common interest, creation of new jobs, the enhancement of social cohesion and local and regional development by showing a particular emphasis on young unemployed people of mountainous areas (Bristow, 2000; Busch. and Juska, 1997). This form of social entrepreneurship could deal with the production of goods and services in sectors such as: culture, environment, ecology, education, public utility, local products, preservation of traditional activities and professions. Furthermore, taking under consideration that the funding for the enterprises is limited, leads to the fact that even their standard activities are hindered. These restrictive financing conditions can be faced with development initiatives in the sectors of social entrepreneurship that absorb unemployed people and workers threatened with the possibility of unemployment, by providing new products and services.

Mountains are an important source of vital ecosystem services and have a significant role in economic development, environmental protection, ecological sustainability, and human wellbeing. The demand for goods and services from mountains is growing steadily. These pressures create new challenges and threats for mountain ecosystems and local people (Gundimeda, 2011). The impacts in the mountains also have serious economic, environmental, and social implications for large human populations living in the mountainous and remote areas. The green economy may bring new opportunities for investment in ecosystem services and products, renewable energy, and creation of jobs, it also creates challenges. It must be pursued with a balanced approach of economic, environmental, and social development and appropriate policy and institutional measures to avoid increasing pressure on an already fragile environment and scarce resources (Stamou, 1985). Mountain ecosystems are important for national, regional, and global economic growth and human wellbeing. Mountain communities bear a large part of the opportunity cost of providing essential ecosystem services to society at large, yet they receive inadequate incentives for conservation of mountain resources. This lack of compensation has accelerated unsustainable exploitation and rapid degradation of the mountains' natural assets. Although some models exist in developed countries, appropriate economic frameworks and mechanisms for providing adequate incentives to mountain communities need to be established (FAO, 2013; Hunzai et al., 2010).

A significant percentage of the Greek population is living in mountainous areas and depends on mountains for fresh water, clean energy, irrigation water, flood control, minerals, timber and non-timber forest products, recreation, and genetic resources. Mountains are also a source of cultural, spiritual, and recreational resources for urban populations. Furthermore, markets for mountain niche products are growing. However, complex rules and regulations, precise measurements, and rigorous verification requirements at different stages bar mountain communities managing small entrepreneurial schemes in the mountainous areas, enjoying the benefits of this growing market. Mountain goods and products such as medicinal and aromatic plants and other non-timber forest products, mountain crafts, and ecotourism/agro tourism, hold special values and have niche markets. Enabling policies and supporting rules and regulations for marketing mountain products can benefit mountain regions and population and help them get value for their products and efforts.

On the other hand, livelihoods in mountain areas are considerably more susceptible to environmental and economic changes because of rough topography, remoteness, and poor socioeconomic infrastructure. The incidence and severity of poverty and vulnerability are disproportionately high in many mountain regions of the world. Poverty reduction rates are also lower in mountain regions (Hunzai et al. 2010, Salman and Zain, 2011). According to FAO (2003), only about 22% of mountain lands are suitable for agriculture. Hardships in the mountains, along with low economic opportunities in rural areas, have driven large-scale outmigration from mountain areas (Banerjee et al. 2011). Economic deprivation, long negligence, and isolation have contributed to the alienation of mountain communities from mainstream societies. Economic growth and equity in mountains are prerequisites for job creation and treatment of isolation. By linking natural resource based livelihoods to production of ecosystem services, the green economy can help reduce poverty and enhance environmental sustainability.

However, sustainable mountain development has remained marginal in the international development agenda and in national and sectoral policies (MA 2005; Jodha 2008). Mountain communities and their environments are still vulnerable to growing demand for natural resources, expanding tourism and the pressures of industry, mining, and agriculture. To promote sustainable development in mountain regions these challenges will need to be addressed in the green economy framework. This framework can be integrated by adapting innovative entrepreneurial schemes for the population of these regions, based to their tangible and intangible needs, such as social entrepreneurship, giving simultaneously the opportunity for job creation, social cohesion and mitigation of isolation phenomena.

The Greek Mountain Economy

Focusing on the case of Greece, it is noticed that Greece is a country with significant mountainous areas, while faces the major problem of the isolation and remoteness of these areas from the main transport system and from the large urban centers, with direct effects on their economic and social development. The role of the primary sector in mountainous areas is very important, taking under consideration that the 61.7% of all the employed people in the primary sector of the country lives in these areas. Furthermore, a significant proportion of the agricultural goods are produced in these areas. The main weaknesses for the development of mountainous areas in Greece, comparing with other prefectures, are due to a combination of (Sergaki and Iliopoulos, 2010): a) Intrinsic geomorphic conditions, b) Structural problems of local economy and institutional and organizational weaknesses, by affecting negatively the competitiveness of these areas. The mountainous topography and the spatial distribution of natural resources define the structure and location of manufacturing activity as well (Kiritsis and Tampakis, 2004). Thus, the structural problems of local economy are summarized as follows: the ageing of the primary sector's workforce, the infrastructure deficiencies of the secondary sector, the inadequate use of natural resources, the increase of part time-employment and the decrease in competitiveness of locally produced goods and services, the rural depopulation, the lack of investments, the low level of manufacturing and the high dependence of rural income on subsidies (Papadopoulos and Liarikos, 2003; Karanikolas and Martinos, 1999, Vakoufari, 2009).

Combining the Needs for Social Entrepreneurship in Mountainous Areas

In mountainous areas, the need for economic differentiation and integrated development is even more intense since the topography, the remoteness of these areas, the environmental constraints and the social and economic structure of the population, reduce the number of job opportunities. On the other hand, many opportunities are presented including the increased demand for recreational activities, for quality food products or for renewable energy sources etc. Furthermore, some mountainous areas are experiencing significant inflows of new residents. This

migration consists mainly of pensioners and entrepreneurs who are attracted by the conditions of the local environment, their personal choices, the prospect of better living standards, but also from younger people who are looking for new job opportunities mainly in the primary sector, as a result of the economic crisis and the unemployment that occurred on the available forms of work in Greece (Trigkas et al., 2012, 2014).

Efforts should be made to maintain the existing jobs in those areas, as the sharp economic downturn affects the economic activities of residents and leads to the loss of job positions. The population movements in these rural communities create the conditions for new investment projects and an increased income, since the new inhabitants are carrying significant entrepreneurial experience, capital and knowledge.

On the other hand, the traditional approaches concerning the development of mountainous rural areas have focused on the discovery of factors that lead to isolation by providing the conventional development tools (Efstratoglou and Psaltopoulos, 1999). The creation of competitive Small-Medium Enterprises (SMEs) constitutes a desirable solution to the existing problems. The mobilization of local resources so as to enhance the competitive advantage, local entrepreneurship and innovation, constitutes some of the development strategies that should be under serious investigation (Karlsson et al. 2002a; 2002b, Pezzini, 2001; Lowe and Talbot, 2000). Rural areas provide an innovative and entrepreneurial environment where the entrepreneurs may either prosper and grow or face very serious difficulties. The features of mountainous areas are considered major leaders not only regarding the opportunities for local entrepreneurship and innovation, but also for the weaknesses of the business process, forming a dense, complex and dynamic network of mutual interactions (Mitchell, 1998).

In particular, in the mountainous regions of Greece, it is observed that isolation exists from the markets and access to the consumers, the suppliers, the information sources and the institutions. The transportation cost of inputs/outputs is a very high and at the same time, adverse effects in information dissemination are observed. It is a major disadvantage since it impedes the function of the economies of scale and the diffusion of new technology, leading to non-competitive costs of business and finally, restricting the workforce mobility. The existence of significant natural resources and the climatic conditions of an area combining with the overall landscape can affect entrepreneurial activities, providing opportunities for the optimal use of those resources. Remoteness and isolation have favored the preservation of the natural environment, the unique landscapes and basic traditional production methods. Furthermore, in the less developed mountainous areas, cultural traditions can be found, while social trust, solidarity rules, cooperation networks and support mechanisms are absent. Therefore, it is of major necessity to develop mechanisms, to support and promote such networks based on the social economy and entrepreneurship. Among other things, social economy organizations promote effectively entrepreneurship and enterprises creation in various ways, through directing the economic activity in neglected areas due to low profitability and high cost of production, as is the case of Greece regarding mountainous areas and especially in the study area.

Moreover, local capacity utilization has been limited to the use of local added value through local varieties, local products, special environmental conditions or even inputs of workers and knowledge. Ray's argument (1998) for the need for commercialization of local culture is a dynamic strategy for the development of innovation and entrepreneurship in rural areas. Furthermore, many researchers have highlighted that a possible development strategy for rural areas exists in the product quality markets (AEIDL, 2000; Barham, 2003; Ilbery and Kneafsey, 1998). A possible strategy as part of the broader product quality market could be the promotion of products with local or regional identity. By linking products with the "culture markets - culture economies" or local scenes such as cultural traditions and heritage, the value of the product increases because the consumers matches specific areas with specific products.

Goodman (2003) claims that in Europe, the switch towards the quality of diet has offered significant opportunities for entrepreneurial activity in a new economic environment, more capable of withstanding the forces of globalization. Concurrent use of opportunities offered by Information and Communication Technologies (ICTs) will gradually set the boundaries of local markets and will expose the economic activity to a greater competition (Grimes, 2001; Hetland and Meier-Dallach, 1998). Therefore, cognitive skills of local people will increase as access to the information will be improved (Grimes, 2000). The limited scale and sphere of influence of local markets, forces local entrepreneurs to develop innovative products and efficient marketing strategies (Papadopoulos et al., 2010, 2012) in order to compete with their counterparts in urban areas (Smallbone et al. 1999). On the contrary, the areas that fail to

participate in the adoption and growth of the technological risks are facing the danger of exclusion from markets (Gibbs and Tanner, 1997).

Regarding the development of the proposed mechanism, it takes into account all these characteristics and needs of mountainous areas, as well as their combination through the need for taking initiatives to exploit the opportunities that exist, for creating new forms of entrepreneurial activity and occupation positions.

Empirical Part

Research Objective

During the last years, the factors that enhance or weaken entrepreneurship in rural areas have been analyzed very carefully (Jack and Anderson, 2002) but the scientific research on rural entrepreneurship is considered to be relatively poor. Therefore, a “deeper” knowledge of the procedures that either promote or hinder the entrepreneurship will bridge this research gap.

Choi and MajumdarIt (2014) agree that social entrepreneurship is a contested concept. To date many competing definitions of the concept exist and no unifying conceptual framework of social entrepreneurship has yet emerged. Consequently, even after more than two decades, research on the concept is still considered to be in its infancy with minimal progress in theory development. As some researchers have noted, in the face of the ongoing contestation of social entrepreneurship and the lack of a unifying framework, it will remain difficult to conduct progressive research and to establish its legitimacy as a research field. According to Wiguna and Manzilati (2014), socio-entrepreneurship started from the economic system of Europe. It has its main orientation to process and behavior, putting its effort to create social improvement.

Regarding social entrepreneurship in mountainous areas specifically, a scarce research exists. Skouras et al. (2000), have studied the nature of future entrepreneurial instruments within an integrated local and rural development strategy, regarding mountainous and remote areas in several countries of the European south, using empirical data and case studies from the specific areas. Based to their results, one indication leads to the argument that a variety of processes of human capital and knowledge accumulation are case study specific. Education and training are a very important component of success for entrepreneurs in the Greek, Italian and Spanish case study areas. A second example revealing the locality-specific effects of entrepreneurial human capital accumulation on business growth is derived from the effects of management experience on business growth. The accumulation of knowledge acquired through managing a business increases risk aversion for entrepreneurs in Greece and Italy, but it assists entrepreneurs in Spain to reduce perceived risk. This may be attributed to a wide range of factors that are basically idiosyncratic, rooted in the entrepreneurs’ personality and the surrounding social environment.

Another indication derived from this work is that human capital accumulation processes leading to the acquisition of mainly codified knowledge (education and training), or to the acquisition of both codified and tacit knowledge (work and managerial experience), still play the prime role in predicting successful businesses. In contrast, human capital accumulation processes leading to the acquisition of mainly tacit knowledge (being raised in an entrepreneurial environment and being a native of the area) do not contribute that much, and the importance that has been assigned to them may be questioned. However, the multiplicity of human capital accumulation pathways and their differential effect on business growth calls for locally designed and implemented human capital support instruments. There is evidence that central institutions have neither the resource to administer flexible support instruments nor the local knowledge and expertise necessary to understand the precise types of entrepreneurial support required in each area (Skuras et al., 2003). Thus, entrepreneurial human capital support programs should be de-centralized (devolution of entrepreneurial policies) in order to become more flexible and selective, and suit local idiosyncrasies and needs.

Entrepreneurial human capital support policies can only be dealt with at a local and regional level and should be territorially defined, embracing both ‘people development’ and ‘place development’ (Skuras et al., 2000). In the most remote rural and mountainous areas of Southern Europe, the task of creating or enforcing the local institutional framework, a vital factor strengthening localized learning, represents a large political and administrative investment. Another research of Koutsou et al., (2009), focusing to young farmers’ social capital in rural areas in Greece, concludes that public institutions should help and encourage local actors “from above” to mobilize “from below”,

since society is the only actor capable of generating social capital especially in times like those that rural areas are nowadays facing in Greece, during which the social dimension of an overall economic development cannot be ignored.

In addition, according to Sergaki and Iliopoulos (2010), using empirical data from mountainous and less-favored areas, where farming activities are not usually competitive regarding their cost, concludes that local entrepreneurship plays an important role in employment opportunities provision and increase of local income. Therefore, the strategies designed to enhance and support the entrepreneurship should provide more flexible and suitable supporting measures which will clarify and promote the existing and new business opportunities, support the business networking function and enhance the local innovation, so that the business opportunities will evolve to successful and prosperous business. The institutional support to the rural enterprises should be provided through various tools-measures except the conventional ones, which are already used. The policy for the development of small businesses should have a decentralized character, so that it will be more flexible, selective and cover the local needs and requirements.

On the other hand, the availability of at least some social mobility can be important in providing pathways to greater equality in societies with high social inequality, such as the project's targeting in a mountainous region of Greece. Social mobility is highly dependent on the overall structure of social statuses and occupations in a given society (Grusky et al., 1984). The extent of differing social positions and the manner in which they fit together or overlap provides the overall social structure of such positions. While it is generally accepted that some level of mobility in society is desirable, there is no consensus agreement upon "how much" social mobility is "good" or "bad" for a society (Causa et al., 2011). Thus, there is no international benchmark of social mobility, though one can compare measures of mobility across regions or countries or within a given area over time. While cross-cultural studies comparing differing types of economies are possible, comparing economies of similar type usually yields more comparable data (Birdsall and Szekely, 1999; Blanden et al., 2005).

Regarding the operation and the effects by the development of mechanisms that support and promote social entrepreneurship, scientific research will help the planning and the implementation of future development policies which will enable the use of more flexible tools under this context. The present project, known as "AITHIKOS" project, specializes this mechanism of developing, implementing and promoting this new form of entrepreneurship for the mountainous populations in Greece, as a viable alternative for addressing unemployment in these areas and mitigating the effects of marginalization of local communities, protecting simultaneously the natural environment and the cultural heritage, by using the local social dynamics, through innovations in products and services and the establishment of networks for the common welfare. The proposed mechanism contributes to the development of social innovation in the area, by creating incentives for new products and services to meet social needs, which is a unique feature of collaborative research effort for Greece.

Methodological Approach

The present case, deals with a targeted initiative which contribute to the establishment of a mechanism for the provision of «combinatorial support» of Social Entrepreneurship and Economy in mountainous areas, which includes both general business support and specialized support by the involved Universities /Research Institutes and Local Authorities, for the fulfillment of the needs of local people and of the target group. Furthermore, ensures the participatory of all local stakeholders and resources and the interdisciplinary and transnational approach of Social Economy. These goals are achieved through the careful planning of partnerships. This ensure a balanced development of a multidisciplinary research collaboration based on the needs of the region, as it is presented in the figure.



Figure 1: The Concept of AITHIKOS

The methodology of the research proposal takes under consideration similar international research projects' by using methodological tools-approaches and innovative methodologies, as they are presented in the following working packages description. These include:

- Collection of primary data with specifically structured questionnaires and appropriate statistical analysis methods
- Case studies
- Development of lifelong learning and networking activities for improving entrepreneurial culture based on social economy and achieving upward social mobility
- Creation of a tailored mechanism for Social Entrepreneurship in the area based on local characteristics and needs of the local people and the target group.
- Creation of special supporting structures for social economy and entrepreneurship
- Development of bilateral relations
- Specific policy recommendations for Social Entrepreneurship in the study area.

Results - Discussion

The aim of such a policy proposal is binary regarding the undertaking of immediate initiatives, in confronting unemployment and isolation phenomena for the mountainous people and in developing an entrepreneurial culture based to social economy in the specific areas, by activating entrepreneurial and other types of dynamics in the area, under the context of a pilot planning of Social Entrepreneurship. Furthermore, a basic result of the specific initiative is the cultivation of the social entrepreneurial culture and the acquisition of knowledge and skills of the target group and the participants in general, which will contribute towards an upwards social mobility (from unemployment towards employment and occupation opportunities).

Other partial results are:

Addressing unemployment by creating new job opportunities while maintain the existing ones, especially for young people

Mitigation of the effects of isolation for local communities and create channels to markets

Information, motivation and support for building local collaborative partnerships under the context of the development of Social Entrepreneurship

Consulting and training services, as well as incubator and one stop shop services to local entrepreneurial partnerships
Enhancement of business activity of existing Social Enterprises by promoting cooperation agreements at local and regional level between Social Enterprises and private enterprises, agencies, etc.
Achievement of Knowledge Transfer and best practices from abroad
Building relationships based on mutual trust and cooperation among all the stakeholders and development of networks at local and regional level
Establishment of cooperation among Universities, research institutions, etc. for the creation of a think tank, capable of supporting R&D activities regarding under the context of Social Entrepreneurship in the area
Emerging of new innovative products and value added services, expanding the objectives of business activities and creation of job opportunities, wherever the market cannot achieve it
Identification of sustainable funding and investors to support social enterprises from the seed stage to their mature stage
Protection and promotion of the natural and cultural environment in the region and utilization of competitive advantages of the area, as a resource and at the same time as a recipient, of the social entrepreneurial activity.
It stands as an integrated policy proposal to boost entrepreneurship in mountainous areas of Greece.

The expected benefits of the project for the society and the economy of the interesting area and in generally, as they are specialized through the objectives that the research proposal achieves, could be classified into:

Promotion and strengthen of networks and partnerships among population, enterprises, research organizations etc. in mountainous regions. The participating regional public and national and international research organizations could facilitate transfer of knowledge and experience as well as capacity building for key mountain entrepreneurship institutions.
Creation and strengthen of value chains to benefit mountain communities, for example through branding of specific goods and services.
Strengthen the information and knowledge base on sustainable mountain development and make it accessible to all stakeholders.
Promotion of markets for mountain services and products.
Encouraging the private sector through appropriate policy and regulatory support so that the market can become an option for financing mountain ecosystem management and protection, providing adequate financing targeted to the specific regions.
Developing policies for institutionalizing motivation for the specific areas services, and make ecosystem conservation central to economic decision making and economic activity in related areas.
Modifying and correcting policy, institutional, and market failures related to undervaluation of mountain communities' services and products or failure to recognize them in national economic decision making.
Investing in mountainous regions to unlock their potential in a green economy and sustainable development, e.g., for energy, high-quality mountain agricultural products, nature-based and organic products, culture, tourism etc. generating long-term benefits and high welfare gains regionally and nationally; they can be an important source of revenue for the local communities helping towards their social incorporation and treatment of unemployment.
Enhance international and regional cooperation on mountain areas issues.
Supporting technology transfer and capacity building for institutions engaged in development of entrepreneurship in mountain regions.
Strengthen and expand alliances of mountain regions stakeholders to lead and undertake the process of sustainable development and job creation.
Strengthen national and international support for R&D activities on relevant issues.

Through specific activities, which such a supporting mechanism takes into account, methodological and technological tools for the gradual establishment and networking of information and knowledge sources, could be developed and implemented, that deal with the evolution of the Social Entrepreneurship in the area and the leverage of the needs of local people and entrepreneurs, constituting the basis for the future development of Social Entrepreneurship actions in the region. Furthermore, the contact with the research and education institutions and the dissemination of the results will support scaling imparting value to the project and thus, the maintenance of the results. In particular, the project results that contribute to the sustainability of R&D activities in the field of Social Entrepreneurship in the area and in the wider region and have direct benefits for the target groups and relative stakeholders, deal with the following fields, as they are further analyzed.

Firstly, the mechanism serves the complex task of human resources mobilization and networking of all the stakeholders - citizens, consumers, professionals, producers, social agencies and Local Authorities. At the same time,

it contributes to the motivation of all social economy factors in the area, by contributing to the constitution of social capital, the accumulation of investment capital and contributing to knowledge dissemination, aiming finally at the enhancement of social entrepreneurship. Furthermore, competitive advantages in the area can be highlighted and motivations to emerge, for social entrepreneurship in fields that till today remain inactive. On the other hand, the enterprises have to become knowledge hives, providing a department or an activity that deals with knowledge and know how management. Since the enterprises in the area are small and very small in size and cannot develop such activities by their own, they will be able to achieve this goal through the cooperation with the participating research institutions. So, the creation of knowledge and entrepreneurship hives will be achieved through the initiative and the care of the local enterprises themselves with the contribution of local people. Knowledge is deemed to be the main resource for the development of social economy. For this reason, the supporting mechanism will be able to contribute further in creating a knowledge generator and management mechanism, the organization of knowledge creation and consequently, knowledge dissemination. Furthermore, the participation of research institutions and the local authorities in the proposed project, secures the creation of a favorable environment for the development of Social Entrepreneurship in the area, the coordination and mobilization of all stakeholders and the addressing of any problems that may occur in similar initiatives, because of the organizational knowledge deficit.

The participation of research institutions and local authorities, also creates the appropriate conditions for the design and development of specialized structures in the area that can contribute to the accumulation and management of social, intellectual capital and investment capital in the area. This constitutes an institutional innovation of the mechanism, i.e. the connection of the proposed social business network with a management system of knowledge and technocratic tools for provision of services regarding the development of Social Entrepreneurship in the area. Thus, access in this knowledge management system for the local people will be in the future achieved, based on specific emerging needs and fields for entrepreneurial activity, through the provision and utilization of Basic and Applied Research data. Furthermore, the contribution of the research/academic institutions is important in establishing lifelong learning structures, as one of the basic mechanism's axis. The training packages, meet the structuring of explicit knowledge about social entrepreneurship and will create knowledge hives to the prolonged supporting structures. It also contributes actively to socialization of knowledge and know how in specific fields, aiming simultaneously to knowledge dissemination through cooperation and networking among stakeholders.

Conclusions

The policy proposal lies in the fact that through the mechanism that will be developed, a multidisciplinary approach will be recommended, with emphasis on the target group needs, the adoption of best practices and knowledge that have been developed in Greece and internationally and finally, the adjustment of the mechanism to the specificities of the mountainous populations and of the related economic activities, by proposing an integrated support mechanism of Social Entrepreneurship for mountainous areas and local communities, contributing to positive social mobility. Another distinguished field of policy promoted by the mechanism, is the setting the framework of the requirements for more extensive and better research in this field in Greece, having as a starting point the systematic collection of data. A better building capacity for social economy organizations could derive by improving related research studies (EU, 2013). The mechanism provides exactly this possibility through mapping activities of entrepreneurial, social and other productive dynamics of the area, the specialized market research and the activities of networking, measuring social capital and monitoring of Social Entrepreneurship in the area, in order to set the directions for similar research studies and to create a framework for the development and promotion of Social Entrepreneurship in several social groups and areas.

The proposed mechanism, by its nature, constitutes an innovative service for the development and promotion of entrepreneurship in the study area and in the future, it may be applied in similar areas and communities, not only nationally but also internationally. As previously mentioned, the main features that make the mechanism innovative as a service are the following:

The project contributes to the development of social innovation in the area, through creating incentives for new products and services to meet explicit and tacit social needs.

It is a unique service as a result of collaborative research effort for Greece and the communities of these specific areas.

It constitutes a proposal for the design and the development of an institutional innovation regarding the link

between the proposed social entrepreneurial network with a knowledge management system and technocratic tools that provide services for the development of Social Entrepreneurship in the area.

It contributes to the development of Basic and Applied Research on entrepreneurship in mountainous areas and generally in rural areas.

It will develop a mechanism for the exchange of best practices and know-how with other countries, acting as a catalyst and accelerator for related initiatives nationally and internationally with multiple benefits.

As discussed so far, the research proposal has a wide appeal regarding the social and economic challenges generally in our country and internationally, and more specifically in mountainous areas. In particular:

Highlights a pattern for growth, based on smart, sustainable and with no exclusions development, boosting also, the intelligent behavior of enterprises.

The focus on the environmental and social sustainability, as well as on the maximization of the benefits for the wider community, of entrepreneurial activity in the area, holds a key role in the design and targeting of the research proposal.

It could be potentially a driver of growth and treatment of unemployment in similar areas, nationally and internationally.

It enhances society inclusiveness in entrepreneurial activity resulting in more frequent and qualitative innovation of greater efficiency.

It introduces a new business ethics in the area giving priority to human and common welfare and not in profits.

It could constitute the basis for the establishment of common educational programs among the partner institution based on related cognitive and scientific fields.

It constitutes part of implementation initiatives of the broader national and European strategy to enhance the role of Social Economy aiming to reverse the main negative trends existed before the economic crisis, such as the increase of inequalities, the lack of social responsibility from the part of markets, aiming at a smart sustainable and with no exclusions economy, with high levels of employment, productivity and social cohesion.

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BESSH -16**Social Entrepreneurship in Europe: A Case Study in Greece and Norway.****Lazaridou Dimitra^{a,*}, Trigkas Marios^b, Karagouni Glykeria^c, Papadopoulos Ioannis^d**Lazaridou Dimitra^{1*}, Trigkas Marios², Karagouni Glykeria³, Papadopoulos Ioannis⁴^{1,4}*Aristotle University of Thessaloniki Greece*^{2,3}*Technological Educational Institute of Thessaly, Greece***Abstract**

The overall purpose of this study is to examine in depth the concepts of social economy and social entrepreneurship and more precisely to study how social and cooperative enterprises can support the decisive development of less-favored areas and contribute to the integration of vulnerable groups into the entrepreneurial field. The study regards two cases of social enterprises from two European countries, Greece and Norway. Both enterprises are indicative examples of successful social entrepreneurship that emerged through the fruitful cooperation of similar population groups.

Keywords: Social entrepreneurship, Social economy, Greece, Norway, Case Study**1. Introduction**

Over the last 20 years the concept of social enterprise has been raising an ongoing interest in various regions worldwide. The notion of social enterprise first appeared in Italy in the late 1980s and expanded so rapidly over the countries during the intervening years. It is now making noteworthy breakthroughs on both sides of the Atlantic, especially in EU countries and the United States (Defourmy and Nyssens, 2008). Creating an unbreakable bond between social responsibility and the entrepreneurial initiative, social entrepreneurship composes an innovative solution to the new challenges of the welfare society.

Social entrepreneurship is commonly defined as an entrepreneurial activity with an embedded social purpose (Austin et al., 2006). Though the concept of social entrepreneurship is gaining popularity, it may mean different things to different population groups. A review into the international literature demonstrates the existence of many and various definitions. Zahra et al. (2008) reviewed over 20 definitions of social entrepreneurship and integrated them into the following single definition: "Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner."

Social entrepreneurs, in particular, have become the vanguard of this worldwide transformation by launching new organizations serving a multitude of social needs, thereby bettering the quality of life and reinforcing human development around the globe (Elkington and Hartigan, 2008; Martin and Osberg, 2007; Lasprogata and Cotton, 2003; Mair and Noboa, 2003). Its popularity may stem from the fact that it has managed to incorporate not only traditional visions for a more humane and ethical reorientation of economic activity, but also due to its recent promising success (Nasioulas, 2012).

As unemployment and poverty rates are increasing, especially among special population groups, social entrepreneurship proposed so as to intercept them. The role of social economy is to encourage those groups, disabled people, young people, residents of mountainous and less-favored areas, unemployed, vulnerable population groups, which are facing issues of exclusion and unemployment to create social enterprise. Through the establishment of a social enterprise provided support to special population groups in order to become extroverted, to collaborate with others and to attempt in their chosen entrepreneurial field. Although, the driving force and primary goal of every social entrepreneurship is not the profit, this does not exclude the creation of a viable enterprise. Income generation is essential in order to achieve the aim of a social enterprise, while the surplus will be reinvested for social benefits.

An overview of the concepts of social economy and social entrepreneurship for both Greece and Norway are given below. Subsequently, the present paper examines two particular successful cases of social enterprises in Greece and Norway and through a comparison of their similarities and differences it is attempted to distinguish the features which contribute to the development of the social entrepreneurship.

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2. Literature review

2.1. Social economy and social entrepreneurship

Social economy and social entrepreneurship developed in order to address serious social problems on a worldwide level, while supporting the economy growth globally. As social entrepreneurship progress, socially excluded groups are able to access the labor market and economies to further flourish.

Therefore, social economy plays an essential role and in development of the European economy, by combining profitability with solidarity, establishing high-quality jobs, strengthening social, regional cohesion, promoting active citizenship, generating social capital and a type of economy with democratic values, in addition to supporting sustainable development and social, environmental and technological innovation (Triantafyllopoulou, 2012). According to the explanatory reports, the European Union reckons the sector of social economy as a privileged field for the promotion of policies on employment, as well as for the fight against poverty and social exclusion. It is estimated that approximately 10% of the European enterprises are regarded as social enterprises. Further available data indicates that social economy in Europe employs more than 14.5 million people, representing the 6,5% of the active population of the EU-27 and around 7,4% of the active population of the EU-15 (European Commission, 2013).

2.2. Social entrepreneurship in Greece and Norway

In Norway social as well as cooperative enterprises constitute particularly widespread forms of entrepreneurship, with a significant percentage of the population to be employed in them. It is also worth mentioning the fact that the Nordic countries (Sweden, Norway, Denmark) have a dynamic tradition of a co-operative movement, with inter alia, workers or farmer cooperatives (Hulgård and Bisballe, 2004). These agricultural cooperatives in Norway are regarded to be successful, a similar situation also prevails in Greece. This succeed actually is explained, up to a certain point, by the relatively high educational level of the Norwegian farmers (Almas, 2004). Therefore up to the present, the Norwegian corporative system of private–public partnership has created stable economic and political relations within the agricultural sector of Norway (Almas and Brobakk, 2012).

Latest figures indicate how widespread is the participation in cooperative schemes, generally, in Norway. Especially, out of a population of 5.2 million people, 2.4 million are members of co-operatives, there exist nearly 5,600 cooperative enterprises which employ 37,500 employees and their annual turnover to be estimates about 11.5 € billion (Cooperatives Europe, 2015).

In Greece the corresponding data are still low. Regarding to the Greek cooperative enterprises, there are 933 enterprises of this form with 905 employees, while the estimated turnover is about 700 € million annually (Cooperatives Europe, 2015). As far as the social enterprises are concerned, according to the European Commission for the period of November 2013, there were 274 Social Cooperative Enterprises (“Kinoniki Sineteristiki Epihirisi”) registered, most of which were of collective and productive purpose, their actions associated with culture, environment, ecology, education and production of local products. These enterprises had 2,627 members.

There are three institutionalised forms of social enterprises in Greece:

- Women's agro-tourist cooperatives, most of them already established since the 1980s, under Law 1541/1985.
 - Cooperatives of Limited Liability for people with mental health problems, established on the basis of Law 2716/1999.
 - Social Cooperative Enterprises, set up under Law 4019/2011.
- Social enterprises in Greece engaged, mainly, in three fields: a) work integration, b) social care and c) provision of services.

Notably in Greece the emphasis is put on the role of social enterprises and the social economy in local development, where agro-tourist cooperatives are being found in distant areas mostly by women (Defourny and Nyssens, 2008). A similar trend may be observed and in some others European countries, e.g. Ireland.

In Norway, the expansion of social entrepreneurship and social innovation has primarily been driven by individuals, enterprises and investors. Political interest in the field was demonstrated in 2011 with the establishment of a grant for social entrepreneurs who target their initiatives at combating poverty and social exclusion (Nordic Council of Ministers, 2015).

Summarizing, there are some substantial differences between the two studied countries in the sector of social or cooperative entrepreneurship. In Norway social entrepreneurship is a particularly prevalent concept, in contrast to Greece where it is at an early stage. Moreover, Norway has relatively low rates for marginalization and exclusion. On the contrary, in Greece social and occupational exclusion for vulnerable people still exists and unless socioeconomic, educational and labor conditions are modulated, their full accession in the Greek labor market will not be possible (Papaoikonomou et al., 2009).

3. Methods

This study adopts a case study methodology. Case study is a very common qualitative method used widely in business researches. It remains one of the most powerful research methods and according to Voss et al. (2002) the results of a case research can have very high impacts. As it is pinpointed by Yin (2003), a case study provides an opportunity to study a phenomenon within its natural context. There have been numerous case studies of investigation into the business sector, however our literature review revealed not many in the field of social entrepreneurship.

Case studies are divided into three main categories, according to Yin (1989, 2003) and Freebody (2003), pinpointing that the boundaries between the three are not strictly: a) Descriptive cases where we collect data and subsequently formulate cause-effect relationships. This type of case study is used to describe an intervention or phenomenon and the real-life context in which it occurred, b) Exploratory cases where the field research and data collection are preceded the determination of research questions. Exploratory studies are sometimes considered as a prelude to social research and c) Explanatory case studies may be used for doing causal investigations.

The present study is a descriptive case between enterprises from two different countries, Norway and Greece. Its pursuit is to identify those features which contribute to the creation of a successful social entrepreneurship, given the geographical, social and economic similarities and differences. Determinant factor for the selection of the above mentioned countries is a project, called "Aithikos" project, which is implemented in Greece, in an area of Thessaly. Aim of this project is the establishment of a supporting mechanism for the development and promotion of social entrepreneurship in a Greek mountainous area. The successful completion of Aithikos project was based on transfer of expertise from Norway, as well as on adoption of best practices that have been developed there, using case studies.

The choice for the above studied cases was strengthened further due to the geographic resemblance of the two countries and also the strong heterogeneity of economic and social conditions in both countries, e.g. in 2013 Norway had the lowest rate of unemployment in the Europe (3,6%) while the corresponding rate in Greece reached the 28% (59% among young people). Moreover, Norway is a country with the highest social mobility globally (Blenden et al., 2005), in Greece, the current situation is different. All mentioned conditions, indeed, have an influence on the development of social entrepreneurship.

The present study regards two cases (one of each country). Voss et al. (2002) suggest that the appropriate number of enterprises for a case study should be small, the fewer the number of cases, the greater the opportunity for depth of observation. Moreover, our preliminary search indicated that the two selected cases are considered to be quite representative and among the most successful enterprises, which function within a context of cooperative entrepreneurship, in Greece and in Norway.

The data used for conducting a case study can be documents and records, interviews, direct and participant observations, or even physical artifacts which could be any physical evidence that might be gathered during a site visit (Yin, 1994; Tellis, 1997). The data used for the present study were collected from archival sources. Archival data included various written material, published studies, reports, while a great deal of information was deduced from the websites of the enterprises.

4 Case studies description

The Greek studied enterprise, called "Yi Thessalis", which in English actually means "Thessalian Earth" is a Social Cooperative Enterprise, founded in 2013. It was established by 46 beneficiaries of the project of Local Social Inclusion Actions for vulnerable groups, called "Be a Producer". It is located in Larissa, Thessaly region (central eastern part of Greece). The main feature of Thessaly region is the relatively high percentage of its population that is partly or full-time employed in the agriculture sector. Specifically, 38.7% of the total workforce in the region is employed in the primary sector of Greek economy (agriculture), whereas the corresponding percentage for the whole of country is up to 19.8% (Bakopoulou et al., 2010). The main purpose of this social enterprise is the production of primary sector products and the direct disposal to the final consumer without intervention of intermediaries. The described enterprise promotes its products directly to consumers in order to provide more competitive products and at a higher quality. Some of the products that are mainly produced and marketed are fruits, fresh vegetables, wine, herbs, pasta, traditional sweets, jams as well as cosmetics. Most of the above mentioned products are manufactured based on traditional recipes. Its successful entrepreneurial presence creates the preconditions for further entrepreneurial activity, more specific it orientated to the catering services sector. The products' disposal takes place in particular points of sale and, additionally, through the e-shop of the enterprise.

On the other hand, the case regards a well-known Norwegian dairy enterprise, called Røros Dairy. Røros Dairy is located in Røros, a town in a mountain region of the eastern parts of Southern Norway. Norway is a mountainous and thinly populated country, while most of the countryside is sparsely populated, and animal agriculture is a vital economic sector for the country. Only three per cent of the total area is under agricultural cultivation, mostly around the coast or on the inland valley plains (Almas and Brobakk, 2012). The economy of this region based on agriculture and forestry, as well as on tourism. The dairy production contributes to the local economy to a certain extent. In particular for the tourism business of this region, it should be pointed that the dairy has a supportive role in the promotion of the local food.

Røros Dairy established in 2001 attempting the production of various products from organic milk and it has today 20 employees. Røros is the only organic dairy in Norway. Since set up it has experienced a steady growth and it records, in 2013, a turnover of 5,5 mill EUR (Kvam and Bjørkhaug, 2015). The presence of Røros Dairy covers a substantial gap in the organic food production as Norway is on the bottom of the list compared to the other Nordic countries in this sector. The dairy takes care are about local customer's by hiring transport for distribution. Customers, who live adjacent to dairy, have the chance to collect products directly from the dairy. They have contact by mail or phone many times a week about deliveries (Kvam and Bjørkhaug, 2015).

From its establishment until today the dairy is producing traditional products, such as thick sour milk, products quite similar to cottage cheese, porridge, organic light skimmed milk, as well as other old and new local dairy specialties that it is free to produce (Amilien et al., 2005). Products are distributed all over the country via multiple channels.

4. Discussion

Both studied enterprises contribute to the creation of job opportunities and the promotion of social cohesion, in regions with high unemployment rates. Røros Dairy has been characterized as an active group of energetic and productive farmers that has been forced to reduce their idealism and harmonize with economic realities (Christie, 2010). In a similar way, the Greek “Yi Thessalis”, became a best practice within the Greek; just the second year of operation, the social company was awarded the “Green Social Enterprise 2014” prize in a competition under the auspices of the Greek Ministry of Development and Competitiveness.

Røros Dairy and Yi Thessalis operate in countries where the developed economic activity in the mountainous and/or less-favored areas contributes to the support of people living there, as well as to configuration of gross domestic product (GDP). Actually, in Røros and Thessaly areas local economy and employment are mainly based on the agriculture production. Therefore, these entrepreneurial cases support efforts and policies for further development of the primary sector and reduction of unemployment.

An additional worth noting feature that characterizes both of them is the persistence in environmental care and the adoption of environmentally friendly practices during their production process. “Yi Thessalis” implements an integrated management system during the production process. In this way they contribute to the environmental protection and the ensuring of local natural resources.

Focusing on their business strategy, both social enterprises try to differentiate their products by emphasizing on their quality. Noted, traditional agricultural goods produced in mountainous and less-favored areas, through an environmentally friendly way, are of high quality because of the smaller amount of production and the stricter control that applied at all stages of production (Ilbery and Maye, 2005). Attempting to differentiate, both enterprises resort to traditional and handicraft production methods, in order to ensure the superiority of their products. So, their products are based on regional recipes and on the local food culture.

Moreover, the two studied cases support the production of certified products. All products of Røros Dairy are labeled, both with the organic label and their own label. Following the same line of reasoning “Yi Thessalis” sets among its immediate aims the creation of a common label for its product so as to make them easily recognizable (Argiriou, 2014).

The dairy enterprise regards that their products are not special for just a few costumers any longer, so it follows a more extroverted strategy trying to increase its participants-farmers and its produced quantity. Certainly an ally is the positive economic environment and the increased purchasing interest.

Both enterprises claim that the direct contact with local customers is of significant importance. They sell their products directly to consumers, exclusive or partially. Actually, Røros Dairy has taken a step forward by introducing direct communication with consumers via social media. They give a lot of information to their customers through Facebook and Twitter about new products, new profile, organic agriculture etc. This idea has been considered to be quite provoking and was proposed as a best practice to “Yi Thessalis”.

Worsening economic conditions for farming in Norway, increasing competence and the financial crises in 2008 affected the dairy and forced some farmers to leave the agriculture sector. However, the rapid growth of cooperative farming helped the dairy sector and gave it momentum. In some Norwegian rural communities, joint farm members are the only surviving dairy farmers (Straete and Almas, 2007). This could be a good practice for Greece where the cooperative schemes are not very popular and the prolonged economic recession impedes the entrepreneurship development. Additionally, the dairy firm has employed a new marketing manager and a new profile has been developed in order to keep up with the market requirements. Similarly, the Greek social enterprise needs to be adaptable to new challenges. Clearly the fact that Røros is the only organic dairy in Norway is considered as a great advantage. On the contrary the Greek enterprise confronts fierce competition from similar businesses. But the fact that the Greek market is comparatively larger may give it more growth opportunities.

It should be mentioned that the Norwegian social enterprise is a well-established one; it has been activated for fifteen years and now it can be considered to be in its mature phase. On the other hand, the Greek one is comparatively new since it was created three years ago. It is still a start-up and had not survived the widely accepted five-year survival criterion yet. However, both cases outperform, offering to the community in several ways and presenting a very positive development during the last years.

Both cases confirm the relevant theory on the role and benefits of social entrepreneurship; in both cases it promotes the social benefit and the local development, while all stakeholders have their financial motives and they try to maintain the growth of healthy and profitable enterprises.

Both cases seem to offer escape solutions from the current cul-de-sac. Especially in cases of less-favorable areas, the cooperative schemes encourage undertaking, enhance entrepreneurial spirit while they help participants reduce the risk during investment periods (as they share it) and become more extroverted even if the geographical conditions are not favorable.

5 Limitations

This paper explores two social enterprises from different countries. The aim of this study was the further investigation of the social entrepreneurship concept through existent enterprise examples. Present study can advance our understanding of successful operation of a social enterprise, regardless of prevailing economic environment. Although “Yi Thessalis” was established under adverse economic conditions for its country, it remains growing and sustainable to the same extent as the Norwegian case that operates in a country with strong economy, where the cooperative entrepreneurship is particularly

favoured. So, one question arises is to what extent the adverse economic conditions have an influence on a social enterprises and which are the features that help it to survive during economic crisis.

The main limitation of the study which does not allow us to put forward statements is the absence of primary data from the two enterprises. As it is mentioned above, the present paper is based on written material and information deducted from the enterprises' websites which could not be analyzed to a greater extent so as to arise more valid inferences. Lack of findings from an ongoing investigation into the enterprises weakens the opportunity of our study to draw direct conclusions.

A second limitation regards the number of studied cases. The fact that we study only one enterprise from each country limits the range of collected information related to their operating framework and inhibits the possibility to export more generalised results. Furthermore, the different financial and institutional framework where the two social enterprises grew raises several questions regarding the potential of social entrepreneurship creation, as well as the factors that favor or impede its development.

So, future field and case study research is highly encouraged in order to highlight the driving forces, the strengths and weaknesses of a successful cooperative enterprise. For example, semi structured interviews can be used as tools for eliciting information about the business, the roles and duties of the owners, the personal characteristics of the participants as well as the respondents' views and experiences in the sector of social entrepreneurship.

6 Conclusions

Social entrepreneurship has been raising an ongoing interest for the societies as well as for the researchers. That is the reason why it has commanded increased research attention in various regions worldwide. Through this article we try to highlight the features of two successful entrepreneurship examples that are activated in countries with completely different prevailing economic conditions, as well as perceptions for the concept of social entrepreneurship.

In conclusion, we regard that there are some research gaps and a large field of investigation around the concept of social entrepreneurship which could be studied in future. Searching further and abstracting additional information about social entrepreneurship will contribute to the more effective implementation of it, so as vulnerable groups, local economies and the global economy to be helped to a certain extent.

Acknowledgments

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ECBA -16

Pellet Production from Different Sources of Biomass - Residues of Forest and Animal Origin. Supporting Social Entrepreneurship in Mountainous RegionsNtalos Georgios^{1*}, Papantoni Theodora², Trigkas Marios³, Papadopoulos Ioannis⁴^{1, 2, 4}Technological Educational Institute of Thessaly, Greece³Aristotle University of Thessaloniki, Greece

Abstract

In mountainous areas of Greece the need for thermal energy becomes during the winter extremely high. Nowadays we try to use the most ecological and economic ways for heating and the results is an indiscriminate use of forests wood. To protect and enhance sustainable development we must find new and effective solutions. Wood pellet is one of the most common ways of fuel because it is low cost and easy to transfer and store. On the other hand in the mountainous areas of Greece there is a big quantity of animal residues mainly from sheep, goats and chicken that can be used for a percentage replacement of wood in pellet production. During this research we try to measure all the necessary properties of wood and animal residues in order to use them as a raw material for pellet production. Humidity, inorganic content, calorific value, pH, water soluble, dichloromethane and alcohol soluble were measured and reported. All the above was investigated in order to find a solution to the unemployment and the environmental protection, while it can combine profitability through solidarity and new job creation within a Social Economy innovation. The conclusion from our results provide a first data from the behavior of biomass coming from forest and animal residues which is quite encouraging and can be improved with more experimental activity.

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Keywords— Pellets, Biomass, Residues of Animal Origin, Wood Residues, Mountainous Areas, Rural Entrepreneurship, Mechanism for Social Economy

Introduction

Nowadays, the energy used for heating is from non-renewable energy resources like coal, oil, gas, etc. However, the reduction of these resources and environmental pollution are forcing research and development of new renewable energy resources. The biomass energy is one of the renewable resources that hold an important position in the energy system (Apostolakis et al. 1987, FAO STAT 1988). Thus the replacement of fossil fuels with biomass energy is a good way to mitigate the global warming due to greenhouse. In the effort of discovery of alternative sources of energy based on the biomass and observing the existence of important quantities from biomass and mostly from animal waste products in several places in Greece (Gemptos 1992), was organized an experimental process that concerns in the potential production of thermal energy with the use of biofuel from biomass and mostly from animal waste products.

Biomass is the organic matter, which emanates from living or recently living organisms. As biomass we include wood, animal waste as well as the plants and forestall remains (pruning, straw, chippings, firewood, kernel etc.) (Mc Nutt et al. 1992).

Practically we can say that as biomass is included each material which has plant or animal origin (direct or indirect). The chemical constitution of biomass presents high and variable content in humidity and fiber structure, which is constituted from lignin, carbohydrates also can include nitrogen and small quantities of other individuals, included, alkaline and heavy metals (Ntalos 2000).

The sources of biomass origin vary for each organic material. The biomass is constituted by carbon, hydrogen and oxygen, and it can be as straw, paper and his waste, the waste of slaughterhouses, the organic waste of food industries, the outcast plant oils, remains of food and can be used with different ways in different systems of bioenergy for the production of energy, heat and fuels for transportation.

Another source could be from stock raising. The main animal waste product is animal excreta. The question of their effective management becomes still more intense at the mass stockfarming of animals (usually cattle, pigs and poultry) in limited spaces.

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The best way of waste management is their utilization for the production of bioenergy. More concretely, with the help of technology of anaerobic fermentation the humid animal waste is changed in biogas, one alternative and “green” biofuel. Afterwards its production, the biogas is supplied for co-production of electric energy and heat, which are become very important income. Additional income can be from the commercial exploitation of digested remains of all the above as biological fertilizer.

The biomass, consequently, that is received by the stockfarming of animals as waste, are not useless, but contrary constitutes a very important source of income for the producer as well as the only way of electric energy production with friendly for the environment way.

The potential for using waste from stock farming residues to replace wood as raw materials for energy production has received considerable attention in recent years (Deppe and Ernst, 1991, Seber and Lloyd, 1996, Roffael, 1997 and Hague et al., 1998).

Some of the animal residues which could replace wood as the raw material for energy production is chicken and sheep excreta.

As scientists are increasingly engaging in "hunting" new energy sources, energy production from animal excreta is gaining interest. The experimental process that will be presented in this paper contains the following stage:

Evaluate of the energy derivative from the combustion of animal waste products.

Chemical analysis of animal waste products .

And finally, the possibility of production briquettes or pellets based on animal waste products at 100% and by mixing with forestal remains.

Materials and Methods

The raw material for this study consisted of chicken and sheep excreta, which were collected in April 2015 from Northern Greece.

For the evaluation of certain basic characteristics and properties of the excreta (Moisture content etc.) representative samples from each different kind of origin (chicken and sheep) were chosen. Extractives and ash content was determined in material of each variety. The determination of extractives content solubles in hot water, alcohol-benzene (Co Merc), and dichloromethane (Co Rideld-de Haen) was carried out according to ASTM standards D1110-84, D1107-84 and D1108-84 (ASTM-D, 1984). Ash content were determined according to EN standards EN 14775. The acidity was measured in an extract solution made by 2 g excreta flour added to 40 ml water and stored for 24 h at 20 ± 3 °C (Passialis, 1988).



Figure 1: The Material (Sheep Excreta) in The Hammer Mill

After harvesting, the moisture measurement was calculated according to European norms, EN 14774 (EN, 2009). The excreta were chipped in a hammermill with an 8 mm round hole screen and the particles were dried with a laboratory made hot air dryer afterwards, from a moisture ranged between 40 and 50% down to 3% m.c. The whole procedure of chipping was carried out separately for each different origin. In addition, the calorific value were determined with a bomb type calorimeter.

Results and Discussion

Some basic characteristics and properties of sheep and chicken excreta are shown in the following tables. In Table 1 moisture content of different biomass resources are mentioned during their harvesting. The mean values of moisture content ranged between 8% and 90% but the moisture content of our material was 63% and 136% for chicken and sheep excreta respectively as seen in Table 2 which is quite a big amount of moisture that has to be removed. In Table 2 the pH values are also presented. It is important to note that the extracts (water, dichloromethane, alcohol solubles) are also in big amount (Table 3,4). The values of ash content are shown in Table 5. A comparison between these values and those given by Fengel and Wegener (1984) show that the excreta have higher hot water extractives and very high ash content than the wood of common forest species.

Table 1:
Moisture Content in Different Biomass Resources

Biomass resource	Moisture content
Wood chips	10-60 %
Wood Pellets	8-12 %
Straw	20-30 %
Sawn dust	15-60 %
Cotton residues	10-20 %
Switchgrass	30-70 %
Baggase	40-60 %
Cow excreta	88-94 %
Pig excreta	90-97 %
Sweet sorgum	20-70 %

Table 2:
Moisture Content and pH Value of Chicken and Sheep Excreta

Biomass resource	Moisture content	pH
Sheep excreta	136 %	4,1
Chicken excreta	63 %	3,9

Table 3:
Water, Dichloromethane, Alcohol Solubles of Sheep Excreta

Hot water extracts	Dichloromethane extracts	Alcohol extracts
46,55%	11,49%	9,9 %

Table 4:
Water, Dichloromethane, Alcohol Solubles of Chicken Excreta

Hot water extracts	Dichloromethane extracts	Alcohol extracts
17,95%	7,27%	5,95%

Table 5:
Ash Content of Chicken and Sheep Excreta

	Chicken excreta ash content	Sheep excreta ash content
Average	23,5%	12,75 %
Min	22,8 %	9,6 %
Max	24,2 %	15,9 %
STDEV	0,98 %	4,45 %

Table 6:
Calorific Value of Chicken and Sheep Excreta

Chicken excreta calorific value (cal/gr)	Sheep excreta calorific value (cal/gr)
1840,5	3121

Conclusions

The sheep and chicken excreta is the main residues in Greece as they are the main animals in stock raising. On the other hand there is a need for big quantities for thermal energy which for the moment is providing from wood

burning. The sheep and chicken excreta have more moisture content when we collect them (Figure 2.) but the dichloromethane solubles as the alcohol solubles are quite the same as in common wood Mediterranean species.

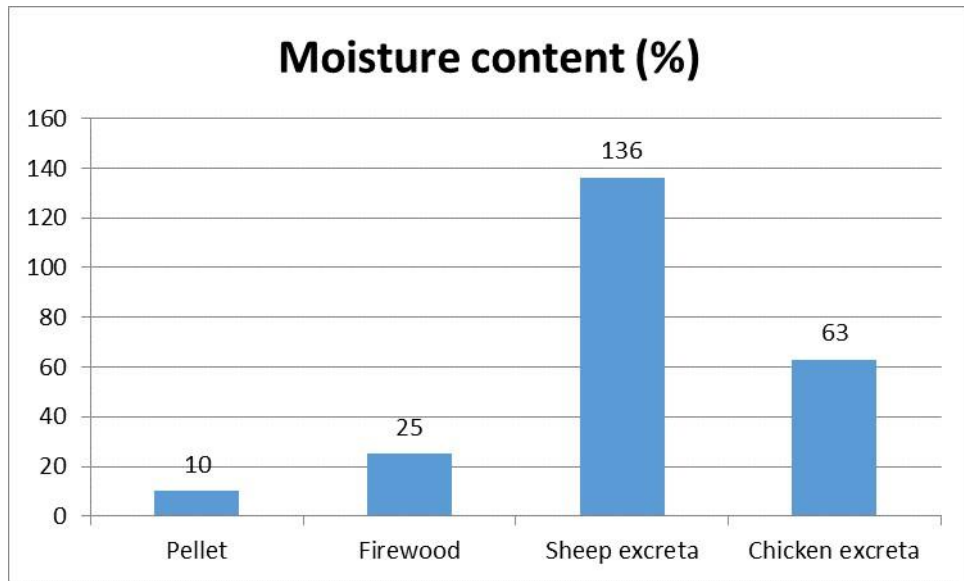


Figure 2: Moisture Content of Pellet, Wood and Sheep and Chicken Excreta

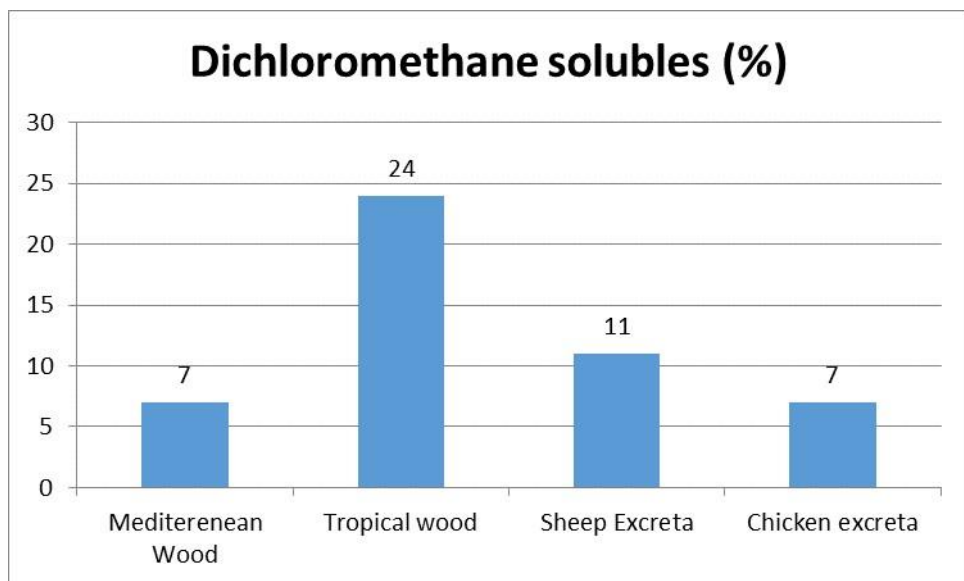


Figure 3: Dichloromethane Solubles from Mediterranean and Tropical Wood Comparing with Sheep and Chicken Excreta

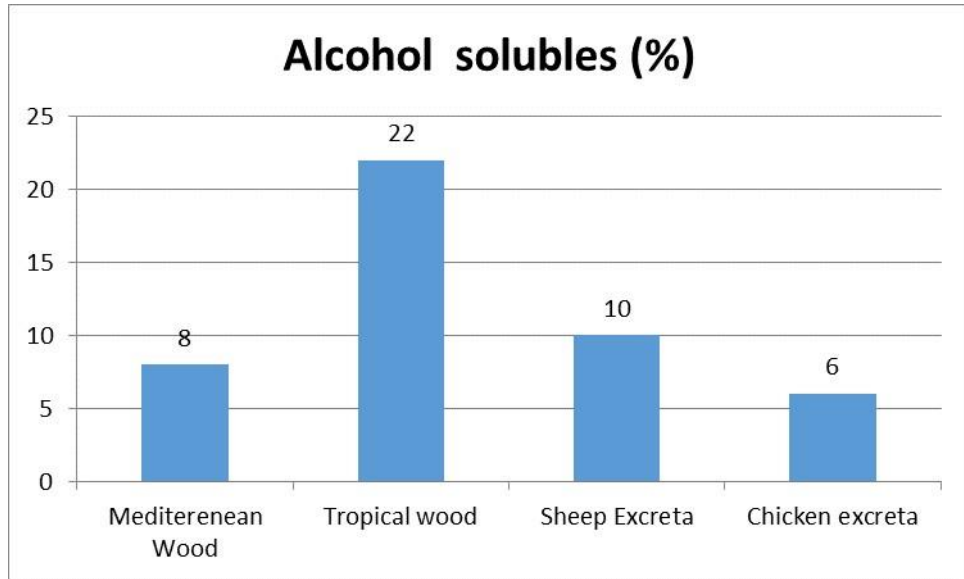


Figure 4: Alcohol Solubles from Mediterranean and Tropical Wood Comparing with Sheep and Chicken Excreta

Sheep excreta appeared to be with higher calorific value that is very close to the wood (Figure 5.) but the main problem for both of our material is the big ash content that they have, which for the moment keep these materials away for the domestic use.

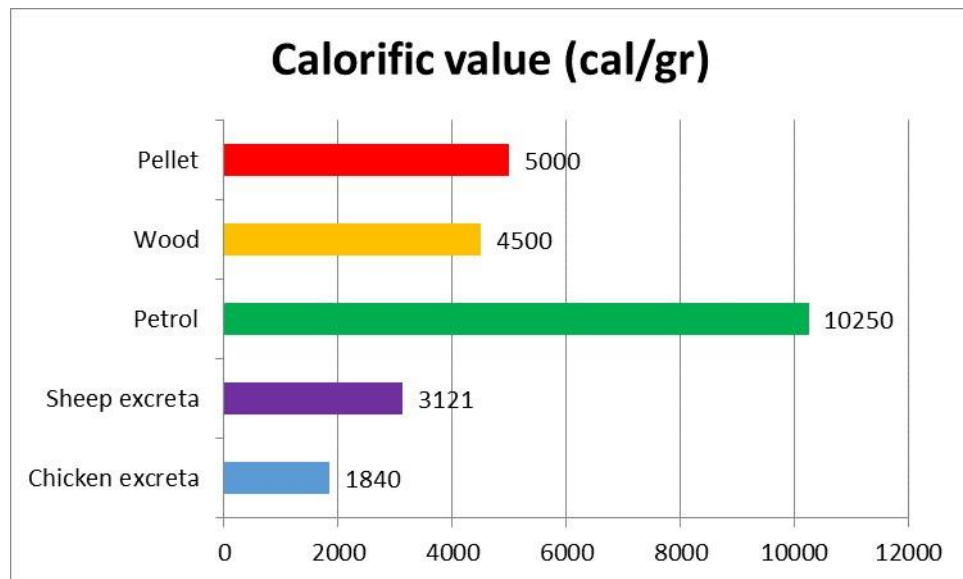


Figure 5: Calorific Values form the two Different Excreta (Sheep, Chicken) Compared with the Common Fuels

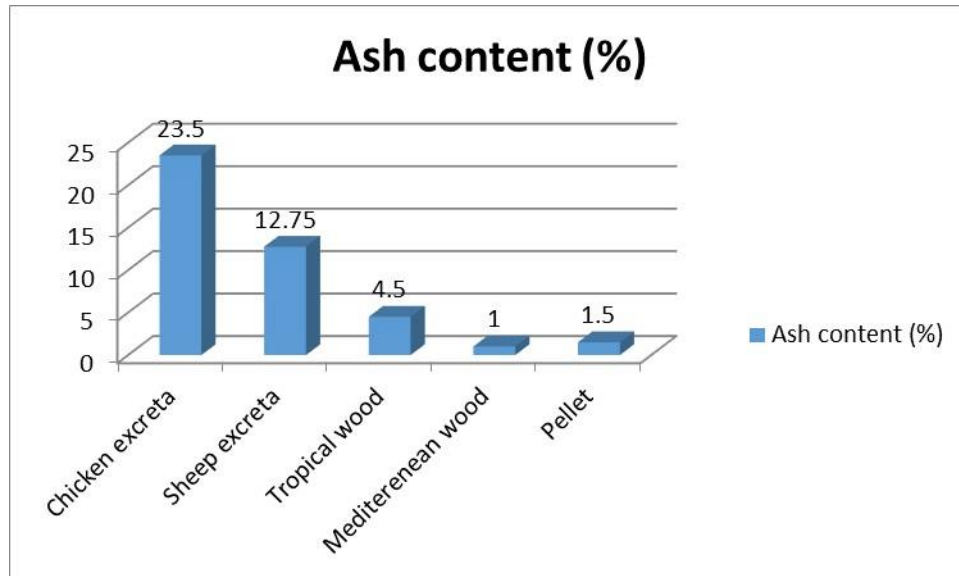


Figure 6: Ash Content of Chicken and Sheep Excreta Comparing with Tropical and Mediterranean Wood and Pellet

Further research should be carried out in order to find appropriate methods for burning these two materials mixed with the proper amount of wood in order to reach ash content less than 5% for industrial use and lower than 1,5% for domestic use.

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BENCHMARKING OF SOCIAL ENTREPRENEURSHIP IN URBAN AND RURAL AREAS. A PRELIMINARY MARKET STUDY IN GREECE

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ABSTRACT

The factors that enhance or weaken entrepreneurship in urban and rural areas have been analyzed very carefully but the scientific research on rural entrepreneurship is considered to be relatively poor. The research provides, a “deeper” knowledge of the procedures that promote or hinder social entrepreneurship in both areas, willing to be able to bridge this research gap. The research also manages to activate entrepreneurial and other types of dynamics in the areas under investigation, under the context of a pilot planning of Social Entrepreneurship according to actual and tacit needs of the local population, in order to create a favorable environment for social economy. Based on empirical data from two representative areas in Greece, Pyli and Thessaloniki, a systematic approach in recording the populations’ opinion on the issues was attempted. Main findings show that Social Economy sector can provide important solutions for creating job opportunities and could constitute an alternative dealing with the severe economic crisis in the country. The main contribution of the study seems to be its indication that there is a significant difference or rural and urban entrepreneurship even at local level. Findings actually support the assumption that different entrepreneurship support policies should be prepared for different regions at local, regional, national and European level in order to address successfully the distinctive culture and environment of the communities involved.

Keywords: *Social entrepreneurship, social economy, urban entrepreneurship, rural entrepreneurship, economic crisis.*

INTRODUCTION

European Commission places particular emphasis on the Social Economy sector during the current programming period (2014-2020), through the initiatives provided by the Social Business Initiative. Social Economy can play an important role in the development of social innovation in many policy

areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity, new job creation, enhancement of social cohesion, active participation and empowerment of local communities, by giving priority to the people. It can be argued that Social Entrepreneurship is an emerging alternative form of entrepreneurship based on the Social Economy. Recently, a new legal form of entrepreneurship, the Social Cooperative Enterprise (SCE), has been instituted in Greece (Law 4019/2011) by setting the operating framework for these types of enterprises. The profit of this new form of entrepreneurship comes from the activities that serve the social welfare. The third sector, as it is also known, according to a study of the International Scientific Committee for Social Economy (2000), it is well developed in European Union and mainly in Netherlands (14,7%), Ireland (12,6%) and in Denmark (12,6%), while to the lowest places in ranking stand Portugal (2,5%) and Greece (1,6%). More specifically, regarding Greece, we have to mention that according to existing statistics, the percentage of people dealing with social economy is approximately the 1,8% of the total occupation in the country and the 2,9% of the stipendiary occupation (Glaveli, 2014). Till recently the forms of social economy in Greece were occasional without showing any significant growth (Cicopa, 2013), mainly because of a number of weaknesses such as the lack of the legislative context, entrepreneurial know how and training on the issue, bureaucracy etc. (Glaveli, 2014; Baloyrdos and Geormas, 2012; Goniotakis et al., 2013).

In recent years, the factors that enhance or weaken entrepreneurship in rural and urban areas have been analyzed very carefully (Jack and Anderson, 2002), but the scientific research for the social entrepreneurship in both areas is considered relatively poor. Therefore, a “deeper” knowledge of the procedures that promote or hinder social entrepreneurship in both areas, will be able to bridge this research gap. Several researchers have attempted to analyze entrepreneurship in these areas, by using a large number of theoretical research backgrounds from various fields of science, such as Business Administration, Economics, Sociology and Geography (Stathopoulou, Psaltopoulos, and Skuras, 2004; Jack and Anderson, 2002). The aim of the present research, is to benchmark the opinions of the Greek citizens, both in urban and rural areas, about the potentials for this new form of entrepreneurship in Greece and the role that it could play for sustainable development, through the creation of new job opportunities with respect to environmental, social and cultural issues.

LITERATURE REVIEW

Entrepreneurship and rural areas

It is common that a field of social entrepreneurship, especially in rural areas, is environmental protection aiming to alternative ways for production and income earning (Borzaga et al., 2013). This new rising form of economic activity, combines the efforts for compromising economic growth and

environmental protection (Christacis, 2013), promoting a model for sustainable development based on innovation (Trigkas et al., 2012; 2011a; 2011b; Papadopoulos, et al., 2014; 2010), boosting simultaneously both local and national economies, by using local resources (Christacis, 2013; Sideartou, 2011).

The economy of rural regions depends mainly on the service sector. In general, the tertiary sector or the service sector is the main area of economic activity in the EU. In 2010 this sector represented 64.6% of added value in predominantly rural regions (Harpa et al. 2016). The secondary sector (mining, manufacturing and construction) in rural regions contributed with 30.9% of added value in 2010, slightly more than in intermediate regions and predominantly urban (29.1% and 20.8% respectively). The primary sector (agriculture, forestry and fishing) accounted for only 4.4% of added value in predominantly rural regions of the EU27 in 2010. The structure of the economy varies greatly depending on the type of region and country. The primary sector in predominantly rural regions in Greece, is only 7.0% of the total VGA, standing among the last countries in the EU-27 (Harpa et al. 2016). The importance of the secondary sector (which includes food), in predominantly rural regions in Greece recorded only 22%. On the other hand, predominantly rural regions in Greece (70.6%) presented the greatest importance of the services sector. In most countries, in rural regions, the importance of the secondary sector decreased in favor of the third sector during that period, probably due to greater impact of the economic crisis in the industry and, in particular, in construction activities in some Member States (Harpa et al. 2016)..

Relations between rural and urban entrepreneurship in SME's

Rural regions show a significant differentiation than urban ones, regarding establishment and growth of entrepreneurial activity (Backman and Palmberg, 2015). Thus, some locations are characterized by an abundance of important input factors for firm growth, such as labor, capital, information, financial resources, and material. On the other hand, urban sites bring several advantages to firms (Parr, 2002). Norton (1992) considered these advantages within three categories, and thereby found that an urban location offers (1) a diversified supply of various producer services; (2) a regional network for information flows about new production techniques, products, customers, and suppliers; and (3) a large and differentiated supply of labor.

A disadvantage with urban areas is, however, an increased competition level for resources, inputs, customers, and suppliers that has a negative influence on firm employment growth (Stearns et al., 1995). In addition, firms located in urban areas jointly create an environment in which ideas and knowledge can flow rapidly. As opposed to knowledge that can be codified, the type of complex local knowledge referred to here is distance sensitive and typically requires face-to-face meetings for

knowledge exchange to occur. Urban locations have a natural advantage over rural locations because face-to-face meetings are a positive function of the size of the location. These knowledge spillovers increase the propensity to innovate and thus increase firm growth (Audretsch, 1998; Malmberg and Maskell, 2002; Storper and Venables, 2004).

In rural areas, personal interactions and, hence, knowledge externalities are less frequent, and firms face less demand for their products in both their immediate surrounding environment (Duranton & Puga, 2004). Moreover, rural areas often lack important resources needed for firm growth, such as skilled labor and/or financial capital, or at least the supply of these production factors is less diversified in rural regions than in larger and denser regions (Backman, 2013). These factors lower the average employment growth relative to that of firms located in more urban settings (Littunen, 2000; Tunberg, 2014). However, rural firms tend to have a higher survival probability, which might be due to a lower level of competition and lower costs of doing business (van Horn & Harvey, 1998).

Davidsson and Honig (2003) found that small firms located in a rural context are heavily reliant on the resources and knowledge that can be accessed through friends and family. Consistent with that result, Meccheri and Pelloni (2006) established that firm performance in rural areas depends more on the human capital in the firm and the social local anchoring. Thus, social capital – contacts through professional and private networks – facilitates the identification and exploitation of economic opportunities and resources. This facilitation is especially important in rural areas because such resources are scarcer in these locations (Uzzi, 1999). The importance of social bonds and regional embeddedness, as previously discussed, is also important for a firm's ability to foster and sustain innovation abilities. Studies focusing on the innovation capabilities of firms have found that these social bonds are mainly built through a common corporate or educational background or family connections (Breschi & Lissoni, 2001).

Another component influencing firm growth is the financing of firms, with rural firms more often relying on financing through personal and professional networks (i.e., relationship lending). These financial resources have a geographical aspect, in that they are provided by friends and family who are in close proximity (Meccheri & Pelloni, 2006). Family firms also have an advantage in this regard because they are more locally (socially) embedded in the region. This characteristic might be very significant because rural home-based businesses were found to generate less income (Olson et al., 2003) and family businesses in rural locations were more likely to have cash flow problems (Brewton et al., 2010). Firm survival dynamics varied for rural and urban firms. Olson et al. (2003) found that rural firms were less successful than urban firms and that rural owning families derived less income from their firms than urban owning families.

For social entrepreneurship, Harding (2006) argues that, the regional differences are much narrower than they are for mainstream entrepreneurship. However, there are differences in stages of development: the most deprived wards have significantly higher levels of baby social entrepreneurs and established social entrepreneurs suggesting that there is a role for social entrepreneurship in regenerating deprived communities. Similarly, rural areas are more socially entrepreneurial than urban areas (Harding, 2006).

The Greek reality in rural areas

According to the OECD definition of rural areas (2010), 85% of the total area of Greece is rural, while the population in rural areas represents 27.2% of the total population (10.9 million in 2010). Therefore, we can say that rural areas of Greece are far more important than the average in the EU-27.

The Greek primary sector has a special social and environmental role in the global economy and provides a significant percentage of jobs (11.4% in 2011). The main industry sectors of the rural economy are meat, milk, vegetable cultivation, organic farming etc. There is a strong presence of Greek enterprises in the agro-food sector in international markets, while there is a favorable climate for agricultural production and organic livestock. Rural areas in Greece are also rich in cultural heritage and provide opportunities for diversification of the rural economy. The weak parts of rural economy vary according to geographical areas. Mountain areas are characterized by low incomes, an aging and declining population, low level of education, low social and cultural level, and a lack of infrastructure. Islands, despite the advantageous positioning, face problems of social services and transport, leading to a reduced level of exploitation of their potential. On the other hand, the favorable climate, the demand for quality products and large amount of agricultural products exported are opportunities that can be exploited in order to improve rural environment (Harpa et al. 2016).

In mountainous areas, the need for economic differentiation and integrated development is even more intense since the topography, the remoteness of these areas, the environmental constraints and the social and economic structure of the population, reduce the number of job opportunities. On the other hand, many opportunities are presented including the increased demand for recreational activities, for quality food products or for renewable energy sources etc. Furthermore, some mountainous areas are experiencing significant inflows of new residents, as a result of the economic crisis and the unemployment that occurred on the available forms of work in Greece (Trigkas et al., 2012). The population movements in these rural communities create the conditions for new investment projects and an increased income, since the new inhabitants are carrying significant entrepreneurial experience, capital and knowledge.

On the other hand, the traditional approaches concerning the development of mountainous rural areas have focused on the discovery of factors that lead to isolation by providing the conventional development tools (Efstratoglou and Psaltopoulos, 1999). The creation of competitive Small-Medium Enterprises (SMEs) constitutes a desirable solution to the existing problems. The mobilization of local resources so as to enhance the competitive advantage, local entrepreneurship and innovation, constitutes some of the development strategies that should be under serious investigation (Pezzini, 2001). Rural areas provide an innovative and entrepreneurial environment where the entrepreneurs may either prosper and grow or face very serious difficulties. The features of mountainous areas are considered major leaders not only regarding the opportunities for local entrepreneurship and innovation, but also for the weaknesses of the business process, forming a dense, complex and dynamic network of mutual interactions.

In particular, in the mountainous regions of Greece, it is observed that isolation exists from the markets and access to the consumers, the suppliers, the information sources and the institutions (Sergaki and Iliopoulos, 2010). The transportation cost of inputs/outputs is a very high and at the same time, adverse effects in information dissemination are observed. It is a major disadvantage since it impedes the function of the economies of scale and the diffusion of new technology, leading to non-competitive costs of business and finally, restricting the workforce mobility. The existence of significant natural resources and the climatic conditions of an area combining with the overall landscape can affect entrepreneurial activities, providing opportunities for the optimal use of those resources. Furthermore, in the less developed mountainous areas, cultural traditions can be found, while social trust, solidarity rules, cooperation networks and support mechanisms are absent.

Moreover, local capacity utilization has been limited to the use of local added value through local varieties, local products, special environmental conditions or even inputs of workers and knowledge. Ray's argument (1998) for the need for commercialization of local culture is a dynamic strategy for the development of innovation and entrepreneurship in rural areas. Furthermore, many researchers have highlighted that a possible development strategy for rural areas exists in the product quality markets (AEIDL, 2000; Barham, 2003; Ilbery and Kneafsey, 1998). A possible strategy as part of the broader product quality market could be the promotion of products with local or regional identity. By linking products with the "culture markets - culture economies" or local scenes such as cultural traditions and heritage, the value of the product increases because the consumers matches specific areas with specific products. Goodman (2003) claims that in Europe, the switch towards the quality of diet has offered significant opportunities for entrepreneurial activity in a new economic environment, more capable of withstanding the forces of globalization. Concurrent use of opportunities offered by Information and Communication Technologies (ICTs) will gradually set the boundaries of local markets and will

expose the economic activity to a greater competition (Grimes, 2001; Hetland & Meier-Dallach, 1998). Therefore, cognitive skills of local people will increase as access to the information will be improved (Grimes, 2000). The limited scale and sphere of influence of local markets, forces local entrepreneurs to develop innovative products and efficient marketing strategies (Papadopoulos et al., 2010, 2012) in order to compete with their counterparts in urban areas (Smallbone et al. 1999).

RESEARCH METHOD

The research method in the present study, uses as a basic instrument a specially constructed questionnaire for the purposes of the research, according to the basic disciplines of market research (Gordon and Langmaid, 1988; Tull and Hawkins, 1990; Doyle, 1998; Aaker et al, 2004). The questionnaires were collected through personal interviews with the residents and population in the study areas, which represent a typical urban area in Greece such as Thessaloniki is, as long as in a rural area, such as the mountainous regions of the municipality of Pyli in Trikala prefecture. The research was conducted by skilled researchers who addressed the residents by personal face-to-face interviews. The questionnaire consisted by three groups and a total of 28 questions. The first group consisted of eight questions regarding the level of familiarization and information of respondents regarding the concepts of social economy and social entrepreneurship. The second group of seven questions investigated the factors that impact development and existence of social entrepreneurship in the research areas. The third group of questions offered information about the respondents' profile such as age, sex, educational level, type of business ad profession, income etc.

The sample was chosen to include respondents of different background. In order to collect the necessary data a random sampling was engaged in the areas of Thessaloniki and mountainous regions of Pyli. The questionnaires were collected during September 2015 – June 2016. Questions are short, precise and easy to be understood by the majority of respondents. Likert scale was used for the majority of the questions.

At the beginning of the research, the researchers performed content validity of the questionnaire; this regarded an extensive literature review and several conversations with experts on the social entrepreneurship issue. Furthermore an extended literature review was conducted regarding the research issues. A pilot implementation of the questionnaire was initially launched in a small number of the population. Through this pre sampling the questions that had to be improved were detected and thus the quality of the final questionnaire was improved (Dillman 2000). The data were recorded, processed and analyzed via the statistical package SPSSWIN ver 22.0 and the appropriate tests for frequency (Frequencies), descriptive statistics (Descriptives), variable comparison analysis (Crosstabs),

and Correlation analysis (Person correlation) were conducted, in order to derive critical conclusions in regard of the issue under investigation.

RESULTS

Social entrepreneurship in urban areas

The first part of the results presents the opinions of the residents in urban areas in Greece.

The percentage of the questioned that have answered positive regarding the awareness of the meaning of social entrepreneurship rises up to 43,5%, while the rest 56,5% stated that they were unfamiliar, a percentage which is quite significant showing some lack of awareness. However, these percentages could be improved throughout extended and aimed information strategies on the issue.

The awareness of the meaning of social entrepreneurship is statistically related to some of the characteristics of the profile of the surveyed population. More specifically, this relation has to do with the level of education and age (marginal) (p-value (sig.) =0,040 and 0,049 respectively) at a significance level 5%, while no statistical relation occurred regarding the sex, occupation and annual income. The adjustment of the model to the used data was tested using (p-value (sig.) =0,675) while it's prediction reaches 61.3%. Information on social entrepreneurship comes mainly through internet (49,8%) and media (16%). At lower percentages stand the word of mouth information (8%), through school (6,7%) and the newspapers (4,9%), while a significant percentage (14,7%) was informed by other means except the above mentioned.

The majority of the sample (84,8%) has answered that there is a positive contribution of social enterprises towards the confrontation of the problems that the economic crisis generates. On the contrary, only a 15,2% believes that social enterprises don't give answers towards this direction during periods of economic instability and downturn.

The answers have shown that as major result of developing social entrepreneurship in urban areas is the creation of new occupation positions and the reduction of unemployment (4,23/5). Further significant results seem to be the motivation of local resources (human capital, knowledge, culture etc.) (3,86/5), the introduction to market of new capabilities and knowledge (3,76/5), the boosting of economic activity at local level (3,74/5), the creation of an innovative entrepreneurial ecosystem (3,64/5) and finally the improvement of incomes (3,62/5). As the main sectors and activities that social entrepreneurship could be developed in urban areas, the research has highlighted the vulnerable social groups (4,17/5), education (4,13/5), health services (4,09/5), environmental protection (3,95/5), utility services (3,90/5), culture (3,71/5), the preservation of traditional activities in urban areas and corporate social responsibility (3,31/5)

Further analysis revealed a very strong relation between the positive attitude in participating to social enterprises and the belief that social enterprises contribute towards the confrontation of problems during the economic crisis period, (p-value (sig.) = 0,000) at a significance level 5%, with the model showing a prediction capability of 87,0%. More specifically, since odds ratio (OR=exp(B)) is 18,463, when a surveyed has the belief that social enterprises contribute positively towards the confrontation of problems generating from the economic crisis, has a 100% increased possibility for participating in a social enterprise in relation to someone with no such belief.

The significance level of the factor regarding the improvement of incomes is statistically different in relation to the participation in social enterprises or not. More specifically income improvement seem to be more significant for the surveyed that have answered positively in participating to a social enterprise (sig. = 0.010 at a significance level 5%). Hence, we can argue that social entrepreneurship in urban areas of Greece, could constitute an alternative for the mitigation of the consequences of the economic crisis, based to participatory attitude of Greek urban population, leverage of their social needs and motivation of their capabilities. Thus, if we consider as desideratum the development of social entrepreneurship in urban areas, this could be achieved through aimed information and promotion strategy on the issue in urban population. This strategy should also take under consideration the results that the study has highlighted regarding the means of information to be used regarding social entrepreneurship.

Social entrepreneurship in rural areas

The results indicate that the majority of the residents of the Pyli area are rather unfamiliar with the concepts of social entrepreneurship and social economy. A significant percentage of them (22.4%) were informed about the two concepts by the researchers that contacted the research. Almost half of the surveyed sample had a low knowledge of the concepts and only the rest 23.5% were really familiar with them. The respondents state that they lack knowledge on the issues (66.7%). Women appear to be more informed with a significant statistical relation (Pearson $\chi^2 = 10.448$, for a significance level $>99.9\%$ Approx. Sig= 0.001). Most informed are entrepreneurs of the age 41-60 years (Pearson $\chi^2 = 6.580$ for a significance level $>95\%$ Approx. Sig= 0.037). It is quite interesting that people of the lower income (below 10.000 €) seem to be the less informed about social entrepreneurship with a statistically significant relation (Pearson $\chi^2 = 23.976$ for a significance level $>99.9\%$ Approx. Sig= 0.0001). This group perceives the concept of social entrepreneurship as the creation of business where employees are paid in the usual way but part of the profit goes to society as a whole. Those with as minimum to quite satisfactory knowledge on the social entrepreneurship concept claimed as their main sources local and regional institutes (36.7%), internet (16.3%) and mass media (10.2%). Word of mouth was the information media for only a 6.1%.

As expected, the 86.2% knew nothing about the institutional framework for social economy and social entrepreneurship in Greece or at global level. The rest 13.8% declared a rather low level of knowledge. However, the 70.8% of the respondents believes that social entrepreneurship in Greece must be supported by both public and private initiative. This percentage believes that social entrepreneurship needs more than 5 years to be well established in Greece. This can be attributed to the rather negative mood of the local residents and entrepreneurs due to the downgrading of the area the last seven years because of the severe and long-lasting economic recession.

However, when informed, almost all respondents (96.9%) agree that social enterprises can definitely (44.6%) and almost definitely (52.3%) assist the local society in solving the significant problems of the area due to the severe recession. Quite the same percentages seem to be positive in participating in a social enterprise which targets social benefits (Fig. 1). Women stated in total that they are positive but also rather skeptical in the perspective of participating into the creation of a social enterprise. The total negative percentage belongs to males. Furthermore and according to crosstabs control, there is a significant statistical relations between the intention to participate in a social enterprise and age (Cramer's $V=0.301$ for a significance level $>95\%$ Approx. Sig= 0.019). Actually, the bigger the age, the bigger the intention is. On the other hand, it appears that there is no significant statistical relation between the intention and the educational level or the yearly family income.

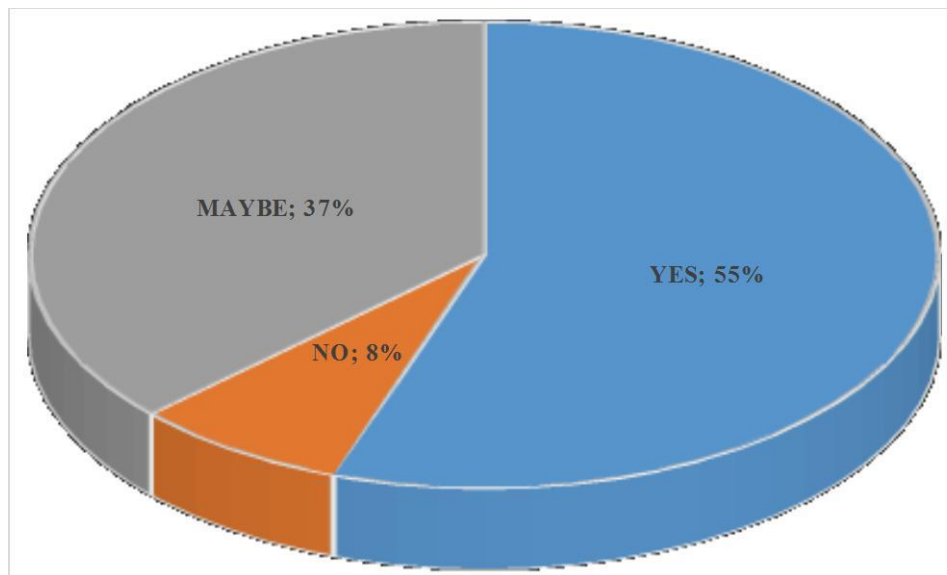


Figure 1: Intention of participation in social enterprises for social benefit

The importance of social entrepreneurship development in the mountainous area of Pyli appears to be: the creation of jobs (1.42); the support of the financial support at local level (1.68) and the increase of income (1.69) using the 1-5 Linkert scale (1=very important) (Table 1)

Table 1: Importance of social entrepreneurship development in the mountainous area of Pyli (Likert scale: 1-5; 1= strongly important)

Factors	Means	Std. Deviation
Job creation – unemployment reduction	1.42	0.99
Strengthening of the economic activities at local level	1.68	0.86
Income increase	1.69	1.17
Local resources exploitation (human capital, knowledge, natural resources)	1.74	1.02
Environment protection	1.76	1.01
Introduction of new skills and knowledge in the market	1.81	1.18
Creation of innovation entrepreneurial environment	2.05	1.21
Development of cooperation culture	2.16	1.22
Transparency and social accountability of the entrepreneurial activities	2.22	1.37

The sectors more prone to social entrepreneurship at the area of research, are: health services (1.3), livestock (1.42), forestry (1.45), tourism (1.47) as well as the socially vulnerable groups (1.48) using the Likert: 1-5 scale with 1 as very important.

The benefits that respondents expect from social entrepreneurship at Pyli area (Table 2) are according to results and using the 1-5 Linkert scale (1=very important): unemployment reduction (1.46) (unemployment has reached a percentage of 23.4% according to the Hellenic Statistical Service, 2016); the effort to keep people and more specifically the young at the area (1.52), the preservation of the local identity (1.66) and easier access to markets (1.92).

Table 2: Benefits which respondents expect from social entrepreneurship at Pyli area

Rates Benefits	Means	(1) Extremely important	(2) Very important	(3) Quite important	(4) Somewhat important	(4) Unimportant	(1)+(2)
Unemployment reduction	1.46	77.8	9.5	6.3	1.6	4.8	87.3
The effort to keep people and more specifically the young at the area	1.52	66.1	22.6	8.1	0.0	3.2	88.7
Preservation of the local identity	1.66	61.3	16.1	17.7	4.8	0.0	77.4
Easier access to markets	1.92	48.4	27.4	9.7	12.9	1.6	75.8
Protection of cultural and natural environment	1.94	48.4	24.2	16.1	8.1	3.2	72.6
Support of social innovation	2.07	43.3	25.0	15.0	15.0	1.7	68.3
Remove of socio-economic exclusion of the area	2.18	41.0	23.0	21.3	6.6	8.2	64.0
Niche markets creation	2.18	34.4	29.5	24.6	6.6	4.9	63.9

for innovative products							
Competitiveness support	2.25	35.0	30.0	16.7	11.7	6.7	65.0
Reduction of the deficit of social acceptance regarding entrepreneurial activities	2.26	25.8	33.9	29.0	11.0	0.0	59.7
Development of cooperative culture	2.39	32.3	21.0	27.4	14.5	4.8	53.3
Mitigation of social inequalities	2.61	29.0	19.4	29.0	6.5	16.1	48.4
The efficiency of the use of resources	2.96	25.0	12.5	16.7	33.3	12.5	37.5

Since the thirteen factors of Table 2 seem to relate each other more or less, Pearson correlation coefficient (Pcc) was used. Results at a significance level of 0.01 indicate that the most important factors that appear to impact positively each other are the following:

- Unemployment reduction impacts positively the intention especially of young people to stay at the area of (Pcc = 0.647) while it impacts positively the protection of the natural and cultural environment (Pcc = 0.567).
- The creation of niche markets for innovative products that may be developed by social enterprises are strong reasons to keep young people at Pyli area (Pcc = 0.540), support the local identity (Pcc = 0.634), the development of co-operative culture (Pcc = 0.63) and of course enhance the easier access to markets (Pcc = 0.689).
- Social innovation is a crucial precondition for the creation of niche markets for them (Pcc = 0.678), as well as it may constitute a significant reason to develop a culture of collaboration (Pcc = 0.712). Of course it facilitates access to markets for both local products and services (Pcc = 0.787).
- Consequently, the more competitive the products and services of the area (Pcc = 0.630), the easier creation of niche markets for them since they can penetrate markets much easier (Pcc = 0.712). This supports further the reduction of the deficit of social acceptance regarding entrepreneurial activities (Pcc = 0.571).
- The development of collaborative culture appears that affects positively the remove of socio-economic exclusion of the area (Pcc = 0.734), while enhancing the social innovation potential (Pcc = 0.712). This, in turn, facilitates market access (Pcc = 0.787), as well as the much more efficient use of the local resources (Pcc = 0.773).

DISCUSSION - CONCLUSIONS

The concept of the research proposal is based on the systematic development of the Social Economy sector, focusing on differentiations among urban and rural areas of Greece. As a major finding in both areas, the research has highlighted the fact that, Social Economy sector can provide important solutions for creating job opportunities and could constitute an alternative dealing with the severe economic crisis in the country. Furthermore, social economy could promote social cohesion, which is threatened due to the adverse economic environment, by contributing to the preservation of the natural environment and the cultural heritage, especially in rural areas. The successful development of the Social Economy requires an approach that relies primarily on the local social dynamics and supporting policies and mechanisms which will play the central role for the manifestation of this dynamic. Social Economy can play an important role in the development of social innovation in many policy areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity, new job creation, enhancement of social cohesion, active participation and empowerment of local communities. This is crucial, especially for rural areas, where a significant lack of knowledge spillover effects are observed, leading to an unfavorable environment for innovative business activity.

According to the findings, social entrepreneurship seems to be rather unknown to most Greeks while its nature and benefits are quite ambiguous. However, when explained, it seems to attract interest mainly among women in rural areas and among the better educated in urban ones. People perceive social enterprises as a solution especially for young and unemployed while it appears that all types of proposed activities are thought to provide chances for social enterprises. It is interesting that the quite sensitive sector of health services is considered to be the more important reflecting the inadequate existing system especially for vulnerable groups within the severe crisis framework in rural areas. In urban areas the inclusion of social vulnerable groups and education issues play more important role in developing social enterprises. These differences also show the differentiation of needs among urban and rural population in Greece. . This form of entrepreneurship could deal with the production of goods and services in sectors such as: culture, environment, ecology, education, public utility, local products, preservation of traditional activities and professions.

Another issue highlighted by the present research is that in both urban and rural areas, the successful development of the Social Economy requires an approach that relies primarily on the local social dynamics and the manifestation of this dynamic. Social Economy can play an important role in the development of social innovation in many policy areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity, new job creation,

enhancement of social cohesion, active participation and empowerment of local communities. Particular emphasis should be given on young unemployed people.

- The combined research on social entrepreneurship, in both urban and rural areas in Greece, offers some insights regarding the policies and initiatives that could be developed in the country, for promoting and supporting social economy. Among others we could distinguish:
- The promotion and strengthen of networks and partnerships among population, enterprises, research organizations etc. The participating regional public and national and international research organizations could facilitate transfer of knowledge and experience as well as capacity building for key mountain entrepreneurship institutions.
- Creation and strengthen of value chains to benefit mountain communities, for example through branding of specific goods and services.
- Strengthen the information and knowledge base on sustainable mountain development and make it accessible to all concerned.
- Encouraging the private sector through appropriate policy and regulatory support so that the market can become an option for financing social sector, providing adequate financing targeted to the specific regions and social groups.
- Investing in rural regions to unlock their potential in a green economy and sustainable development, e.g., for energy, high-quality agricultural products, nature-based and organic products, culture, tourism etc. generating long-term benefits and high welfare gains regionally and nationally; they can be an important source of revenue for the local communities helping towards their social incorporation and treatment of unemployment.
- Strengthen national and international support for R&D activities on relevant issues.

The main contribution of the study seems to be its indication that there is a significant difference or rural and urban entrepreneurship even at local level. Findings actually support the assumption that different entrepreneurship support policies should be prepared for different regions at local, regional, national and European level in order to address successfully the distinctive culture and environment of the communities involved. A multidisciplinary approach is recommended, with emphasis on the target group needs, the adoption of best practices and knowledge that have been developed internationally and finally, the adjustment of related policies to the specificities of the populations and of the related economic activities. Another distinguished field promoted by the research is the need for more extensive and better research in this field in Greece, having as a starting point the systematic collection of data. A better building capacity for social economy organizations could derive by improving related research studies (EU 2013). Similar research through the mapping activities of entrepreneurial, social and other productive dynamics of urban and rural areas, the specialized Innovation, Entrepreneurship and Digital Ecosystems

market research and the activities of networking, measuring social capital and monitoring of Social Entrepreneurship, could be launched, in order to set the directions for similar research studies and to create a framework for the development and promotion of Social Entrepreneurship in several social groups and areas.

IMPLICATIONS - LIMITATIONS

The research contributes to further definition of the factors that influence social entrepreneurship in urban and rural areas of Greece, so that a holistic view regarding entrepreneurial processes will be adopted, by seeking a more realistic approach and consolidation of business processes in these areas. The theoretical frameworks that have been analyzed emphasize the need to take seriously into account the environment in which the entrepreneurial process is implemented, as well as the mechanisms by which the entrepreneurs interact with the wider environment.

The results of the research bear certain limitations. Firstly, the size of the sample and was the lack of sample diversity are significant drawbacks; the field study was limited to only two geographically bounded sample in urban and rural areas, limiting the generalizability of the findings. However, this choice enabled the control for potential confounds due to cross-region differences, increased the internal validity and provided the main contribution of the study highlighting the significance of bottom-up approach of every single area of interest when regarding social entrepreneurship and policy making.

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RURAL ENTREPRENEURS IN MOUNTAIN AREAS: THE CASE OF PYLI IN GREECE

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ABSTRACT

In Greece the majority of rural holdings are located in mountainous and rather problematic areas. According to literature, the study on the entrepreneur in the economic sense and, especially, the sub-issue of rural entrepreneurship are subjects of significant theoretical production and empirical analysis.

The present field research focuses upon the individual rural entrepreneur of the mountainous Pyli area, in Greece including one third of the existing enterprises of the area and thus providing an adequate sample for its purposes. The data of the study was captured using structured questionnaires and analyzed via the statistical package SPSSWIN ver 20.0.

Rural entrepreneurs are locals that run mainly family business. However, they lack relevant entrepreneurial knowledge and culture; they own underdeveloped entrepreneurial skills, are introvert and seem to depend on subsidies. They are not willing to innovate but they are hard workers who focus on the everyday living. On the other hand, a small but critical percentage of the respondents appear to be very active and invest in differentiation in an effort to resist the long-lasting socioeconomic crisis in Greece. These constitute the dynamic part of rural entrepreneurs of the area extracting real value from their mountainous environment against business owners who merely subsist. However, they still act in a rather closed entrepreneurial eco-system characterized by a myopic approach of the entrepreneurship issue in total.

Findings confirm existing literature and contribute to efforts for the development of policies to regenerate rural areas in Greece which is still in the severe fiscal crisis. They further add to the empirical evidence on the traits of rural entrepreneurs and their clear distinction from business owners.

Keywords: *rural entrepreneur, rural regions, mountainous areas, rural entrepreneurship, AITHIKOS project*

INTRODUCTION

Research on entrepreneurship in rural areas remains relatively sparse especially within a crisis framework which produces further constraints in rural regions. Relevant literature is so far replicate of directions, policies and views while a recent but emergent stream focuses on the actual actor of rural entrepreneurship; i.e. the rural entrepreneur (Stathopoulou et al.,2004; Mitchell, 1998). For example, Lockie and Kitto (2000) explore the personality of those able to promote their business objectives and achieve the best results in rural areas; the authors conclude that rural entrepreneurs delve into the strategies or practices they use, the technologies they adopt and the forms of institutions they develop. In spite the recent efforts, there are admittedly significant knowledge gaps regarding the reality of rural entrepreneurship addressing agricultural and non-agricultural entrepreneurs and particularly the ones in the less favored mountain areas.

Using a field study approach and encompassing a complex set of traits and individual issues, the present paper purports to add to the knowledge on the driving force of the rural economy; i.e. the actual entrepreneur. Specifically, the research maps the characteristics and traits of rural entrepreneurs in the mountainous area of Pyli in Central Greece. Findings confirm existing literature and add to the empirical evidence on the traits of rural entrepreneurs and their clear distinction from business owners. Therefore, it contributes to the better understanding of who the real rural entrepreneur in mountainous areas is and what the identical type should be. EU political practice should pay more attention to the suggestions of this, as well as similar empirical efforts, in order to decode the real needs and address critical issues such as the multi functionality of the agriculture-bases entrepreneurship or the variety of the non-agricultural business. Policies should be further specified at national and even regional level.

The following section of this work contextualizes the study in the literature. Section 3 introduces the reader to the methodological considerations and presents the area of investigation. The empirical part constitutes actually a mapping exercise placing the rural entrepreneurs of the specific Greek mountainous area (Pyli, Region of Thessaly) under the microscope within the current and long-lasting crisis framework. Statistical data will be discussed in order to produce useful insights and observations about the future of rural entrepreneurs and ways of advancing their entrepreneurial behavior, culture and identity. The concluding section includes future research, limitations and some policy recommendations.

LITERATURE REVIEW

The Rural Entrepreneur

Rural entrepreneurship constitutes a subset of the entrepreneurship literature and an emerging area of research (McElwee and Smith, 2014). According to an epitome of relevant literature, population density in combination with percentage of people in rural communities and in contrast to the size of urban centers may define the “rurality” of an area (OECD, 2005; Skuras, 1998). Furthermore, rurality, as defined by Stathopoulou et al (2004), reflects a “territorially specific entrepreneurial milieu with distinct physical, social and economic characteristics in which location, natural resources, the landscape, social capital, rural governance, business and social networks exert dynamic and complex influences on entrepreneurial activity”. Besides its name as “rural entrepreneurship” the field covers “a myriad of other activities (namely industrial activities)”, according to Miljkovic et al. (2010). In essence, rural entrepreneurship is keen to offer added value to rural resources rendering in this process rural-based human resources (North & Smallbone 2000).

In the same vein, it is quite problematic to define rural enterprises too. In general and according to the relevant definition of McElwee and Smith (2014), rural enterprises are located in rural settings, employ local people and generate income flows to the local environments. Business in rural areas are usually small ones with a more personal image; they are mainly one-person or micro-firms and although called “rural” they actually cover a large variety of farm, re-creation and non-farm activities (Whitener, and McGranhan, 2003).

However, even in such cases, profitable entrepreneurial choices are strongly related to social capital and more precisely the rural entrepreneur (e.g. Agarwal et al., 2004). In spite the quite vast literature on traits and characteristics of entrepreneurs in general, rural entrepreneurs’ profile remains a highly under-researched research topic. Hoy (1983) delineated their profile as “. . . independent, risk-taking, achievement-oriented, self-confident, optimistic, hardworking and innovative”. Stathopoulou et al (2004) note that rural entrepreneurs choose to derive personal satisfaction from business, while, according to Mitchell (1998), they can “trade” the countryside as 'culture' either by idealizing the rural lifestyle as a promotion strategy or by re-creating landscapes of preindustrial form, and reproducing pre-industrial goods, services and leisure activities as a diversification strategy. On the other hand, Smith (2008) suggests that they adopt slow paces of life and run relatively stable business. McElwee and Smith (2014) highlight the need of further research on the background of the rural entrepreneur and whether growing up in a rural area influences the entrepreneurial characteristics. Another stream of literature draws attention on the capabilities issue (Winter, 2003; Teece, 2007). Rural entrepreneurs seem to be unable to cultivate entrepreneurial capabilities or absorptive capability or even a

strategically based mindset in order to address the environmental dynamism and achieve business growth.

In general, rural entrepreneurs have been studied in regard of distinct but in many ways interrelated topics: a) the research on 'entrepreneurs' demographic traits' includes aspects such as age, gender or origin of the entrepreneur (Pato and Teixeira, 2014); b) research on the 'entrepreneurial psychological traits' regards mainly motivation and lately lifestyle (e.g. Hollick & Braun, 2005), tendency for innovation and marketing (Polo-Peña et al., 2012). A recent stream has also focused on the role and importance of embeddedness as the identification of the relation of rural entrepreneurs with their location, the networks they develop and the collaborations they build (e.g. Kalantaridis and Bika, 2006; Gerasymchuk, 2009).

Regarding the human aspect and thus the entrepreneurs' issue, in-migrants have also received considerable research attention. Several recent studies have highlighted and attempted to understand their skills, expertise, resources and network relationships that they bring. A number of studies have focused even in differences and similarities between them and locally-born individuals (Kalantaridis, 2010).

In addition, the exceptional characteristics of rural areas and more precisely of mountainous areas appear to set a quite different background than the usual one where usually the entrepreneurship issue is examined. Rural economy is constantly changing and is vulnerable to global changes. The ageing population is not normally replaced while outcomes of relevant policies do not seem to pay back (McElwee and Smith (2014). The authors argue that due to the lack of specific entrepreneurial culture and the existence of strong introversion, rural entrepreneurs do not trust advisors for financing or strategy or other issues. On the other hand, family is central to the rural business; support is sought in family, or business is "inherited" by family members.

Rural entrepreneurship especially in mountainous areas is quite under researched but it has started attracting the interest of researchers (e.g. Moreira et al., 2000; Meccheri and Pelloni, 2006) mainly after 2000. Furthermore, sustainable mountain development has remained marginal in the international development agenda and in national and sectoral policies (e.g. Jodha, 2008). Mountain communities and their environments are still vulnerable to growing demand for natural resources, expanding tourism and the pressures of industry, mining, and agriculture.

Mountainous Greece

In general, rural regions represent more than half (57%) of the European territory and 24% of its population (EC, 2012). Especially mountain regions are dominated by the agricultural sector, present a rather poor socioeconomic environment and a rapid decline in employment (López-i-Gelats, Tàbara, and Bartolommé, 2009), while they suffer from distance to markets and services.

Greece is largely mountainous; actually 80% of the country is covered by mountains making the country the third most mountainous country in Europe after Norway and Albania. The main sources of wealth are agriculture and livestock (around 61.7%) as well as tourism especially after 1995. However, the population of these areas suffers of isolation and remoteness, with direct effects on their economic and social development. According to Sergaki and Iliopoulos (2010), the main weaknesses for the development of mountainous areas in Greece are the intrinsic geomorphic conditions; the structural problems of local economy and the institutional and organizational weaknesses, which affect competitiveness of these areas. The mountainous topography and the spatial distribution of natural resources define the structure and location of manufacturing activity (Kiritsis and Tampakis, 2004). The ageing of the primary sector's workforce, the infrastructure deficiencies of the secondary sector, the inadequate use of natural resources, the increase of part time-employment and the decrease in competitiveness of locally produced goods and services, the rural depopulation and the high dependence of rural income on subsidies constitute significant problems of the Greek rural entrepreneurship (e.g. Papadopoulos and Liarikos 2003). For example, extremely high transportation costs enhance isolation and remoteness with negative impact on workforce mobility as well. On the other hand, the same disadvantages, i.e. remoteness and isolation, have favored the preservation of the natural environment, the unique landscapes and basic traditional production methods. In the less developed mountainous areas, cultural traditions can be found, while social trust, solidarity rules, cooperation networks and support mechanisms are absent. Rural entrepreneurs have a quite significant role to play as contributors in new venture creation, as well as catalysts in enhancing prosperity in these areas while preserving the untouched beauty of the environment.

EMPIRICAL PART

The socio-demographics of the Pyli area

The investigated mountainous area is situated in the rural heartlands of the Municipality of Pyli, at Trikala Prefecture in the Region of Thessaly, Central Greece. The area is characterized mountainous or highland (percentage 87.38%); it is comprised by a 9.90% of cultivated land, a 12.55% of grassland and a major 75.95% of woodland. It has a population of approximately 14,000–15,000 (HEL.STAT., 2011) and it has thirty-three distinct rural districts. Besides the natural beauty and attractions of the mountain, a significant number of sparsely monuments of historical, cultural and aesthetic significance enhance the touristic value of the area. At times of prosperity (2000-2008), the increased domestic tourism led to a significant increase of tourist accommodation units supporting the development of other entrepreneurial activities in the area, as well. The area was not considered an economically fragile community before the severe socio-economic crisis; on the contrary it was an

example of a prosperous rural entrepreneurial eco-system based mainly on primary sector, handicraft and tourism. However, the eight years of recession have caused significant negative changes in the area's entrepreneurial life. Today, forest exploitation is limited to the production of forest products, especially timber and forage production, with 24 wood and wood products micro and small firms, 24 furniture manufacturers and one paper pulp- paper and paper-products plant which serve mainly the local and national market. The majority of the rest manufacturing business belongs to the food sector; they are small family enterprises that satisfy the local needs. Tertiary sector still constitutes the 43.8% of the entrepreneurial activity; however, the severe decrease of domestic tourism caused the ceasing of tourism operations.

Methodological approach

The research followed the quantitative research approach under the positivistic research philosophy. Research was conducted in 2015-2016 i.e. the seventh year of the severe socio-economic crisis. The population of the study consisted of around 300 enterprises as registered by the relevant authorities. The sample was chosen to include the primary, secondary and tertiary sectors of the local economy. In order to collect the necessary data, a structured questionnaire was prepared and random sampling was engaged. Likert scale was used for the majority of the questions. The research was conducted by skilled researchers who addressed the entrepreneurs of the firms by personal face-to-face interviews. Although the research targeted at a sample of 100 respondents (1/3 of the total population), the response rate was 87% yielding a quite satisfactory sample. A pilot study confirmed the reliability of the constructs.

The data were recorded, processed and analyzed via the statistical package SPSSWIN ver 20.0 and the appropriate tests for frequency (Frequencies), descriptive statistics (Descriptives) and variable comparison analysis (Crosstabs), were conducted. When correlation tests were required logistic regression was used since the response variables were bivalent categorical. The statistically significant -or non- effect of factors was estimated, based on the p-value (sig.) at 5% significance level and the related odds ratio was estimated, too. The goodness of fit of the models to the questionnaire data was tested by conducting Hosmer-Lemeshow tests. Additionally, the predictive ability of the models was estimated via validation tables (Classification Tables).

For the processing of responses to questions measured in Likert scale, methods of graphical visualization were used, as well as non-parametric tests (e.g. Friedman Test) to evaluate the statistical significance -or non- of the differences presented in the graphs. Non-parametric tests were conducted, due to the normality test resulting in that the data were not normally distributed, an outcome that was expected.

RESULTS - DISCUSSION

Sampled firms represent quite satisfactorily rural entrepreneurship in the selected mountainous region; services appear to be the dominant economic activity area and more specifically tourism (mainly accommodation, restaurants and bars) with a 55,7% and trade with 21,4% while manufacturing companies are really scarce (4,6%). The primary sector covers an 8%, while a 6% falls under the special group called “mixed activity” and regards firms that combine the above sectors (e.g. farming and hospitality). Almost half of the enterprises were established before 1990 and one quarter of them before the new millennium. Most of them are run by the second or third generation.

Mountainous Greece is not famous for its strong enterprise culture - few Greeks purported to know an entrepreneur. While most of them possess entrepreneurial skills and are indeed hard working by nature, they seldom present as stereotypical businessman-entrepreneurs. Especially those working in the primary sector; they work hard in order to produce and sell quality goods but they cannot see the entrepreneurial side of their activities. It is quite interesting the fact that 95% have stated above average satisfaction from the course of their business (Likert scale, 1 to 5) while no-one stated “not satisfactory at all” (Figure 1). Taking into consideration that the year of the field research is the eighth year of the severe crisis in Greece, these answers denote the lack of entrepreneurial attitude and culture, as well as the lack of specific business targets and strategies. This view was further confirmed by the fact that no statistically significant relation was found between the level of satisfaction and the yearly turnovers. It appeared that rural entrepreneurs were very satisfied no matter the turnover level they belonged (even with turnovers less than 100.000€).

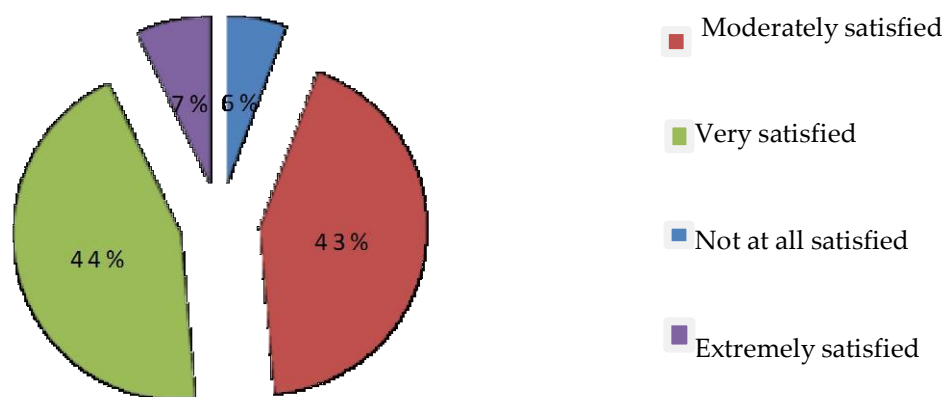


Figure 1: *Level of satisfaction of the business's course*

The majority (70%) of the respondents state that they are not intending to add or diversify products or expand the business in the following three years, indicating a rather passive attitude against the crisis framework that imposes the need of action. It is only an 11% of respondents that indicated their new product / service orientation by marking 4(=strong) and 5(=very strong) in Likert scale. This

result, in combination with the satisfaction levels discussed above, seems to explain the main difference between entrepreneurs and mere business owners; the first group decodes the dynamics of the environmental uncertainty while the second ones are just happy to earn their everyday living and remain static. Going even further, adherence to local conditions and markets (65,7%) and the non-existent exports denotes the intense introversion. On the other hand, those that extend at least at national level appear to seek out opportunities and act in more entrepreneurial ways. It should be mentioned that all of respondents are of a good reputation, known as diligent agents who contribute significantly to the local community; however not all of them are conscious of the entrepreneurial side of work.

However, the large percentage of the passive respondents may also reflect to a certain point, the general defensive behavior against the decline of viability of the mountainous areas in general, the closure of public infrastructure such as local post offices and tax offices due to the crisis as well as the closure of pubs, hotels and shops. Yet, against the threats of the deep recession, 80% record no intention to cease their business supporting further the good image of the sample as hard-workers and people of strong will. Retirement constitutes the most reported reason of ceasing business (n=9) well ahead of the other reasons mentioned; i.e. financing difficulty (n=3), a new job in another place (n=2) and personal reasons (n=2) while all other reasoning was reported by only one respondent each.

Why, then, these individuals run their own business? Besides the 4% of new businesses started by in-migrants, the rest of the sampled firms were well-established ones. According to the results, people were rural entrepreneurs in the area they were born and grown up (85,7%) to continue their family business (30%), increase their income while still living with their family (21,4%) or become independent within the wider family environment (a sum of smaller percentages of different reasoning, Figure 2). The finding confirms relevant literature (e.g. McElwee and Smith, 2014); regarding the lack of conscious development of entrepreneurial culture, the existence of strong introversion, and, eventually, the core role of family. It is worth mentioning that necessity entrepreneurship seems to be non-existent.

The importance of family is also highlighted by the fact that the 95% of the sampled firms are micro-firms occupying only family members. This is in line with relevant literature; e.g. Smalbone (2009) states that rural areas are dominated by micro businesses and they mostly consist of solo owner/managers.

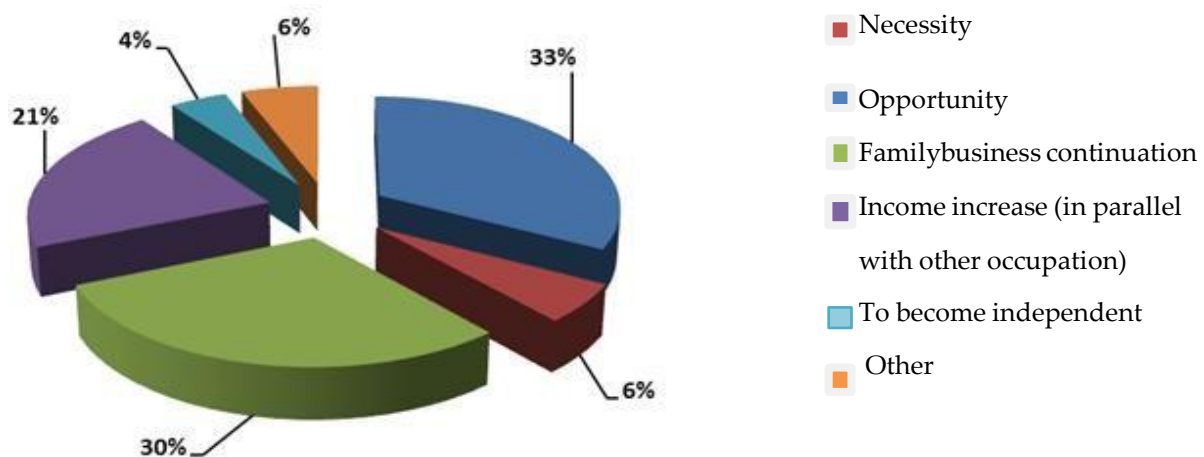


Figure 2: *Reasons for entrepreneurial activity*

Within this framework, it is worth noting the lack of knowledge regarding entrepreneurship and entrepreneurial skills. A significant percentage of 58.6% stated that they have received no education or any kind of training regarding their business or any type of managerial and entrepreneurial knowledge. According to the results, lack of proper education is mainly due to the non-existent relevant infrastructures in mountainous areas. Under this general umbrella, the need for entrepreneurial knowledge as well as more special knowledge issues (e.g. hospitality) has been mentioned. However, it is important that the respondents could locate the relevant weakness. This denotes that the questioned entrepreneurs are not the “narrow-minded” rural agents described in several papers and have definitely leaved behind the rural “comfort zone” (Smith, 2008). They appear to have recognized the local socio-economic dynamics and the deep recession has surely played its role in overcoming them. Cooperation with knowledge agents and access to information and advice have been recognized as critical ways to enhance the local ability to enlarge business activities. This is in line with relevant findings in other countries as well; for example, North and Smallbone (2006) suggested the creation of an appropriate entrepreneurial education infrastructure in rural regions of Portugal. Therefore, investment in building the necessary entrepreneurial culture appears to be in top priorities of the local business population of the mountainous Pyli area; the development of entrepreneurial skills and capabilities was among the higher rated proposals for the improvement of the community’s wellbeing (rated second after the taxation reduction proposal).

A significant finding regards the tendency for innovation. The majority of the respondents (88%) consider innovation and marketing as vital for the creation and sustenance of strong competitive advantages and a means to reach foreign markets. The respondents consider the use of ICT as well as the development of differentiated products and services as their most powerful innovative efforts so far. However, they appear to hand on the state support since the last decades subsidies (mainly programs such as Leader and Leader+) have been the main financing sources for rural mountainous

investments. Some of them take advantage of the exceptional countryside and the combination of cultural-religious-social environment of the mountainous area and create innovative activities overcoming the disadvantages of location. Then the mountainous lifestyle becomes “an experience” translated into leisure activities for all seasons for those involved in tourism or it becomes the background for the reproduction of pre-industrial goods and services promoting retro-innovation as the core diversification strategy. Furthermore, the majority of the respondents think positively on greening their current enterprises in order to enhance growth and competitiveness. Actually, more than the half of them believe that they own green business although it was quite obvious that they were not well acquainted with the concept.

According to the field research findings, a small but critical percentage of the respondents appear to constitute the dynamic part of rural entrepreneurs of the area extracting real value from their mountainous environment against the percentage of business owners who merely subsist. However, they still act in a rather closed entrepreneurial eco-system characterized by small-scale nature of most business, a high degree of locality, interconnectedness of personal, business and social life and a myopic approach of the entrepreneurship issue in total.

CONCLUSIONS

This research has been conducted within the framework of rurality, as defined by Stathopoulou et al (2004), i.e. “a territorially specific entrepreneurial milieu with distinct physical, social and economic characteristics in which location, natural resources, the landscape, social capital, rural governance, business and social networks exert dynamic and complex influences on entrepreneurial activity”. The study purported to contribute to the understanding of the actual profile of active entrepreneurs in rural and more precisely in mountainous areas which are far more disadvantaged than the rest, for a series of reasons such as accessibility, whether conditions, cultivation opportunities and so on. A deeper knowledge of necessary traits, behaviors and skills fostering or inhibiting rural entrepreneurship will bridge the existing research gap and will certainly assist the design and implementation of future development policies.

It appears that in mountainous Greece there is no cultural affinity to the entrepreneurial ideal. Local people invest on the business they found by their families such as livestock and farming or they exploit EU initiatives and subsidies to expand their residences to agro-tourism lodgings. Businesses are in their majority family affairs that grow and mature together with the owners and cease working when the owners are too old and have no descendant to take over.

According to the results, all rural entrepreneurs are hardworking actors. It is actually the entrepreneurial spirit that is missing and most of them are actually passive business owners that

genuine active entrepreneurs. Therefore, it appears that the most important challenge to tackle is the creation of distinctive entrepreneurial identity. Practicing and perpetuating entrepreneurship in this context requires the initiation of new behaviors, values and practices. This can be done by building “entrepreneurial capacity” (North and Smallbone, 2006); i.e. by training people on entrepreneurial skills and attitudes, offer well-organized knowledge on entrepreneurship and relevant capabilities as well as create links and easy access to knowledge providers. On the other hand, the organization of a rural enterprise incubation park, the upgrade and further support of the necessary infrastructure and the creation and sustenance of a relevant business association could create the necessary dynamism for the local rural entrepreneurs to transcend local borders and export or attract the interest of other countries’ consumers as well.

In a more general approach, the study contributes to entrepreneurship theory by examining rural entrepreneurs within their mountainous entrepreneurial eco-system in which they put effort in creating and extracting value from an environment in perpetuity. Consequently, a main contribution of the study seems to be its indication that there is a significant difference or rural entrepreneurship even at local level which is highly influenced by specific individual characteristics instead of only the territorial ones suggested by Stathopoulou et al (2004).

According to the findings, economic development seems to reside essentially in the actions of this particular type of genuine economic agents. This can form a critical mass to lay the foundations for novel types of entrepreneurship such like innovation-based, network-based or social entrepreneurship. Here comes also the role of the State and the EU; the transformation of business ownership to actual entrepreneurship requires the implementation of actual, precise, integrated and competent policies.

Admittedly, the results are tentative since the research bears certain limitations. In the first place, a significant drawback was the lack of sample diversity since the analysis was limited to only one geographically bounded sample limiting the generalizability of the findings. However, this choice enabled the control for potential confounds due to cross-region differences, increased the internal validity and provided the main contribution of the study highlighting the significance of bottom-up approach of every single area of interest when regarding rural entrepreneurship and policy making.

Furthermore, surveyed businesses have survived the long severe socio-economic Greek crisis; this might cause survival bias while the absence of a longitudinal analysis derives our research by a more evolutionary perspective and relevant useful insights. In addition, it appears that the questionnaire did not address the critical issues of embeddedness, networks and collaborations which have been addresses as significant components in the relevant literature. Furthermore, this research could not

assess the role of immigrants in local rural entrepreneurship since it appeared that the eligible percentage in the sample could not allow for useful insight.

Consequently, further research could attempt to replicate similar analyses in different geographic, sectoral and territorial contexts, enrich the content of the questionnaire and explore reasons of failure. Researchers are also encouraged to explore the issue at case study level and from a longitudinal/historical perspective.

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Proceedings

Constraints and Facilitators of Social Entrepreneurship Development in Mountainous Areas: The Case of Pyli in Greece

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Abstract

Social entrepreneurship (SE) has been lately established as a potential strategy for the development of disadvantaged areas. However, in spite the fact that SE seems to be well suited to the crisis framework -especially the one in Greece nowadays- it is highly questionable if and how it can be implemented in rural mountainous areas where there is usually a low level of awareness and a number of weaknesses due to remoteness from the central governmental authorities. The present research purports to explore certain macro-level and contextual factors that stimulate or impede social entrepreneurship development and sustenance in the Municipality of Pyli, a mountainous area in Central Greece. It builds on a well-structured questionnaire using 1-5 Likert scale for the majority of the questions. The data were recorded, processed and analyzed via the statistical package SPSSWIN version 20.0 and the appropriate tests needed. Such areas are quite common in Europe and constitute the most vulnerable entrepreneurial environments especially in times of recession. Results confirm the view that average people are not aware of the benefits of social entrepreneurship and indicate that women are more likely to be attracted. The role of local and central governmental authorities seems to be of core importance while education and training appears to be needed in order to stimulate and sustain SE. The study contributes mainly empirically to SE literature while it may add to the relevant theory regarding facilitators and constraints within the environmental context.

Keywords: Social Entrepreneurship, Social Entrepreneur, Mountainous rural areas, constraints, facilitators, environmental context, AITHIKOS project, Greece

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Social Entrepreneurship in Selected Areas: The “AITHIKOS” Project in Greece

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Abstract

Social Economy can play an important role in the development of social innovation in many policy areas, such as addressing the unemployment and the environmental protection, while it can combine profitability through solidarity and new job creation. In mountainous areas, the need for economic differentiation and integrated development is even more intense since the topography, the remoteness of these areas, the environmental constraints and the social and economic structure of the population, reduce the number of job opportunities. Main related policies focus to the promotion of the local and common interest, creation of new jobs, the enhancement of social cohesion and local and regional development by showing a particular emphasis on young unemployed people of mountainous areas. The paper presents a proposed supporting mechanism, under the name “AITHIKOS” for social entrepreneurship in mountainous areas of Greece. The mechanism takes into account all these characteristics and needs of mountainous areas, as well as their combination through the need for taking initiatives to exploit the opportunities that exist, for creating new forms of entrepreneurial activity and occupation positions, along with targeted entrepreneurial support from Universities and local authorities. It is a unique research effort and policy proposal in Greece. During the last years, the factors that enhance or weaken entrepreneurship in rural areas have been

analysed very carefully (Jack and Anderson, 2002) but the scientific research on rural entrepreneurship is considered to be relatively poor. Therefore, a

deeper" knowledge of the procedures that either promote or hinder the entrepreneurship will bridge this research gap. The present case, deals with a targeted initiative which contribute to the establishment of a mechanism for the provision of «combinatorial support» of Social Entrepreneurship and Economy in mountainous areas, which includes both general business support and specialized support by the involved Universities /Research Institutes and Local Authorities, for the fulfilment of the needs of local people and of the target group. Furthermore, ensures the participatory of all local stakeholders and resources and the interdisciplinary and transnational approach of Social Economy. The methodology of the research proposal takes under consideration similar international research projects" by using methodological tools-approaches and innovative methodologies. The aim of such a policy proposal is binary regarding the undertaking of immediate initiatives, in confronting unemployment and isolation phenomena for the mountainous people and in developing an entrepreneurial culture based to social economy in the specific areas, by activating entrepreneurial and other types of dynamics in the area, under the context of a pilot planning of Social Entrepreneurship. Furthermore, a basic result of the specific initiative is the cultivation of the social entrepreneurial culture and the acquisition of knowledge and skills of the target group and the participants in general, which will contribute towards an upwards social mobility. The policy proposal lies in the fact that through the mechanism that will be developed, a multidisciplinary approach will be recommended, with emphasis on the target group needs, the adoption of best practices and knowledge that have been developed in Greece and internationally and finally, the adjustment of the mechanism to the specificities of the mountainous populations and of the related economic activities, by proposing an integrated support mechanism of Social Entrepreneurship for mountainous areas and local communities, contributing to positive social mobility. Another distinguished field of policy promoted by the mechanism, is the setting the framework of the requirements for more extensive and better research in this field in Greece, having as a starting point the systematic collection of data.

Keywords: social entrepreneurship, social economy, mountainous areas, rural entrepreneurship, mechanism for social economy, aithikos

Acknowledgments: *The research leading to these results has received funding from the [EEA] Mechanism 2009-2014 under Project Contract n° 3580 - «AITHIKOS - Establishment of a Supporting Mechanism for the Development and Promotion of Social Entrepreneurship for Populations of Mountainous Areas».*

Π.Ε. 6: Τίτλος: «Δημοσιότητα»



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