



SOCIAL ECONOMY – CHALLENGES OF AN UNCERTAIN FUTURE

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***Abstract:** The social economy highlights the potential to ensure an adequate level of social inclusion for persons belonging to vulnerable groups, meaning that this sector has received increased attention in the last decade. In this article are exposed the main ideas that the social economy has recorded a series of definitions in an attempt to ensure the identity of the conceptual and applied as complete. Also, a scan of the stage of development of the social economy in Romania opens interrogative approaches by which to provide answers to major challenges and threats outlined in this field. Although we face an obvious positive dynamics of last realization of an argued in this area and it appears that remain a number of issues to be clarified in future in terms of strengthening the social economy sector.*

***Keywords:** social economy; social inclusion; civil society; vulnerable groups; development*

1. Introduction

Currently, the social economy has become a key area in Romania from the perspective that there were two waves successive substantial financing initiatives for social economy by SOPHRD (Sectoral Operational Program of Human Resources Development) and from the perspective that was adopted in 2015 a legislative framework clearly delineating the sector in terms of social interventions.

The current state of social development in Romania shows a conceptual clarification endorsed by regulators and implemented by specialists, quantifying and mapping the structures of social economy, an adequate level of research at scientific level well-articulated and carried out in-depth level, development of training resources in the sector and a multitude of initiatives that have emerged in the last six years. However, without downplay achievements, the level of expectation to value the potential of social economy is high both in the practitioners in the field, and donors aimed at carefully to ensure a sustainable level of functioning structures of social economy.

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2. Social Economy – looking for specific interventions and identity in socio-economic plan

The social economy is a field reference in contemporary societies given the growing importance to address in an integrated manner the social inclusion of the persons belonging to vulnerable groups. The Europe 2020 Strategy, approved in March 2010 by the European Council is a new strategy for jobs and growth based on strengthening and better coordinating economic and social policies based on clear objectives established according to the following priorities (COM, 2010) :

- smart growth - ‘strengthening knowledge and innovation as drivers of our future growth’;
- sustainable growth - ‘promote more resource efficient, greener and a more competitive economy’;
- inclusive growth (for the first time this term is used in official documents Europe) - ‘creating an economy with a high level of employment, ensuring social and territorial cohesion’, ‘empowering people through high employment, investing in increasing the skills, fighting poverty and modernizing labor market, training and social protection, supporting citizens in managing and anticipating change and building an inclusive society’.

From the perspective of creating an own identity it is important to emphasize that the social economy is defined by conceptual and practical approaches, which distinguishes sense to define a boundary in this area (Demoustier, D., 2004):

a. as a concept, the social economy was launched in the nineteenth century and was faced with a number of adaptations:

- whether a consolidation of political economy - the production of means of existence beyond the material production, the liberals (as Charles Dunoyer, in 1830, who provided the launch of another author in 1848 - John Stuart Mill) ;
- either as a substitute for the critical political economy (by Christians and socialists such as Auguste Ott, 1851);
- whether to integrate a form of political economy (Proudhon);
- either as a complement to economic trends in which were increasing public savings (Walras 1896; Gide, 1912);

b. as a set of practices and institutions, the social economy was gradually released theories developed by economists, and by the employers' structures, to define gradually through the economic association. Thus, the rediscovery of the social economy in the twentieth century is marked by increased autonomy of collective private organizations in relation to their integration into public intervention as particular forms of non-capitalist companies, in contrast to the mistrust and selectivity imposed by competition and conditional funding.

In a more diversified formula, it is recognizing the social economy sector from the perspective of four components (Nicolăescu et al., 2011, 13-24): conceptual component (drafting definitions and typologies); normative component (adoption of new legislative initiatives at European and national level); institutional component (the spreading of representative structures that promote, develop and monitor specific policies); academic component (aggregate formation scientific resources, evidence-based).

In Romania, the social economy is accepted as ‘the type of economy that combines effectively the responsibility of the individual to the collective to produce goods and / or providing services, which seeks economic and social development of a community and whose main purpose is social benefit. ES is based on a private initiative, voluntary and solidarity, with a high degree of autonomy and responsibility which, assume a financial risk and limited profit distribution’ (Stanescu et al., 2012: 13).

3. Recent developments in the social economy sector in Romania

At European level, the social economy has a significant impact: contribute to effective competition on the market; offers potential for creating jobs, the employment and new forms of entrepreneurship; it is largely based on membership activity based on meeting new needs; promotes citizen participation and volunteering; strengthens solidarity and cohesion; helps to integrate the economies of the candidate countries (Myers, 2009: 36).

According to the Research Report on the Social Economy in Romania from a European perspective compared to what was done within the project ‘Social Economy - Model innovative active inclusion of disadvantaged people,’ social economy can operate under the following forms (MMFPS, 2010: 16 -17):

- Voluntary Organisations (often linked to a religious cult and provide services);
- Self-help groups of citizens (refer to new ways of working and social inclusion depending on the availability of local resources);
- public social structures (incubators);
- organizational cooperative (community enterprises that promote community interest in specific groups);
- new forms of nonprofit organizations (involved in providing public services and commercial activities to fund the services provided);
- charitable foundations, associations and foundations (which have commercial entities that aim to contribute to raising revenue for public benefits).

Despite the fact that we want a better framed as social economy sector, it is considered that the social economy includes all organizations located between the public and private sector in terms of organization, operation and declared principles (Pîrvu et al., 2009: 53). In this respect, Romania, in 2008 there were 27 319 active organizations that refers to a variety of forms associating non-profits, associations, unions, cooperatives (Lambru et al.,

2011: 104). According to recent data from the balance sheets for the activity carried out in 2010 indicated a number of 29.226 the social economy entities (NGOs 26.332 - including agricultural associations and communities concerning cooperatives 2,017 and unions 887) which recorded a total of 116 379 employees (Petrescu et al., 2013: 60-61). The civil society in Romania stands third sector renaissance or 'third sector', indicating that a history of association observed in Romanian culture (Chipea et al., 2010: 93). A full picture of the social economy entities in Romania is found in the Social Economy Romania Atlas 2012 (Constantinescu, 2012; Barna, 2014).

Clearly, social economy initiatives relate to specific local communities where they occur, providing solutions through activation and usage of local forces (Cace S., V. Nicolaescu, Scoican A., 2010: 29). Moreover, local intervention is required to be built to increase the welfare of the community members and this is reflected in the services received, integration into the labor market and avoid the negative effects of processes of growth among vulnerable people (Petrescu et al . 2012: 358).

In Romania, after a relatively long period of analysis, debates, legislative proposals, of Law no. 219/2015 on social economy brings some clarifications necessary to assure the adequate functioning of this sector:

- definition of social economy as representing all activities organized independently by the public sector, whose purpose is to serve the general interest and the interests of a community and / or personal interests patrimonial through increased employment of persons belonging to the vulnerable group and / or production and provision of goods, services and / or works;
- establishing the principles underlying the social economy and its objectives;
- definition of significant terms in the social economy and the categorization of persons belonging to the vulnerable group;
- definition of the term 'social enterprise' and granting a certificate in social economy for businesses operating in the field;
- definition of 'social insertion enterprise' certification status and social insertion enterprise by providing social brand based on the fulfillment of specific criteria;
- creating the mechanisms to support and encourage development of social enterprises;
- establishment of national records of the Register of unique social enterprises;
- establishing that May Month will be dedicated to the organization of various events or actions of publicizing the social economy named 'month to promote the social economy'.

However, in this normative act reference, there are many points that remain to be implemented into practice by adopting the secondary legislation, and then we can have a clear output of this regulating approach regarding the social economy.

4. Challenges to strengthen social economy

Starting from the reality recorded in most countries it is estimated that social economy organizations still face many obstacles and so is necessary to support the following areas (Ziomas et al., 2012: 68): favorable legal and institutional framework; alternative financial instruments and institutions; quality assurance products and services; improving skills and qualifications; administrative support and specialized expertise; developing networks and partnerships; development and implementation of government support schemes.

From the perspective of the challenges in the social economy, it is highlighted a number of distinct aspects (Leviten-Reid E., Torjman, 2006: 6-8):

- Initiatives are diverse and evolving;
- Different types of results are pursued simultaneously;
- Attention results should be balanced by attention process;
- Objectives are typically fixed term, but should be provided signs of progress in the medium term;
- Different types or levels of results are concerned by initiatives that are new and emerging or mature and expanding, and by the existence of political support and adequate infrastructure;
- Quantitative and qualitative data are needed to identify the many facets of these initiatives and to meet the needs of information requested by various key community stakeholders;
- Broader necessary time, energy and resources;
- Key results such as building community capacity, supported and prepared absence of measures leading to some quantification;
- Holistic nature of social economy initiatives can lead to a wide range of outcomes that are assigned to other initiatives;
- Certain initiatives may require technical assistance to design and build a proper assessment;
- Practitioners can perceive as marginalized in the process of assessment that prioritizes the needs of donors to the detriment intent responsibility practitioners to learn and improve their work.

From the perspective of opportunities identified in the social economy sector is circulated various development scenarios:

- achieving an effective level of social economy through three defining characteristics (Social Finance, 2010: 17-22):
 - a) diversity of providers;

- b) discipline pellets that reward providers;
- c) the availability of investment that gives service providers the opportunity to develop and grow.
- existence of consolidated records that the social economy represents an important and growing contributor to the entire economy of Europe (Evans & Syrett, 2007: 60).
- goods and services produced in the social economy emphasizes the social dimension of economic activity by (Guide de l'entreprise d'Analyse d'économie social, 2003: A3):
 - a) the social utility of goods and services, especially for interested community;
 - b) complementary goods and services produced by the public and private sectors;
 - c) the relationship between economic activities and local development;
 - d) economic and social impact at community level and territorial level.

From the perspective of increasing threats in the evolution of the social economy sector and strengthen initiatives that best practices can include different points of view:

- lack of cooperation between the private and public sector which can exacerbate problems of a particular community or region (Hosu, 2012: 112);
- existence of a competitive economic environment where supplies for the existence of a business, including a social business;
- lack of a uniform legal framework at European level to boost that uniform national regulation of social enterprises.

5. Conclusions

Given that there are many uncertainties and unclear aspects in ensuring the continuity of social economy structures, proactive approach to functional aspects, it is necessary to simultaneously pursue at least four crucial to clarify the positive evolution of the social economy:

1. Ensuring the necessary human resources interventions (Cace, et al., 2012a);
2. Ensuring social economy financing activities (Nicolăescu et al., 2012a; Nicolaescu V. et al., 2012b);
3. Ensuring involvement from groups targeted interventions (Popescu, 2011; Cace C., 2012b);
4. Follow up a business plan and updating social development plan.

In the context of a major emphasis for the implementation of the EU 2020 Strategy, which is associated with defining social economy as a serious partner civil society and

the State (E. Zamfir, Fitzek S. 2010: 8) it becomes acute the need to monitor and assess initiatives undertaken in this sector (Nicolăescu, 2012) and to provide security features in charting a future predictable for specific initiatives social economy so that activities and programs undertaken to bring his contribution to the aspirations of economic and social assumed this form of economy (Stanescu, 2013: 60).

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