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## COMPARATIVE ANALYSIS REGARDING THE LEVEL OF DEVELOPMENT AND SPATIAL DISTRIBUTION OF COLLECTIVE ORGANIZATIONS IN ROMANIA

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**Abstract:** *The aim of this article is to provide structured information on the level of development and spatial distribution of collective organizations in Romania. Collective organizations are analyzed based on social economy theory. Building on the empirical research, the article identifies and highlights some regional disparities in the development of social economy entities. The comparative analysis regarding the level of development and spatial distribution of collective organisations in Romania draws on the secondary fiscal data analysis. The analysis of the regional profiles of Romanian social economy entities reveals that their socioeconomic power is bigger in the developed regions of the country.*

**Keywords:** *Collective organizations, social economy, cooperatives, mutual aid associations, non-profit organizations*

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Collective organisations are characterised by members who share and work towards a common goal/interest, jointly owned assets and participative decision-making. Non-profit organisations (including commons, agricultural associations, mutual aid associations) and cooperatives also fall in the category of collective organisations. This paper tackles collective organisations based on the social economy theory which focuses on the organisations set up by a group of individuals through a participatory process to pursue business activities for the good of citizens, not for profit. The scope of social economy covers collective organisations which aim for both social and economic goals.

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Social economy is a key public policy area in which active social inclusion measures have been formulated in Romania over the past years. As a welfare provider, social economy makes a connection between service delivery and self-reliance and builds individual and community capacities and social integration for it is not a passive provider, but it makes interventions conditional on the individual's active participation in welfare achievement (Amin, 2009). Nevertheless, social inclusion is just a piece of the greater social economy puzzle that includes non-profit organisations and cooperatives which pursue both economic and social goals, are set up and governed by their members in a participatory manner and don't share profits based on economic criteria. The numerous social economy analyses conducted in Romania (Achimescu et al., 2011; Cace and Stănescu, 2011; Stănescu et al., 2011; Cace et al., 2010; Cotoi and Mateescu, 2013; Lambriu, 2013; Lambriu (b), 2013; Constantinescu, 2013; Cozarescu, 2012; Ilie, 2013; Neagu et al., 2011; Nicolaescu, 2013; Nicolaescu and Nicolaescu, 2012; Nicolaescu, Cace and Cace, 2012; Popescu, 2011; Stănilă et al., 2011; Petrescu, 2013; Petrescu (b), 2013; Petrescu (c), 2013; Stănescu, 2011; Stănilă, 2013; Stănilă et al., 2011) have also explored other relevant areas of intervention such as local development, employment, types of social economy entities, or even corporate social responsibility. Social economy is enhanced by the economic, social and institutional contexts in which it operates and state support is crucial for its development. In order to further any line of action, the areas of intervention or the characteristics of various entities need to be explored alongside their spatial distribution and level of development across development regions so as to devise interventions that are adapted to different local needs. Regional disparities related to the development of social economy may indicate the need for "customised" interventions in the eight development regions of Romania. This article seeks to analyse the development of social economy entities in Romania based on their regional distribution. For each of the eight development regions, data has been examined with respect to the number of employees, revenues and the number of entities pertaining to the three major social economy players – cooperatives, mutual aid associations, and non-governmental organisations – for the period 2000-2010. The progress made against these indicators over the said period allows for the design of intervention models adapted to local needs and favourable to the development of these entities.

## **Collective action and social economy**

As action is required to identify a "third path" that responds to the different needs resulted from the failure of the centrally planned (state-controlled) economy and also of the capitalist one, academic and political communities have started to give more thought to social economy. The concept refers to economic activities carried out by organisations to cover social needs, not for profit maximization, and it is considered a marginal component of the economy (Amin, 2009) that can boost the economic potential of various social initiatives (Nicholls, 2006). According to the three economic systems developed by Pearce (2003), social economy fits into the third one which is marked by social and mutual aid goals. This economic system includes social enterprises (cooperatives, mutuals, social businesses, community businesses, and fair trading companies), voluntary organisations, and family businesses. Thus, social economy

comprises a wide range of organisations lying on the borderline with the private sector (cooperatives or social businesses), the charity sector (NGOs with economic activities) or the public one (community businesses).

Social economy provides the framework for the analysis of organisations with features that are specific to an original form of entrepreneurship: the pursuit of both social and economic goals and the prevalence of the former, member participation in the governance process, limited profit-sharing based on participation in activities and not on the capital injected, independence from other public or private institutions (Bidet, 2010, Defouny and Nissens, 2012, Anheier and Salamon, 2006). To these characteristics add cooperation between members as the share capital is crucial for organisational development, and subsidiarity, meaning that decisions are made at the bottom in order to take into account members' needs and interests (Pearce, 2009).

As per their definition, social economy organisations are cooperatives, mutual societies, and associations/foundations (NGOs). Whether these organisations fit into the social economy category is highly debated since the non-profit nature (cooperatives) or democratic governance (foundations) is sometimes missing, but each one of them manages to gain these characteristics to a greater or smaller extent (Bidet, 2010; Pearce, 2009; Borzaga and Spear, 2004).

Non-profit organisations (NGOs) are characterised by institutionalised activities (legal recognition), independence from the government, non-distribution of profit to members or directors, autonomous governance and volunteering (voluntary participation of members in the establishment process, as well as in activity implementation and management) (Anheier and Salamon, 2006; Ishkanian, 2010; Anheier, 2005). These organisations are defined from a legal perspective (institutionalised entities different from informal groups), an economic perspective (non-distribution of profit) and a functional perspective (the functions performed by these organisations). According to the economic theory, the main characteristic of these organisations is the constraint of not distributing the profit/surplus to members, directors, etc. since this may be exclusively used for running the activities (Hansmann, 1980). Also, great importance is attached to the structure of revenues in these organisations, namely from donations and/or service delivery. As for the functions performed by these organisations, they seek to meet the "public interest" for the smooth functioning of society. Thus, the main functions are: democracy facilitation through civic and political involvement, provision of different services (education, healthcare, social services, culture, sports), expression of values and beliefs, and social entrepreneurship (the innovative means to actively respond to various social needs) (Frumkin, 2002). The non-profit category includes associations and foundations. In Romania, associations as a legal form of incorporation also comprise commons and employees' and pensioners' mutual aid associations.

Cooperatives are voluntarily set up to meet the economic interests of their members and are marked by democratic member control based on the "one person-one vote" principle, limited profit-sharing and risk distribution among the members who are also "the owners" (Anheier, 2005, Altman, 2010, Hansmann, 2014, Petrescu, 2013). These organisations are collectively owned by their members who may be workers (worker

cooperatives), customers (consumer cooperatives, credit cooperatives, housing cooperatives), or producers (agricultural cooperatives or producer cooperatives). The most widespread forms of cooperatives in Romania are worker cooperatives, followed by consumer, credit and agricultural cooperatives.

Mutuals are voluntarily established organisations intended to cover collective insurance-based economic interests (Anheier, 2005, Archambault, 2010, Lambru, 2013). Hence, sickness, death, or financial exclusion risks are shared by the members through their contribution to a joint fund. Mutuals are classified into mutual insurance companies (life and property insurance) and mutual benefit societies (protecting their members from social risks – financial exclusion, sickness, etc.) (Archambault, 2010, Lambru, 2013). The mutuals operating in Romania are employees' and pensioners' mutual aid associations, which fall in the category of mutual benefit societies.

All social economy organisations are voluntarily set up to cover the collective interests of their members. Members are the “joint owners” of these organisations which help them meet their different needs and trust is one of the core values they share (Anheier, 2005, Hansmann, 1980, Ostrom and Ahn, 2009).

## Methodology

The comparative analysis regarding the level of development and spatial distribution of collective organisations in Romania draws on the secondary fiscal data analysis. Exploratory research was conducted on Romanian social economy entities to set the profile and dynamics of these types of organisations – non-profit organisations, cooperatives, and mutual aid associations. To this end, these entities were subject to a secondary analysis of relevant fiscal data using the REGIS database of the National Institute of Statistics (NIS). REGIS is the NIS database which comprises fiscal information about all types of organisations in Romania and includes indicators related to revenues (types of revenues), expenditure (types of expenditure), employees, and geographical distribution. Data analysis covered the years 2000, 2005, 2009 and 2010 and examined the evolution of these entities in each development region. Data is presented cumulatively for each of the three types of entities – cooperatives, mutual aid associations, and non-governmental organisations – while also looking at their sub-types (worker cooperatives, consumer cooperatives, employees' mutual aid associations, and pensioners' mutual aid associations).

## Social economy entities in Romania – evolution and dynamics, 2000-2010

Drawing a complete picture of social economy in Romania requires looking at the developments and dynamics of this field, first at national level and then at regional level. The analysis of relevant developments and dynamics took into account indicators like the number of entities, revenues, and employees. Revenues and profit/surplus are significant indicators for the economic dimension of an organisation, whereas the number of employees is a major indicator for the social dimension.

The analysis of the balance sheet data corresponding to the activities carried out in 2010 by Romanian social economy entities points to a number of 29,226 entities, with non-governmental organisations holding the biggest share (26,332) (these also include agricultural associations and commons), followed by cooperatives (2,017), and mutual aid associations (887). These entities count 116,379 employees, with more than half working for non-governmental organisations (Table 1). From a social economy perspective, NGOs engaged in economic activities are extremely important since they pursue economic goals alongside social ones and they account for approximately 10% of all NGOs in Romania. The analysis of the other economic indicators for NGOs with economic activities shows that they employ 38% of NGO staff in Romania, they earn 39% of total NGO revenues and 31% of NGO surplus.

**Table 1.** Social economy actors in Romania – number, profit/surplus, revenues, employees in 2010

2010	No of active organisations	Assets (EUR)	Revenues (EUR)	Profit/surplu s (EUR)	Employees
<b>NGOs</b>	26,322	1,288,910,314	1,261,105,288	186,877,976	60,947
NGOs with economic activities	2,730	605,167,631	493,998,528	58,388,661	22,860
<b>Mutual aid associations</b>	887	285,205,941	33,376,955	6,927,047	17,268
Employees' mutual aid associations	684	135,391,923	15,249,338	3,755,874	15,962
Pensioners' mutual aid associations	203	149,814,018	18,127,616	3,171,173	1,306
<b>Cooperatives</b>	2,017	216,668,249	360,152,899	9,559,347	38,164
Worker cooperatives	857	131,583,002	166,660,447	6,553,880	25,109
Consumer cooperatives	958	44,267,516	125,564,271	1,346,501	7,485
Credit cooperatives	75	25,716,271	41,137,487	1,261,032	2,003
Agricultural cooperatives	127	15,101,460	26,790,693	397,934	3,567
<b>Total</b>	29,226	1,790,784,504	1,654,635,142	203,364,370	116,379

Source: NIS, REGIS database, 2012

Looking at the 2010 total number of employees in Romania, social economy entities employed 2.54% of the salaried workforce nationwide, a significant share if we think of the very few measures taken by public authorities to support this sector. The average number of employees in these entities varies from 29 employees in worker cooperatives to 2.3 employees in NGOs. Given the average number of employees, which indicates

that these entities conduct small- to medium-scale activities, we can say that earned revenues are significant especially that in 2010, a year of economic crisis, over 55% of cooperatives, more than 60% of mutual aid associations and over 46% of NGOs reported profit at year-end. This also demonstrates that these entities hold a great capacity to adapt to economic crisis challenges.

The past ten years' dynamics show a huge increase in the number of active non-governmental organisations and mutual aid associations. The number of non-governmental organisations increased from 10,494 entities in 2000 to 26,322 in 2010, and mutual aid associations grew from 380 entities in 2000 to 887 in 2010. Whilst non-governmental organisations showed constant growth, the highest increase in mutual aid associations occurred between 2000 and 2005, namely from 380 to 742 entities. As far as cooperatives are concerned, we could say that their number remained relatively constant in the last ten years. If we were to also analyse changes in the number of employees working with these entities, we would see that it has tripled in non-governmental organisations (from 19,172 in 2000 to 60,947 in 2010), it has increased in mutual aid associations (from 12,320 in 2000 to 17,268 in 2010), and it has dramatically dropped to almost one third in cooperatives.

Data analysis for each type of entity reveals fewer profit-making cooperatives in 2010 compared with 2000, with a constant fall in the past years among worker and consumer cooperatives especially due to business contraction; worker and consumer cooperatives reported a dramatic reduction in the number of employees once again due to business contraction, whilst the drop in the number of credit cooperatives is a result of their association as an effect of BNR (The National Bank of Romania) rules on capital increase. As for employees' mutual aid associations (EMAAs), they have witnessed staff growth despite a reduction in the number of surplus-making EMAAs; pensioners' mutual aid associations (PMAAs) saw their staff headcount fall between 2005 and 2010 as fewer PMAAs made surplus earnings. As for NGOs, agricultural associations have made outstanding progress in the last 10 years as regards both their number and their staff headcount, an increase which is also due to public policies on farming and rural development which foster association; the same increase in the number of entities and employees is also found in commons (which are also NGOs) due to the restitution of property rights to former owners under Law 1/2000.

## **Regional profiles of social economy entities in Romania**

The analysis presented in this article has started from the brief overview of Romania's regional profile in order to see how regional development influences the socioeconomic power of social economy entities. Romania is comprised of eight historical regions, each of them including counties with different levels of socioeconomic development as intraregional disparities are deeper than interregional ones. The analysis first presents indicators like poverty rate, GDP per capita and unemployment rate (Table 2), which show that the most developed regions are Bucharest-Ilfov, the North-West, the West, and the Centre. Social economy entities are unevenly distributed across these regions, with a more significant NGO presence in the developed regions of Romania, whereas cooperatives and mutuals are found in greater numbers in the poorer regions of the

country (North-East and South-East). Although the largest number of cooperatives has been identified in the North-East region (432 entities in 2010), their staff headcount and economic power are rather small, with an average of 10 employees/entity and average revenues of EUR 110,000/entity (Prometheus project data). As for mutuals, most of them operate in the South-East region, where the average staff headcount is one of the lowest (10.8 employees in 2010) and average revenues amount to EUR 26,000/entity. Those with the highest number of employees and greater economic power as reflected by total revenues earned in 2010 are located in two of the developed regions, namely Bucharest-Ilfov and the North-West. The greatest number of NGOs is found in the North-West, the Centre and Bucharest-Ilfov. The average number of NGO employees is 2.3/entity.

**Table 2.** Regional context of Romania, 2010

Region	Poverty rate (%)	GDP (million EUR)	GDP/capita (EUR)	Unemployment rate (%)	NGOs	Cooperatives	Mutuals
North-West	14.6	13324.16	4904.99	5.9	4980	284	119
Centre	19.4	13285.42	5264.79	8	4875	271	89
North-East	29.5	12509.89	3374.11	7.8	2977	432	132
South-East	26.3	12660.56	4511.64	8.1	2046	267	150
South Muntenia	22.2	14857.26	4559.15	8.8	2396	207	121
Bucharest-Ilfov	3.1	29568.36	13064.49	2.4	4362	81	109
South-West Oltenia	30.7	9424.99	4210.13	9.2	2023	150	95
West	17.6	11906.36	6211.24	5.9	2663	198	72

Source: NIS, *Territorial Statistics, 2013*; NIS, *REGIS database, 2012*

## Cooperatives

The regional distribution analysis conducted on Romanian cooperatives reveals that the greatest number of cooperatives is found in the North-East region (432 organisations) and the smallest in Bucharest-Ilfov (81 organisations). Between 2000 and 2010, the number of organisations fluctuated across the regions, with a small increase in the North-East, the North-West and the West, whereas the other regions reported a slight reduction in the number of organisations due to closedown or merger. Looking at the average number of employees per entity, we see that Bucharest-Ilfov with an average of 47.9 employees is followed by the North-West with 22.5 employees and South Muntenia with 21 employees. The smallest number of employees is found in the North-East, with an average of 10.8 employees/cooperative. All the regions of the country reported a drastic reduction (by almost 70%) in the average number of employees between 2000 and 2010 (Table 3).

The analysis of average revenues per entity indicates that the highest revenues are earned in Bucharest-Ilfov, followed by the North-West and the West, whilst the North-East has the lowest average revenues per entity. Although they have increased since

2000, between 2005 and 2010 the average revenues earned by Romanian cooperatives stayed relatively constant, with a slight decrease in 2010 versus 2009. Given all these, we can say that the most developed cooperatives in terms of workforce and earned revenues are located in Bucharest-Ilfov, followed by the North-West (Table 3).

**Table 3.** Regional dynamics of Romanian cooperatives, 2000-2010

Region		Cooperatives				
		2000	2005	2007	2009	2010
North-West	Number	260	291	285	273	284
	No of employees/entity	79.2	44.0	31.4	23.1	22.5
	Average revenues/entity	916795.4	1074276.7	1122346.9	1077820.9	1042460.1
Centre	Number	291	270	252	246	271
	No of employees/entity	57.6	34.5	22.5	54.2	15.4
	Average revenues/entity	560141.1	821927.5	773818.8	851876.1	750137.1
North-East	Number	347	349	380	381	432
	No of employees/entity	29.8	20.5	14.9	11.8	10.8
	Average revenues/entity	420777.4	529526.6	528655.1	514643.9	491665.6
South-East	Number	270	259	250	246	267
	No of employees/entity	38.3	27.5	21.5	17.8	15.9
	Average revenues/entity	893494.7	588968.8	699707.5	724180.3	672834.0
South Muntenia	Number	263	228	218	196	207
	No of employees/entity	42.1	31.6	25.8	21.7	21.0
	Average revenues/entity	441772.5	683781.6	789285.1	838309.3	808580.3
Bucharest-Ilfov	Number	90	88	87	80	81
	No of employees/entity	101.0	65.1	54.9	50.2	47.9
	Average revenues/entity	892804.0	1502398.2	1867159.4	2307764.7	2006179.3
South-West Oltenia	Number	171	166	157	145	150
	No of employees/entity	48.1	32.8	25.9	19.5	19.8
	Average revenues/entity	389727.0	654418.3	749254.5	719436.3	762843.0
West	Number	173	193	190	180	198
	No of employees/entity	39.3	28.2	23.3	20.8	19.7
	Average revenues/entity	850164.9	760953.8	904108.2	852016.4	830187.3

Source: NIS, REGIS database, 2012

Looking at the three types of cooperatives separately – worker, consumer and credit cooperatives – we note that the greatest number of worker cooperatives is found in the North-East (243 entities), but the most economically potent (average revenues) and socially strong (average number of employees) are those from Bucharest-Ilfov, the West, the North-West and South Muntenia; the greatest number of consumer cooperatives is also found in the North-East (176 entities), followed by the Centre (169 entities) and the North-West (159 entities), but the economically and socially strongest ones are in the North-West (11.5 employees/entity); as for credit cooperatives, the economically strongest ones are those from Bucharest-Ilfov, followed by the ones located in the Centre.

## Mutual aid associations

The 2000-2010 evolution of mutual aid associations indicates an increase in the number of both employees' and pensioners' associations across all regions. The greatest number of mutual aid associations is reported in the South-East (150 entities), North-East (132 entities) and South Muntenia (121 entities). Economically speaking (average revenues per entity), the most developed mutual aid associations are found in Bucharest-Ilfov, the West, the North-West and South-West Oltenia, whereas the greatest number of employees is identified in Bucharest-Ilfov (an average of 35.7 employees/entity), South Muntenia (an average of 20.6 employees/entity) and the North-West (an average of 20.6 employees/entity). (Table 4)

Employees' mutual aid associations report the highest increase in the number of entities, with a growth of up to 500% in the period 2000-2005. After 2005, the increase in the number of entities slowed down and 2010 witnessed a reduction in their number in the Centre, the South-West and Bucharest-Ilfov. Pensioners' mutual aid associations reported a constant growth in the number of entities between 2000 and 2010 in all the regions of the country. As for the employees of these organisations, their number grew in the period 2000-2005 and later dropped until 2010 in most of the country's regions, except for the North-East and the West. The number of employees decreased in the both types of mutual aid associations active in Romania. This drop in the number of employees while the number of entities continued to grow may suggest both a contraction of the activities conducted by these organisations and a consequence of the high-performing new information technologies that were introduced, which simplified activity performance and made some employees redundant. With respect to the average revenues registered by mutual aid associations, we see a huge increase between 2000 and 2009, followed by a fall in 2010 in most regions, except for the North-West, Bucharest-Ilfov and the South-West. (Table 4)

**Table 4.** Regional dynamics of Romanian mutual aid associations, 2000-2010

Region		Mutual aid associations				
		2000	2005	2007	2009	2010
North-West	Number	55	80	102	111	119
	No of employees/entity	14.8	12.9	34.2	21.0	20.6
	Average revenues/entity	46200.3	116710.8	124960.9	192359.3	226372.7
Centre	Number	42	79	90	96	89
	No of employees/entity	5.6	43.2	34.4	20.1	15.5
	Average revenues/entity	33084.4	137577.0	180473.3	234048.5	73017.2
North-East	Number	61	105	116	125	132
	No of employees/entity	4.4	10.2	13.2	17.3	25.8
	Average revenues/entity	37328.6	229506.0	281267.2	359045.4	156754.6
South-East	Number	58	137	130	144	150
	No of employees/entity	3.2	20.2	15.9	12.2	10.8
	Average revenues/entity	38485.6	90315.6	111775.9	255519.3	118323.3
South Muntenia	Number	60	81	108	120	121
	No of employees/entity	17.5	6.8	22.1	19.6	20.6

Region		Mutual aid associations				
		2000	2005	2007	2009	2010
	Average revenues/entity	46699.6	162593.0	186433.2	279518.7	106873.4
Bucharest-Ilfov	Number	15	115	131	122	109
	No of employees/entity	0.9	60.9	48.7	48.6	35.7
	Average revenues/entity	26971.7	219245.2	239598.2	211592.9	255392.4
South-West Oltenia	Number	55	85	105	106	95
	No of employees/entity	3.5	29.7	17.3	6.8	6.1
	Average revenues/entity	27801.1	114070.0	133350.7	207465.8	217583.4
West	Number	34	60	61	72	72
	No of employees/entity	2.5	12.2	14.2	14.5	20.1
	Average revenues/entity	77144.8	247123.0	289219.6	334424.8	234436.4

Source: NIS, REGIS database, 2012

## Non-profit organisations

As regards NGOs, the period 2000-2010 witnessed a spectacular growth in their number across the country, even by 400% (South-East region) or 800% (Bucharest-Ilfov). The largest number of NGOs is found in the North-West (4,980), the Centre (4,875) and Bucharest-Ilfov (4,362), and the smallest in the South-East (2,046) and the South-West (2,023). The average number of employees per organisation grew in the period 2000-2007 in most regions of the country, except for Bucharest-Ilfov, later followed by a slight drop. Even with a falling average number of employees per organisation, the increase in the number of NGOs has led to a rise in the total staff headcount in these entities in each region of the country. As far as economic power is concerned, we note that average revenues per entity grew across all regions between 2000 and 2010, with the exception of Bucharest-Ilfov and the South-East where it reported a slight drop in 2010 versus 2009. The regions with the biggest 2010 average revenues per organisation are Bucharest-Ilfov and South Muntenia. (Table 5)

Table 5. Regional dynamics of Romanian NGOs, 2000 – 2010

Region		NGOs				
		2000	2005	2007	2009	2010
North-West	Number	3167	3487	3780	4324	4980
	No of employees/entity	1.2	1.9	2.2	1.8	1.8
	Average revenues/entity	27371.7	94312.5	120607.8	128547.7	186254.1
Centre	Number	2013	3288	3640	4637	4875
	No of employees/entity	1.5	2.5	2.3	1.8	1.9
	Average revenues/entity	39139.0	91835.8	106533.0	120059.9	171474.4
North-East	Number	1476	1430	1975	2422	2977
	No of employees/entity	0.8	2.9	2.8	2.3	2.3

Region		NGOs				
		2000	2005	2007	2009	2010
	Average revenues/entity	31784.4	106452.5	152896.4	149245.4	164724.9
South-East	Number	531	994	1322	1717	2046
	No of employees/entity	3.3	3.7	3.3	2.6	2.9
	Average revenues/entity	61682.6	103869.8	177121.8	217924.2	206616.2
South Muntenia	Number	1024	1323	1644	2039	2396
	No of employees/entity	1.8	2.2	2.4	1.9	2.2
	Average revenues/entity	47434.8	67728.8	95353.1	126474.6	241841.0
Bucharest-Ilfov	Number	524	3178	3692	3387	4362
	No of employees/entity	7.7	4.3	3.6	2.9	3.2
	Average revenues/entity	138047.6	701752.6	317736.7	355368.7	347263.0
South-West Oltenia	Number	839	1314	1484	1757	2023
	No of employees/entity	0.9	2.5	2.0	2.1	1.9
	Average revenues/entity	16136.8	64769.3	93878.1	113265.1	170531.8
West	Number	922	1521	1816	2309	2663
	No of employees/entity	3.1	3.6	3.0	2.2	2.5
	Average revenues/entity	50687.0	126944.6	119227.2	119464.3	210035.3

Source: NIS, REGIS database, 2012

## Conclusions

Social economy is considered the “economy of the poor” because its public discourse focuses on the social inclusion of vulnerable groups, but the analysis of the regional profiles of Romanian social economy entities reveals that their socioeconomic power is bigger in the developed regions of the country. Social economy entities show regional disparities – the most developed cooperatives, mutual aid associations and NGOs operate in Bucharest-Ilfov, the North-West and the West, whereas the North-East features a larger number of entities which are however less economically and socially potent.

Romania’s developed regions have fewer social economy entities, but their socioeconomic power is bigger, which gives them a competitive edge and greater sustainability. In these regions, cooperatives have chosen to merge their activities and create economically stronger structures able to compete with small- and medium-sized enterprises on the economic market. Also, mutual aid associations have chosen to join forces and create stronger structures in terms of membership, which helps them gain more economic power and deliver more financial and socio-medical services.

As regards the number of employees, the most developed social economy entities are found in Bucharest-Ilfov and the North-West – cooperatives in Bucharest-Ilfov, the

North-West and South Muntenia, mutual aid associations in Bucharest-Ilfov, South Muntenia and the North-West, and NGOs in Bucharest-Ilfov, the West and the South-East.

The analysis of the data on earned revenues indicates the presence of the economically strongest social economy entities in Bucharest-Ilfov, the North-West and the West – cooperatives in Bucharest-Ilfov, the North-West and the West, mutual aid associations in Bucharest-Ilfov, the West, the North-West and South-West Muntenia, and NGOs in Bucharest-Ilfov, South Muntenia and the West.

Given these major regional disparities in the development of various social economy entities from Romania, the types of interventions in this area should be reconsidered (subsidies, tax incentives, grants, etc.). Supportive interventions need to be adapted to the socioeconomic development of these entities.

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