

SOCIAL ECONOMY IN PRAHOVA COUNTY

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Abstract: This article presents the results of a study conducted in Prahova County on the social economy, focusing on employment of the disfavoured groups such as the Roma, the people near retirement age, the young graduates and the people with disabilities. The programs developed by the local institutions aim to support the inclusion of the unemployed on the labour market through programs run by the employment agency and by providing financial support during the period of unemployment. A viable solution to solve the problems of social integration of the disfavoured groups by work might be the development of social economy forms at the local level, the local organisations playing a key role.

Keywords: social economy, disfavoured group, unemployment, social inclusion, European funds.

Economic and social profile of the county

Characteristics of the entrepreneurial economic sector

Prahova County is located in the central part of Romania; it has surface of 4.716 kmp and a population of 872.900 inhabitants and a density of 184, 9 inhabitants/kmp. It contains 100 localities: two towns, 12 cities and 86 communes; the rate of urbanization is 52, 4%. The administrative residence of the county is Ploiesti, with a population of 252.715 inhabitants, on the 9th place in Romania as number of inhabitants. It is located on the South part of the Carpathians; the main resources are: oil, natural gases, coal, salt, calcareous stone, used in industry.

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According to the Chamber of Commerce and Industry Prahova, the evolution of the county's economy is favored by the natural resources-oil and mountain tourism potential. Consequently, the petrochemical industry, the chemistry and the industry of chemical and oil extraction equipment had developed in interdependence with the oil industry. The level of participation of the branches to the industrial production is different. The highest participation (over 70%) has the oil, chemical and tyre industry' followed by food and beverages, including tobacco industry, tools and equipment industry. Within the economy the tourism has a significant place, considering the touristic potential, especially the Prahova Valley. As regards the agriculture, the county is famous for the fine wine production.

The level of participation of the branches to the industrial production is different; the highest percentage of participation, 43%, has the oil industry, followed by the food industry, 11%, the tools and equipment industry, 8,5% and the chemical and extraction industry, 7%.

Multinational companies have invested in Romanian companies (Unilever, Timken, DBW, Cameron, Lukoil, Group Vivendi, and Halewood) or created their own centers of production: Coca-Cola, Interbrew, British American Tobacco, Yazaki, and Mayr Meinhoff.

The county has numerous industrial parks: SC Ploiești Industrial Parc SA, Prahova Industrial Parc SA, Plopeni Industrial Parc SA, Brazi Industrial Parc SA, where the main shareholder is the County Council Prahova; and two other private parks. The industry of tools and equipment is a developed one due to its utility for industrial and houses construction. The development of the industrial construction field is sustained by the numerous foreign companies that opened branches in Prahova County. The houses construction developed mainly in larger localities where the governmental program of the National Agency for Housing gave an impulse. Also, in the mountain area, recessing houses have been built. Famous resorts on Prahova Valley (Sinaia, Bușteni, Azuga, and Breaza) or Teleajen Valley (Cheia) induce an active tourism in the area and offer many business opportunities. In 2000 the touristic base of Prahova County had 186 touristic units with a total accommodation capacity of 10. 000 places.

Disadvantaged groups in the county

As in the other counties, the disadvantaged groups may be classified:

1. Unemployed. The crisis period doubled the rate of unemployment in the county from 3, 4% at the end of 2008 to 8, 2% at the end of 2009. 11 398 of the 25 848 unemployed registered at the end of 2009 are women.
2. Roma population has a very low capital of education and level of integration on the labour market.

3. Persons with disabilities.
4. Older people, pensioners benefiting of low pension.
5. Poor population from the rural and urban environment.
6. Young people leaving the fostering system.
7. Families with many children have a high risk of impoverishment
8. Single parent families are also subjected to the risk of impoverishment.

According to the data provided by AJOFM, Prahova

County had in 2008 one of the lowest rate of unemployment in Romania (3, 4%) and a high offer of jobs. The location closed to Bucharest constitutes an advantage, and so does the economic development of the county in 2004 and 2008. But in the last year the economic crisis strongly affected the companies and doubled the rate of unemployment in the county. The unemployed and their families became a group with a vulnerability marked by the crisis. Half of the unemployed are female labour force.

Table 1
The unemployment rate in Prahova County in 2001-2009

Year	No of unemployed	Women	Rate of unemployment %
31.12.2001	33473	16258	9,9
31.12.2002	32907	15662	9,8
31.12.2003	32385	13671	10,1
31.12.2004	20568	8970	5,6
31.12.2005	19509	8195	6,3
31.12.2006	15938	6929	5,1
31.12.2007	12124	5904	3,9
31.12.2008	10942	5828	3,8
31.10.2009	25848	11398	8,2

Source: AJOFM Prahova.

Another vulnerable group is represented by the Roma population of the county. According to the census of 2002 it numbers 16.781 persons. The numbers should be considered with cautions because they were obtained by self declaration. There are several communities known as large concentrations of Roma population, such as Filipeștii de Târg, Șotriile, Sângeru, Boltești, Vărbilău, Florești, Mizil, Ploiești.

The implication on the formal labour market of this social group constitutes a problem. The predominant sources of income of this population are the social aid

and the daily labour or jobs on the informal (black) market, without any legal working contract. Even though there are no statistics on the degree of employment of the Roma population both the declarations of their leaders and the studies reveal the dominance of the unofficial employment over the official one.

Supporting programs for the disadvantaged groups

The institutions with the highest level of information and involvement in the situation of the vulnerable groups in the county are General Directorate of Social Assistance and Children Protection (DGASPC) and the County Agency of Labour Force (AJOFM).

AJOFM Prahova functions by the local agency Ploiești, with working units in Mizil and Urlați, and the local agencies Câmpina and Vălenii de Munte.

Within our research we interviewed only the representatives of AJOFM Prahova in the local agency Ploiești, which provided us information regarding the program of employment for the entire county. AJOFM main objectives are to sustain the inclusion on the market of the unemployed by the agency's programs and to offer financial support for the period on unemployment. AJOFM registers the unemployed, offers counseling, and supports the disadvantaged groups such as Roma, persons at the age of retirement or young graduates, disabled people within its special programs.

According to its representatives, AJOFM supports the reintegration of the vulnerable groups on the labour market by:

- Registration of the unemployed;
- Identification of the job offer on county level and in surrounding areas and the foreign jobs offer since 2007;
- Information of the potential beneficiaries of the agency's programs and the jobs offer;
- Active support of the inclusion on the labour market, such as qualification courses, professional counseling and orientation;
- Support by special programs of subvention of wages, of certain categories disadvantaged on the labour market: Roma, graduates in the last year, persons in their last 3 years before retirement, persons with disabilities, single parents.

Among the active measure undertook by AJOFM are:

1. *Caravan of employment in the rural environment* - represents a program developed since 2005. The program consists in sending 2-5 representatives of the agency in the rural localities with the intention to bring the Caravan at least

once a year in every rural locality of the county. The representatives of the agency, supported by the local Mayorality, organize meetings with the population to offer information on the available jobs, qualification courses (period, register conditions) and the agency's programs; also provide counseling and support in bureaucratic procedures requested on hiring.

2. *Employment Caravan for Roma* represents a similar program focused on the localities with a high percentage of Roma population, as well as on Roma communities in cities.
3. *Labour Exchange* represents a joint program with the employers, which facilitates the meeting between these and those looking for a job. Since 2007 a foreign labour exchange is organized as well.
4. *Labour Exchange for Roma* - is addressed to Roma people looking for a job.

As regards the programs for the Roma people, first is the program of employment on the entire county, where Roma is one of the target groups. Within this program Roma may benefit, as any other citizen, of the active measures of stimulation of employment, from counseling and information to measures regarding the subvention of the jobs for a period of time for the vulnerable persons: over 45 years, with less than 3 years before retirement, fresh graduates, disabled or young leaving the fostering system. Second are the AJOFM programs addressed exclusively to Roma people, the labour exchange for Roma, Roma Caravan, qualification courses with Roma groups in the community. But all these have a low efficiency.

Inclusion of Roma people in the qualification courses, including by Caravans, is very low. Main problems are the absence of studies and the lack of interest towards these courses. One of the criteria for admittance is to be a graduate of the elementary school (8 grades). Due to the low level of education Roma people are often unable to be admitted in these courses. Under these circumstances AJOFM had the availability to include in the reconversion program also graduates of fourth grade, which may graduate only certain initial modules of the trade. The second solution introduced by AJOFM to stimulate the participation in courses is to keep the course in the community, if it is gathered a group of minimum 20 participants. Even under these circumstances created by AJOFM the number of courses with Roma groups is very low. The absence of documents is another problem of Roma population. Those without documents can not benefit of the services provided by AJOFM and they are social excluded from: education and services. In 2008 the success of the requalification program for Roma people was reduced; only 28 persons have been qualified. Both the AJOFM representatives and Roma leaders admit the low efficiency of the labour exchange for Roma. The attendance is very low. Both speak about the discriminator and useless character of this program and they consider that Roma people should be included in the regular labour exchange.

The specific programs for the employment of other vulnerable groups on the labour market aim to offer subventions or facilities for the employers for hiring the following categories: young people of 16-25 years old (graduates of from fostering system), jobs for the development of the local (rural) communities and disadvantaged categories (unemployed over 45 years or single parents, disabled persons). For the rural environment are specific programs of professional training (agricultural worker, animal breeder). We may notice a low level of the jobs offer for disabled persons.

The main forms of support for the disadvantaged groups are the social offers of DGASPC or Mayoralty: minimum guaranteed income, emergency aids, and aids for heating, family allowances.

DGASPC is the other major supplier of programs addressed to the vulnerable groups. It has a number of services for the disadvantaged groups by social houses, day centers for children, day centers for the disabled, maternal centre, family houses, community centers of social services, houses for elders, houses for disabled children, social canteens.

Providing social services is made on two levels: 1. for the children and 2. for the vulnerable groups.

Children protection is made by several departments: the office for children residential care; the service for children familial care; department of abandon prevention, department of unwanted pregnancy' prevention, service of complex evaluation of disabled children, service of foster parents, with the zone offices in Câmpina and Băicoi, department of emergency intervention and street children. A number of private organizations are accredited to provide social protection for children in Prahova County.

Box 1

*Private organizations accredited to provide social protection
for children in Prahova County*

Foundation "Speranța Copiilor", Câmpina

Association "Casa Speranței", Câmpina

Association "Pro-Vita pentru născuți și nenăscuți", Vălenii de Munte

Association "Heaven for Children", sat Bătești

Humanitarian Organization Concordia – Farm for children, village Ariceștii Rahtivani

Humanitarian Organization Concordia - Casa "Austria", Ploiești

Humanitarian Organization Concordia - Casa "Alexandra", Ploiești

Humanitarian Organization Concordia – "Orașul Copiilor", Ploiești

Humanitarian Organization Concordia - Casa "Eva", Ploiești

Association, Reach România", com. Scorțeni, village Mislea

Direction of welfare DGASPC has a number of social welfare institutions for adults in the county, most focused on intervention for people with disabilities.

Box 2

Centers of social services in the county

Centre of Care and Assistance for Adult Disabled Persons Puchenii Mari
Centre of Recovery and Rehabilitation for Adult Disabled Persons Călinești
Centre of Recovery and Rehabilitation for Adult Disabled Persons with Down syndrome Câmpina
Centre of Recovery and Rehabilitation for Adult Disabled Persons Lilești-Băicoi
Centre of Neuropsychiatric Recovery and Rehabilitation for Adult Disabled Persons Urlați
Centre of Integration by Occupational Therapy for Adult Persons with Handicap Tătărăi
Centre of Recovery and Rehabilitation for Adult Disabled Persons Mislea
Pilot Centre of Recovery and Rehabilitation for Adult Disabled Persons "Casa Rozei" Urlați
Centre of Integration by Occupational Therapy for Adult Persons with Handicap Urlați
Centre of Neuropsychiatric Recovery and Rehabilitation for Adult Disabled Persons Nedelea
Service for Domestic Violence Victims' Protection

According to the officials, the activity is focused mainly on children and disabled protection. The services of basic social assistance of the mayoralties offer a reduced area of basic services. Apart from the current activity based on social aids are accredited only two services of house care of the disabled persons.

A viable solution to solve by work the problem of social integration of the vulnerable groups could be the development on local level of some form of social economy. Social economy can offer community and commercial services able to satisfy the local needs and to provide some of the services that are now offered only by the public sector, hence a communitarization of the public services. Also, it cans create jobs, mainly for the under qualified or disabled. Now there are protected workshops as local form of social economy, but they are still much undeveloped. Also, the social economy would use the available human resources on local level to develop local projects. We shall further observe the form of social economy on local level.

Forms of social economy and perceptions over these forms

There are three forms of cooperatives on county level: trade cooperative, credit cooperative and consumer cooperative. The main economic activities of the trade

cooperative are now: textile confections, hair stylists, service auto, metallic confections, constructions, interior arrangements, art crafts and radio-TV repair. This type of economy is based on specific mechanism of decision: "one man, one vote", or the vote of social parts. The law no 1/2005 clarified the property regime but we may say that the regime of the cooperative is the same since 1877. The most important aspect was the legal regime of property. When the state enterprises are taken money are requested in exchange of the patrimony, but in the case of the cooperatives it was offered in exchange only the right of use. The Law no 346/2004 provided access for the cooperatives to the means of support offered by the state to the IMM. The state aids were: professional insertion of the young graduates, facilitating the relation with the bank, employment of the persons over 46 years. The general assembly is the management body consisting in all the members of the cooperatives. The principle is one man, one vote regardless of the value of the social parts. The assembly elects a board of administration of an uneven number of members, each member with an adequate professional background. The board appoints the executive management in front with a general director. The representatives of the cooperative said that Law 1/2005 offered some advantages: a larger autonomy towards the county and national structures, the possibility to be directly affiliated to the national structures, the disappearance of many of the county and national structures. But a disadvantage was the possibility offered by this law to destroy the patrimony, disappearance of many of the county and national structures lead to the weakness of control and allowed the dissolution of some units. And it also leaves many of the organization and function positions to the decision of the cooperatives, which are obligated to specify these in the statutes. Even though according to the legislation the associative structures on county level should represent the sector, in fact this did not happened and even some "less inspired" decisions have been made at the beginning of the '90 and this lead to the dissolution of some units and reduced activity in others.

The representatives of the trade cooperatives believe that the central authorities should protected their activity by: cease tanking over the lands given to the cooperatives during the communist regime, recognition of the cooperatives as forms of social economy, including cooperatives in the entities eligible to access funding for the IMM, exception from taxes and imposts of the units with disabled or persons in risk situation.

The County Union of Mutual Cooperatives (CAR) of the Employees was established in 1949. CAR is a non profit organization; hence it does not pay impost on profit. An encouraging measure would be to make deposits from its members. The conditions for credit are advantageous, with DAE 10-12%, maxim 14%. The subscription is 10-50 lei. 90% of the credits are on short term, for personal current needs. The amount of credit is 2-3000 lei. The weak point of the mutual cooperatives is that they "can not

accumulate capital due to the low interest". If there would be more jobs, the mutual cooperatives of the employees could develop. Also, the employers are reticent towards the existence of some mutual cooperatives. The managing structure is formed by the general assembly and the director board, appointed by this. The income structure is formed by subscriptions and deposits. The subscriptions are 1% of the monthly pension. It is offered an interest of 8-10% at deposit and 10% at credit. The profit is redistributed as un-refundable aid, supplemented by a contribution to the Pensioners Union. The credits offered monthly vary among 300 and 700 with an average of 1600 lei. As regards the expenses there are no special problems on debts reimbursement due to a contract with the County House of Pensions. The social actions include financial aid for death and reimbursement of a part of payment of treatment. It is offered a funeral carriage for free for the members. The cultural activities are: choir, dances, cultural exchanges, trips to monasteries.

The representative organizations of the pensioners on county level gathered within the County Council of Elders in 2004, respectively: two syndicate organizations of pensioners, two organizations of war veterans, CARP, an association of the reservists. Each organization has its own residence. The affiliations to the National Federation of Pensioners' Syndicates in Romania, Federation Unirea of the Romanian Pensioners, National Union of the War Veterans, National Association of the Reservists Militaries.

A partial understanding of the term of social economy was identified. The organizations in this category should be connected with the deep economic and social revival that would offer to a community benefits, but those interviewed do not see this connection. Any financial supplement obtained by an organization is redirected to continue the mission of the organization in the support of the community that it serves, and not for personal benefit of the management of the organization. We should see expression "social economy" in terms of local economic and social regeneration instead of: voluntary management, establishment of a social purpose, economic dimension of an activity (that support social dimension's financing), non profit contribution, adapting to the specific needs of the community's users, organizations as catalyzing factor.

Most of the interviewed did not recognize or were not able to define characteristics of the social economy. The representatives of the Chamber of Commerce, of ONG, of Mutual Cooperatives either did not know this term or know it vaguely, but anyway, they were not able to define it. The directors of .AJOFM, DGASPC and of the Cooperative Bank put vaguely the term towards the social area. For some the term of social economy evokes the post-war idea of German type of market social economy. Another version inclines towards the good practices within the public sector and the adequate financing of the social programs. Some are confused, something between the social economy and savings in the mutual system.

.The interviewed persons believe that social economy may help increasing the quality of life, but only is regulated by the legislation in force. From their perspective the concept is not very much debated in the present and population does not see it at its true value. The trade and consumer cooperatives consider that for their development and for accessing structural funds it would be necessary to make the concept “more popular” and better explained. The cooperative’s activity could be developed if fiscal facilities would be offered for those implementing activities of social economy.

The main advantage in the opinion of social services providers is the social integration of the persons in risk situation. This is a very good manner to increase the rate of social inclusion and to decrease the number of the beneficiaries of social services. Other advantages, in their opinion, are related to the development of the activity and increase profit. As disadvantages they named the potential inequities that may appear on the market if fiscal facilities would be offered to those who develop activities of social economy.

In conclusion, we may speak of an unsatisfactory level of knowledge of the authorities regarding the social problems, the extend and territorial dispersion of the groups with risk of social exclusion on level county, but also a poor knowledge of the possibilities offered by a potential development of the social economy. The public institutions within the social policies area are low connected to the social groups that should serve, and the development of the social services provided for these vulnerable groups is insufficient. Within this context the development of the social economy on local level could contribute to social inclusion and reduction of poverty.