

SOCIAL ECONOMY IN OLT COUNTY

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Abstract: *The article presents the results of a study of the social economy in Olt County, focusing on the inclusion of the disfavoured social groups on the labour market. The sector of the non-governmental organisations is poorly developed in the county: there are just eight associations and foundations licensed to supply social services. There is very little knowledge of the social economy legislation. The legislative framework for the establishment of the different types of social economy organisations is known sequentially. There are no important local employers for the people from the disfavoured categories. There are no firms which to employ with predilection Roma people, old people and young people coming out of the placement centre etc. One of the conclusions of the survey is that the development of social economy activities depends largely on the change of population mentality towards supporting these activities by a higher social involvement of the community members.*

Keywords: *social economy, social inclusion, Roma, unemployment, disfavoured social groups, European funds*

County profile

Demographic and administrative coordinates¹

Olt County is located in southern Romania, between the Danube and the Getic Plateau, on an area of 5507 sq. km. In terms of administration, the county has eight towns, of which two municipalities (Slatina – 78,000 inhabitants and Caracal –

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¹ The demographic and administrative presentation of Olt County used data supplied by the County Directorate of Statistics (www.olt.insse.ro) as well as information from the website of Olt Prefecture (www.prefecturaolt.ro).

35,000 inhabitants) and 104 communes with 377 villages. The total population of the county is in excess of 480,000 persons, most of which (59%) live in rural areas.

Ethnically, the most important minority groups consists of the Roma population which, according to the 2002 Census¹, was in excess of 9,000 persons, which is 2% of the population. Several localities in the county have significant shares of Roma population, such as in the communes of Grădinari, Iancu Jianu, Fălcoiu, Dobrun, Stoenеști and in the towns Caracal, Corabia, Piatra-Olt, Drăgănești-Olt, and Potcoava.

A particularity of the county is the high percentage of old people, particularly in the rural area, where the percentage of people aged 60+ exceeds 30% of the total population, which makes Olt County one of the *oldest* regions of the country. After 1990, similar to the general situation, the birth rate decreased dramatically and the mortality rate increased constantly. Thus, in 2008, in Olt County there were 3904 births and 6693² deceases.

Characteristics of the economic and entrepreneurial sector³

During the communist regime this area, particularly the town of Slatina, was heavily industrialised due to the development of the processing industry. The main economic branches of the county are the metallurgical industry, agriculture, the machinery constructing industry, the textiles industry and the constructions. The companies with the largest number of employees and with the highest turnover are: SC ALRO SA (Slatina), SC ELECTROCARBON SA (Slatina), SC ALPROM SA (Slatina), SC ALTROM SA (Slatina), SC PIRELLI (Slatina), SC ALTUR SA (Slatina), SC SMR (Balș), SC ROMVAG (Caracal), SC TERMEX (Balș).

"Olt County has an imbalanced economic profile, meaning that 6-7 large companies produce more than 70% of the county's GDP" (director, Chamber of Commerce). Economically, Olt County has three levels of aggregation of the economic life. The most intense economic activity is in Slatina Municipality, where most of the large companies are concentrated and where the SMEs sector is properly represented. The economic activity is low in the other towns and the unemployment rate exceeds 10% (according to Olt Employment Office - AJOFM). The most unfavourable situation is in the rural localities, however, where agriculture is the main occupation of the population. The statistics showing the level of occupation at the county level in 2008 show that 45% of the occupied population worked in agriculture, 20% in industry, 6% in constructions, 4% in commerce, healthcare and social assistance, 4% in education etc.

¹ <http://www.anr.gov.ro/docs/statistici/statistici/t1.pdf>.

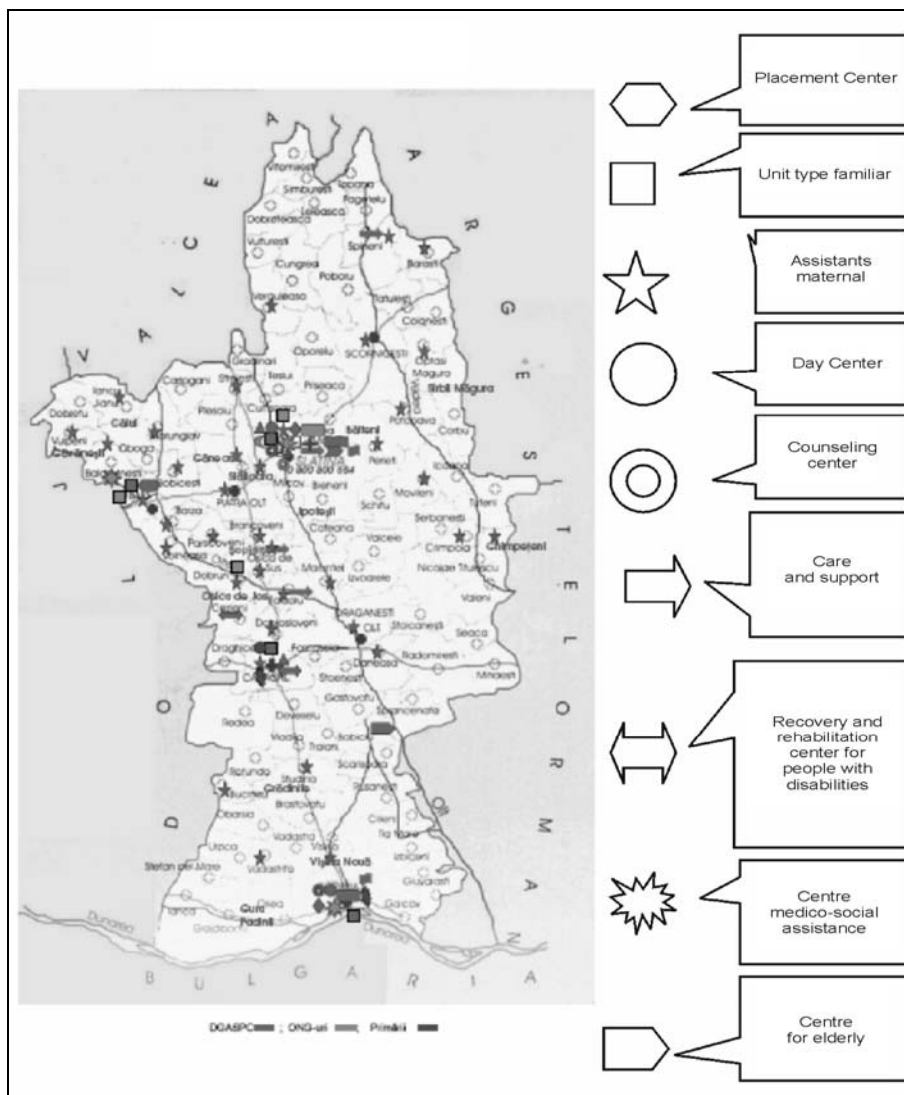
² <http://www.olt.insse.ro/main.php?lang=fr&pageid=476>.

³ Economic data from the County Directorate of Statistics (www.olt.insse.ro) and from the website of Olt Prefecture (www.prefecturaolt.ro)

Support programs for the disfavoured groups
(focusing on women and the Roma population)

Box 1

Map of social services Olt County
 (source: www.dgaspc-olt.ro)



The supply of social services in Olt County is done, mostly, by DGASPC Olt and by the local town halls which developed specialised services (Box 1). The range of services provided by the Directorate for Social Assistance and Child Protection (DGASPC) is broad and it includes in the field of child protection residential services, family services and alternative services; in the field of social assistance it includes residential services and alternative services (Table 1)

Table 1
Social services developed by DGASPC Olt
 (source: www.dgaspc-olt.ro)

Services for child protection			Services of social protection	
Residential services	Alternative services	Family services	Residential services	Alternative services
One placement centre (Slatina)	Day care centres for pre-school children (two in Slatina and one in Corabia)	Maternal assistants in all 8 towns and in 31 communes	Care and assistance centres (one each in Slatina, Șopârlița, Spineni, and Corabia)	Ambulatory centres for neuromotor recovery (in Slatina and Corabia)
Family-type units (six in Slatina, two in Caracal, one each in Balș and Corabia)	Counselling centres for adults and children (two in Slatina and one in Corabia) Counselling and family planning centre (Slatina)	-	Centres for recovery and rehabilitation of the people with disabilities (in Caracal and Cezieni)	Complex of services (in Slatina)
Reception centres for children (two in Slatina)	Centres for recovery for the children with disabilities (one in Slatina and one in Caracal)	-	Centres for the elder (one each in Băbiciu, Fălcoiu, Slatina and Spineni)	

Olt County belongs to the category of counties where the sector of the non-governmental organisations is very poorly developed, the number of associations and foundations licensed to supply social services counting just 8 units, three associations and five foundations¹. Of these units, half provide services

¹ Licensed by the Ministry of Labour, Family and Social Protection (www.mmuncii.ro).

exclusively to the children, and just one operates in rural area (at Dobrun, in the central-eastern part of the county, 35 km from Slatina).

In the field of child protection and social assistance, the activity of NGOs supplying social services in Olt County is represented by two family-type units (Foundation „Casa Lumini”, in Slatina and Foundation „Kids Alive” in Dobrun commune), three centres of recovery and therapy in Slatina (Foundation „Trebuie” and Foundation „Casa Lumini”), one day care centre in Corabia (Association for the support of physically handicapped children), two counselling centres for the people with disabilities in Slatina (Association „Nagual” and Foundation „Prof. Coman”) one support centre for the children leaving the system of protection (Foundation „L’Arcobaleno”) and one centre for orientation and counselling for the blind people (Association of the blind people).

Besides these NGOs licensed to supply services of social assistance, the landscape of associations and foundations with a strong social activity is completed by county or local institutions and by organisations registered in other areas of the country, and who run operations in Olt County too (among them, the Roma organisations were the most active).

In the category of the forms of support for the disfavoured groups, we can include the programs run by AJOFM Olt, by Olt Prefecture and by town halls from the county, whose aim to increase the social inclusion of these categories of people. With funds from AED Foundation (Academy of Education Development, USA), AJOFM Olt established in 2005 four centres for professional information and orientation in the towns of Slatina, Caracal, Corabia and Balş, whose purpose is to facilitate the inclusion of the job seekers on the labour market. Also AJOFM ran in 2008 a PHARE program (106,000 euro) whose target group was the Roma population from the communes of Grădinari, Iancu Jianu, Stoeneşti and Potcoava. Within the framework of this program, 107 Roma people benefited of free courses of professional formation, counselling and orientation. At the end of the program, 68 trainees managed to get a job and 8 opened their own businesses.

Also in the area of the programs for the Roma, in 2007, Olt Prefecture, Association „Rom Grand” Grădinari, the County Council Olt and the County Directorate for Population Registration won a PHARE project amounting to 49,917 de euro. This purpose of the project (run as public-private partnership) was to facilitate the release of identification and marriage papers for the Roma population from: Grădinari, Slatina, Caracal, Corabia, Balş, Ianca, Iancu Jianu, Scărişoara, Stoieneşti and Strejeşti. The interview with AJOFM Olt director revealed the low interest of the people from the disfavoured groups for the formation and counselling activities and for the events organised by AJOFM.

In the area of the local initiatives we can count project „Şanse Egale”, run by the elementary school from Măineşti (more than 60% of the school pupils are Roma children) in partnership with Balş town hall. The projects started in 2008 and it aims to increase the level of Roma children integration by involving them in cultural-educative activities. A similar project at community level is the one run in 2008 in the schools from the communes of Brebeni and Corbu, localities with significant proportions of Roma people, whose purpose was to increase the level of school inclusion of the Roma children, by involving them in educational and cultural activities and in voluntary activities.

The field research didn't reveal the existence of social programs addressing the women (as vulnerable group) run by NGOs, by county or local institutions. This situation, as well as the previously described one for the Roma programs, is caused by the lack of local initiative of the non-governmental organisations. Both the representatives of the public institutions (AJOFM, Prefecture, DGASPC, Chamber of Commerce), as well as NGO representatives showed the low number of activity of the organisations delivering social services. The concentration of the NGOs providing social services in Slatina Municipality makes it difficult for the possible beneficiaries from the other areas of the county to get there. That is why, DGASPC Olt and the services of social assistance of the town halls are just about all the social services provided in the county.

Profile of the social economy organisations

In terms of the entities running social economy activities, an unbalanced situation can be observed in Olt County. On the one hand, there are mutual aid houses, the credit cooperative which, in virtue of their object of activity – financial services – have widespread activities and a large number of beneficiaries. At the opposite end there are the craftsmen cooperatives and the consumption cooperatives which are experiencing an obvious downfall materialized in the reduction of the number of members and activities. The NGOs have an intermediary status, meaning that they are active socially, but their impact is low because they are very few.

The cooperative sector is represented, at the county level, by the entities affiliated to UJCM and UJCC and by the Cooperative Bank „Albina”:

- The County Union of the Craftsmen Cooperatives, established in 2006, joins all the cooperative active in the county, 10 units (all of the first degree) with a total of 352 members;
- The County Union of the Consumption Cooperatives, established in 2005, which joins 16 consumption cooperatives active in Old County (15 are first degree cooperatives and one is second degree cooperative);

- The Cooperative Bank “Albina”, with more than 30,000 members, which resulted after the merging of the four cooperative banks active in Old County.

In the county there also are several employee CAR¹ (CAR ALRO, CAR CFR, CAR Pre-university education, CAR County Council and CAR Slatina being the largest) and two Mutual Aid Houses of the pensioners (CARP Slatina has more than 5,000 members). The activity of CAR units decreased during the recent years in response to the development of the bank credits, except for CARP, which remained at rather constant levels of activity.

The only protected workshop in the county operates in the town of Corabia and it was established by the Association of support for the children with physical handicap, Olt branch. Although both DGASPC and AJOFM promoted the establishment of such centres by the commercial units, the interest is very low². In the next year, Association „Nagual” intends to establish a second protected workshop, this time in Slatina, where a specific number of people with disabilities would work in a centre for wastes recycling.

A special unit among the associations is the County Council of the Elder, which joins several associations of pensioners from Olt County. It has over 20,000 members and it represents the interests of more than 130,000 pensioners from the county. The activities of this organisation are low, however, materializing in protests, picketing and signature raising. The organisation has a strong political (militant) character induced by its president, a high ranking person from PSD Olt. This fact has often caused disputes between Slatina town hall and the representatives of the organisation.

Most of the consummation cooperatives work in the rural area, being the only form of social economy organisation operating preponderantly in the rural areas. Although a large number of CARP members are pensioners living in rural areas, the organisation has no other office beside the one in Slatina, which hinders the relation between the organisation and its beneficiaries. The Cooperative Bank „Albina”, on the other hand, has 24 working points in the rural areas, because “*The largest part of cooperative’s activity runs in the rural area. The pensioners are most of our clients, many of them having a long-term relationship with the bank (even as early as during the communist period)*” (director, Cooperative Bank „Albina”).

¹ *The Registry of the non-banking financial institutions*, Part I, section *Mutual Aid Houses* specifies the existence of 40 CAR units active in Olt County (http://www.bnro.ro/files/d/RegistreBNR/ifn/RegistruDeEvidenta/registru_evidenta_ifn_active_car.htm).

² From the discussions with DGASPC and AJOFM representatives, it resulted that the lack of trust of the employees in these social categories is the main hindrance to the establishment of new centres.

Perception about the social economy

The concept of *social economy* is an “enigma” for most of the representatives of the interviewed organisations. Only at DAGSPC and „Nagual” NGO this concept was known. In both situations, the guidebooks of the applicant supplied for POSDRU projects were the main source of information. Both the representative of DAGSPC and the representative of „Nagual” Association, mentioned that the organisations they are working for prepared (not yet finished – DGASPC) or are preparing („Nagual”) POSDRU projects on social economy subjects and that is why they documented on the concept of social economy.

Social economy legislation is very little known; even the legislative framework which is the basis for the establishment of the different social economy organisations is known sequentially. Only at UJCM, UJCC and at the Credit Cooperative „Albina” we noticed solid knowledge of the legislative framework, which can be explained by the heavily entrepreneurial character of these organisations.

During the interviews with DGASPC representatives and with NGO representatives which had contacts with the social economy, we noticed a positive evaluation of this type of activities. Even if the measures of social economy are not known as such, the underlying principles are unanimously appreciated. “*The development of this sector depends on the growth of the NGO sector and on the involvement of the private companies*” (DGASPC officer in charge with projects and programs). At this moment, the contribution of the social economy measures to the integration of the disfavoured groups is minor, just because of the low number of organisations active in the field.

Impact/results of the social economy

At the local level, we can speak of the existence of important employers for the people from the disfavoured categories. There are no firms which employ with predilection Roma people, old people or young people from the placement centres etc. If we refer to the people with disabilities, AJOFM data mention the existence of 13 work contracts for people with hearing, locomotive, etc., deficiencies (in 2009), 16 such contracts in 2008 and 11 in 2007. Even the protected workshop from Corabia “*has only one person with handicap as permanent employee*” (AJOFM president). The other work contracts for this category of persons are in some SMEs. The professions to which the people from disfavoured groups have access are “poorly skilled professions, hand-working professions” (AJOFM president).

On the other hand, the programs run by different institutions and organisations for the integration of the Roma on the labour market only had isolated results, lacking sustained measures in this direction (for instance, PHARE project run by AJOMF in 2008 resulted in the employment of 68 Roma people, which is not significant in

relation with the number of unemployed Roma). If we refer only to the Roma population, at the county level, their situation didn't improve during the recent years. The projects run either by central or local institutions and by NGOs were just punctual activities, insufficient to yield significant results.

The category of the social economy organisations with a major impact includes the CAR units and „Albina” bank, which have thousands of beneficiaries each year throughout the county. In 2008, CARP granted almost 3,000 loans, while the Cooperative bank „Albina” paid dividends to 30,000 members. Practically, „Albina” bank is the largest social economy organisation operating in Olt County. The banks grants a wide range of credits (consumption, investments, agricultural, personal needs) both to natural persons and to legal persons, irrespective whether they are or they are not members of the cooperative.

In the case of CARP, which has an obvious social function, the quantification of the social impact should also consider the evolution and alternatives which the beneficiaries might have in the absence of this opportunity. In virtue of its profile and of the legislation, „*CARP seeks no profit. The money that comes back to us is lent again*” (CARP president). The social impact of CARP is major for the pensioners who, as members, can get loans between 100 and 3,000 lei, which, as the president said, are vital for them under specific circumstances¹.

Under the conditions in which the banking system doesn't grant easily credits to the elder and under the condition in which the requested amounts and the reimbursing period are low, CARP is many times the only possibility of the pensioners to credits. The other CAR units, although have decreasing activity, also have a major social impact, but in the case of CARP this function is obvious due to the specific problems of this category of age and to the economic coordinates of Romania, where the category of the old people is one of the most vulnerable.

The consumption and craftsmen cooperatives have a negative evolution: the number and activity of these cooperatives decreased severely over the past 20 years. After they were organised according to Law no. 1/2005, the process of discontinuation of these cooperatives ceased, but the number of members continued to decrease (the number of cooperative members decreased by 25% from 2005 to 2008). Situation is utterly critical for the consumption cooperatives, the turnover of UJCC Olt decreasing by more than 20% in 2008, compared to 2007; the figures for 2009 are expected to be even more dramatic (vice-president UJCC Olt).

¹ "I am glad to be able to help these people stay alive. Many would die if it were not for us...With our help they buy medicines, pay for surgery...buy whatever they need. Serious surgery is sometimes done with the money we lend" (CARP president).

Forms of support for the social economy organisations

The state has stipulated, through the laws that regulate the activity of the social economy organisations, several aids for these units such as exemption from paying the profit tax (for the NGOs with income from economic activities less than 15,000 euro), facilitate the activity of the county unions and associations of pensioners (they receive from the county councils locations for their activity), giving the consumption cooperatives the right to use freely the land where the cooperative units are located (Law no. 1/2005).

Within the current context we can only speak of the existence of private projects of social economy organisations. The evolution of the NGOs supplying social services depends on the increase of the social activity and on the diversification of the range of services. For this sector, the non-reimbursable funds (donations or by competition) is the source of supporting their activity. The funds that can be drawn through the *European Social Fund* for the Operational Program Human Resources Development, is the greatest possibility of development (president, NGO Slatina).

The development of the social economy activities depends largely, for the associations and foundations, on the change of people's mentality; the population must support these activities by a higher social involvement (officer in charge with projects and programs DGASPC), while NGOs activity and the involvement of the private companies must increase.

For the cooperative sector, the support from the state is vital for its development, and the legislative way is the most important means. The national unions (UCECOM, CENTROCOOP, and CREDITCOOP) play a very important role in the development of the cooperative sector; they decide the directing lines which guide the activity of all the member cooperatives. The support of the consumption cooperatives and of the craftsmen cooperatives depends largely on the easy access to credits, which continue to be a great problem for the cooperatives (vice-president UJCC, president UJCM)

Legislation and prospects of the social economy

The first, and probably the most important observation on the relevant legislation is that it is very little known. The respondents, representatives of the cooperatives or NGOs, had difficulties to answer our question regarding the laws governing the activity of their units.

Among the weaknesses, the representatives of the social economy organisations accused the excessive taxes (the lump sum tax was invoked as example) and some legislative gaps regarding the legal status of the land on which the cooperatives operate. Regarding this latter aspect, the argument which supported the idea of

giving the land into the property of the cooperatives targeted the impossibility to get credits unless they prove the property over the land or buildings. "We don't have projects because we cannot have, legally... We are not the owners of the land where we are operating and this prevents us from taking credits or running projects (vice-president UJCC Olt).

Olt County has a very little developed social economy, at least regarding the NGOs. Since there are just eight NGOs supplying social services and a single protected workshop, we cannot speak of an intense economic activity of the non-profit sector. The low number of programs and projects in support of the disfavoured groups and their low social impact fill in the image of the poor involvement of the NGO sector in social economy activities.

The CAR units and the Cooperative Bank "Albina" actually have, by their high number of beneficiaries, the most intense social economy. The perspectives of the sector are, however, uncertain. The growth of the banking sector activity reduces the activity of the credit cooperatives and of the mutual aid houses, the official data supporting this perspective.

The evolution of the consumption cooperatives and of the craftsmen cooperatives also is questionable under the conditions in which, during the recent years, there was a continuous decrease of the cooperative membership. Of the two types of cooperatives, the consumption cooperatives are in a critical condition.

The development of the social economy sector can be achieved only if several conditions are met simultaneously: regulation, financing possibilities, dynamics of the associational forms and cooperation between these social economy organisations and the economic sector.

DGASPC – officer in charge with projects and programs

Knowledge

- The significance of the social economy concept is known within DGASPC Olt, the main source of information in this respect being POS DRU documents (applicant guidebook and the related official documents). Within DGASPC Olt there was an initiative to prepare a POS DRU project on social economy, in 2008, which didn't materialize, however. The directorate still has this interest to prepare the project for future applications and is trying to find economic units interested in the development of protected units.
- The legislative framework in the field of *social economy* is not known.

- At the county level, in the field of social services, there is a single protected workshop in Corabia (of the Romanian Association Supporting the Children with Physical Handicap, Olt branch).
- DGASPC representative mentioned the non-profit sector and the limited liability societies, if they organise protected workshops, as the types of organisations which can run social economy activities.
- In the county there are eight NGOs licensed as suppliers of social services, of which one (the Romanian Association Supporting the Children with Physical Handicap, Olt branch) certainly operates *social economy* activities.

Attitudes

- "The social economy activities are very necessary, but we (as society) are not yet ready for something like this. The factors with adverse effects are in people's attitudes, mentalities." This statement was argued with the example of a foundation which established a bakery which employed Roma people. Shortly after, the bakery had to be closed down because nobody was buying bread from it.
- We need a higher involvement of the firms in social economy activities, and we need better information, which to shatter the traditional mentalities regarding the disfavoured groups.

Practices

- The contact person from DGASPC says that he didn't participate and he doesn't know anybody from the institution to have participated in events of information or conferences regarding the social economy. He also doesn't know of the organisation of such information meetings in the whole county.
- DAGSPC is not involved in social economy projects but, in 2008 there have been discussions for collaboration with a limited liability company from Corabia, but eventually that company has backed and nothing resulted.
- Activities for the social inclusion of the disfavoured groups. In the localities of Grădinari, Corbu, Brebeni, Stoenesti and Valea Mare, the National Agency for the Roma implements a program for the social inclusion of the Roma. In each Roma community there will be local Roma experts working, who will represent the Roma people in their relation with the local authorities and who will work on projects to draw funds for those communities. In the same area of Roma policies, AJOFM has programs for professional formation and counselling to

start a business. The people with disabilities benefit, besides the stipulations of the law, of the services provided by the Association „Nagual”, Association „Trebuie” (beneficiaries: people with mental handicap) and Association for the Support of the Children with Physical Handicap. At the same time, five NGOs conduct activities intended exclusively for children (Foundation „Kids Alive” Romania, Foundation „I Nostri Bambini”, Foundation „Profesor Coman”, Foundation „Casa Luminii”, Association „D'Arcobaleno”). At the county level there are several pensioners organisations joined into the County Council of the Elder, which aims to promote the interests of the old people in relation with the central and local institutions and with the different economic agents.

AJOFM- president

Initiatives in the social economy sector

- Through the National Agency for Occupation and Formation, AJOFM Olt runs two large projects whose object is the integration of the disfavoured people on the labour market. The first project, which started in 2005, aimed to establish a county network of professional counselling and orientation in the towns of Olt, Caracal, Corabia and Balş. The project started with funds from the AED Foundation (Academy of Education Development - USA) and it is implemented and monitored on a regular basis. The second project was run with financial support from the World Bank and it presumed the organisation of training courses in gesture-language for the people with hearing deficiencies.
- On the local plan we cannot speak of the existence of important employers for the people from the disfavoured categories. There are no companies which to employ with predilection Roma people, old people, young people from the placement centres. AJOFM data show the existence of 13 working contracts for people with hearing, locomotive etc., deficiencies in 2009, 16 contracts in 2008 and 11 contracts in 2007. “The protected workshop from Corabia has just one permanent worker who is a person with disabilities. The other work contracts for people from the same category are in some SMEs”
- “In general, the professions available to the people coming from disfavoured groups are poorly skilled, hand-working professions.”
- Outside the centres for professional counselling and orientation, which provide counselling to start a business, we cannot speak of the existence of projects encouraging entrepreneurship among the people coming from disfavoured groups.

Potential beneficiaries of the social economy

- “It is difficult to estimate the number of people in social risk who are seeking a job, but our (AJOFM) evidence shows that very few people with deficiencies are registered in our database.”
- At the county level, there is just one protected job. Generally, the opportunities of the labour market for the people coming from disadvantaged groups are in garments, constructions and commerce.
- “We (AJOFM) tried to promote the possibility to establish protected workshops among the companies from our county, but they displayed very little interest for such kind of activities.”

Local inter-institutional networks for social economy

- “There are no inter-institutional partnerships in Olt, because there are no NGOs. We know only two such organisations. There are no people here who would start an NGO unlike other places (*gives the example of Oradea and Timisoara where he knows such organisations*)... We, in Olt, we only have relations with the association „Trebuie” and with the association of the blind people. These two organisations were established upon the initiative of some people who had handicapped persons in their family (n.m. children with handicap).”
- “The partnerships cannot be turned efficient unless the activity of the organisations grows... This means the establishment of new organisations and the development of their activity.”
- The integration of the people from the disfavoured groups on the labour market can be done only through a stronger involvement of these categories of people and by increasing the number of organisations which have this objective.

Level of knowledge, perception of the social economy and of the legislative framework

- The respondent (AJOFM Olt director) declared that he doesn't know the significance of the concept of social economy, or the related legislative framework.
- The director mentions, however, a PHARE program amounting to 106,000 euro, which runs in 2008 and 2009, whose target group was the Roma

population from four localities: Grădinari, Iancu Jianu, Stoenеști and Potcoava. The program, which run through AJOFM aimed to train 107 Roma people through programs of professional formation; 68 of them found jobs and 8 started own businesses.

Chamber of commerce – president

County profile

- "Olt County has an unbalanced economic profile because 6-7 large companies produce more than 70% of the county GDP".
- "In Slatina, the unemployment rate is very low, although at the county level it is around the national average. The industry is developed in the town; in the rest of the county there is a different reality."
- For Slatina, even if the transition period caused some large enterprises to shrink their activity (ALRO and ALPROM were given as example), new investments appeared during the recent years (the tyre factory „Continental”), as well as several SMEs. In the rest of the county, most economic agents closed down. In Caracal, for instance, only the railway cars factory and the textile industry are still running, while in Corabia, the poorest town in the county, unemployment exceeds 20%. For Corabia, there is a POR project, which is expected to refresh the economy of the town and which aims to bring the port back to life, but it was not yet implemented.

Profile of the cooperatives and the services for cooperatives

- The cooperative sector, in Olt County, is very poorly developed; it shrinks every year.
- There are two county unions (County Union of the Craftsmen Cooperatives and the County Union of the Consumption Cooperatives) which join the profile units throughout the county.
- The president of the Chamber of Commerce excuses himself for not being able to provide information about the cooperatives; he gives us the addresses of the associations where we can get general data on the specificity, activity and problems of the cooperative sector.
- The Chamber of Commerce and Industry doesn't provide differentiated services for the cooperatives and didn't implement projects specific to this sector. The only projects of the Chamber where representatives of the

cooperatives (only the consumption cooperatives) also take part are the periodical fairs and exhibitions.

Social economy – unknown concept

County Union of the Consumption

Cooperatives – vice-president

Profile of the county organisations

- UJCC Olt was established in 2005, on the basis of Law 1/2005.
- Currently, there are 16 member units, of which 15 of the first degree (the difference between the first degree and the second degree cooperatives is the proportion of natural persons within their structure. The law stipulates that the second degree cooperatives are owned in proportion of 2/3 by natural persons).
- All the cooperatives existing in the county are members of UJCC Olt.

Cooperative activity in the county

- UJCC member units function, with changes in the statute, from the communist period. The number of units reduced very much after 1990, but after the Union was established (in 2005), their number didn't fluctuate anymore. However, the number of cooperative members decreased by 25% only during the past three years.
- The cooperative units earn incomes from commercial activities (retail sales) or from renting built areas to other economic agents. Most times, the cooperatives are in great problems and they hardly make profit. *The greatest problems are due to the lack of liquidity, due to the financial blockage and to the deficient access to credits.*
- The turnover of UJCC Olt in 2008 was 20% smaller than in 2007; the prospects are even bleaker for 2009.
- None of the member cooperatives issued bonds.
- UJCC doesn't organise cultural activities.

Projects and cooperation with other institutions

- UJCC doesn't run European projects: "We don't have such projects because legally we can't... We don't owe the land where we are conducting our operations and this doesn't allow us to run for projects."

- "The local authorities don't help us in any way, neither does the County Council... We collaborated with the Chamber of Commerce for some exhibitions."
- CENTROCOOP imposes regulations because it represents the governing body.
- There were no collaborations with NGOs.

Legislation and problems

- The great problem is of the land beneath the buildings where we are operating. The land is not ours, we only have the right to use it as long as the buildings are there... This land should be our property."
- Weaknesses of the legislation: Law 1/2005 stipulates too large taxes for the current activities of the cooperatives, but the great problem is that it didn't allow the cooperatives to own the land on which it runs its operations.

Social economy – unknown concept

County Union of the Craftsmen Cooperatives – president

Profile of the county organisation, activity of the cooperative

- UCJM Olt was established in 2006 and has 10 affiliated cooperatives (all the cooperatives from the county). The first cooperative in the county was established in 1949 at Caracal.
- The object of activity of the cooperatives (5 in Slatina, 3 in Caracal, 1 in Balş and 1 in Corabia) is the delivery of services and they have 352 members in all.
- Of the 10 cooperatives, only one had losses in 2008 (the one in Corabia), so that the "cooperatives are afloat". The tailoring and shoemaking cooperatives have the greatest problems, not much demand for them.
- None of the cooperatives issued bonds and none run projects.

Relation with other institutions and legislation

- "We don't have any kind of interaction, besides the ones regulated by the law, with the local or county authorities."
- "UCECOM endeavours to help us. It issues all kinds of guidebooks and norms required by our activity."

- No relation with the NGO sector.
- The acting legislation is seen rather as a hindrance to cooperative development, due to the taxes and dues it stipulates.

Social economy – unknown concept

Consumption cooperative Apicola - director

General data

- The unit was established in the 1960s.
- Throughout Olt County, the cooperative has about 30 members (the number of members fluctuates continuously), most of them pensioners.
- The economic situation of the cooperative was poor during the recent years, but they are still making a profit from this activity.

Credit cooperative „Albina” – deputy director

General data

- The only credit cooperative from Olt County („Albina”) resulted from the merging of the four existing cooperatives. „Albina” cooperative has 24 work points throughout the county and about 30,000 members who own shares. The number of members remained rather constant during the past three years, but it is lower than before 1990.
- The first credit cooperative in this area dates since the 1950s.
- “Most of the cooperative activity takes place in the rural areas. The pensioners represent much of our clients, many of them having a long-term relation with the bank (from the period of the communist regime).”
- The object of activity of the cooperative is receiving deposits and granting loans to the cooperative members and to other categories of natural and legal persons; its profile resembles to that of the banking units.

Procedures and products

- Any person with residence/job in the geographical area of activity of the cooperative (Olt County) can become a member. The members can subscribe social shares and, consequently, they can receive dividends for them.

- Withdrawal from the cooperative is done by written notification to the bank, but after payment of all obligations towards the cooperative.
- The saving and crediting operations are rather similar in terms of volume.
- Due to the crisis, both the deposits, and the credits decreased slightly during the past year, the 2009 turnover being about 90% of the 2008 figure.
- The cooperative doesn't have specific services for the disfavoured categories.

NGO: Association „Nagual” (Slatina) – program manager [REDACTED]
Object of activity: delivery of mental health services

Knowledge

- I heard about this concept (n.m. social economy), POS DRU funds even have a line of funds for such projects... The social economy activities are activities of the economic agents or of the NGOs who provide income for vulnerable social categories”
- The field legislation is not known.
- “I don't think that in Slatina there is any organisation engaged in social economy, at least I don't know any.”
- “In Ilt County there are no more than 20 active NGOs, most those with social profile providing services for the children with disabilities”. There is just one protected unit, in Corabia.

Attitudes

- “The social economy activities are new for Romania, and maybe this is why they are less developed.”
- “I think that the economic agents should get more involved in these activities... Not necessarily the state, because the state is inefficient, bureaucratic and even incompetent... The state should pas regulations which to encourage the economic sector and the NGOs towards such activities”.

Practices

- Didn't attend any information event on subjects of social economy and doesn't know of any such activities in Ilt County.

- Association „Nagual” is to start a project which can be considered social economy: they are preparing a SRL whose object of activity is wastes recycling; the project will employ people with disabilities. The project will probably start in 2010.

CAR Pensioners – president (in Olt County there is just one CARP) ■■■■■

General data

- Establishment: 1957.
- Structure: three permanent employees and three collaborators. The board consists of five members. The censor commission consists of three members.
- The board monitors and ensures the operation and internal control of CARP.
- The general assembly meets once a year and sets the objectives and validates the board.
- CARP operates from a building it owns, in a block of flats in downtown Slatina. CARP doesn't own other areas and doesn't have other work points in the county.
- CARP gives loans to the pensioners and to other categories of assimilated beneficiaries (husband, wife, children with handicap).
- In case a member dies, the family receives aid for funerals, non-reimbursable (amounting to 200 lei).
- CARP has over 5,100 members (4,900 in 2008) from all the categories of pensioners. During the past five years, the number of members oscillated around the current figure. During the communist period and in the first years after revolution, the number of members was in excess of 10,000 people.
- The members pay a monthly fee of 1% of their pension. To get a loan, a person must first make a deposit (down payment) and they repay in monthly instalments.
- The members can loan between 100 and 3,000 lei, the amount depending on the value of the pension.
- For the vast majority of the members, the pension is the only form of constant income. For the beneficiaries from the rural areas, the products obtained from agricultural activities are a secondary source of income.

- The statute of member is obtained by application and backed by the statute of pensioner or assimilated category and by the evidence of the residence in Olt County.
- CARP Olt is affiliated to the National Federation of the CARPs.

Knowledge, attitudes and practices

- "I am glad to be able to help these people stay alive. Many would die if it were not for us...With our help they buy medicines, pay for surgery...buys whatever they need."
- "Half of CARP members took loans in 2008."
- "Neither the UE, nor the Romanian state help us, we have to manage by ourselves."
- "CARP seeks no profit... The money that comes back to us is used again for loans."
- "The pensioners form the most conscious social category. Very few have overdue payments. They are thinking as follows: from pension, the priority is the medicines and debts of any kind, then the others."

County Council of the Elder (CJPV) – president

General data

- CJPV Olt was established in 2001, based on Law no. 16/2000 and operates from a location put at its disposal by the Olt County Council.
- CJPV joins all the pensioner associations from Olt County (Association „Pensionarul”, Association „Silvicultorul”, Association „Agricultorul”, Association „Unirea” CFR, Association CARP, military and police in reserve and pensioners).
- CJPV Olt has 20,000 members and “represents the interests of over 130,000 old people in the county.”
- Object of activity: “Represents the interests of the old people, standard of living, healthcare, leisure time,” We fight so that this category of people is not excluded.”
- CJPV Olt income comes from the fees paid by the member associations and from various sponsors (generally, the sponsorships come from the economic agents from the county).

- CJPV Olt is part of the National Council of the Elder (CNPV).

Projects

- ICJPV is not a beneficiary and it doesn't run projects with national or international funds. The activities it runs are rather expressive and they intend to signal out pensioners' problems. Some such actions are: 1. picketing Olt Prefecture following the decision of the Government to cut as of January 1st, the pension point from the average wage on the economy; 2) notify the town hall about the dissatisfaction of the pensioners towards the high cost of the thermal rehabilitating of the blocks from Slatina; 3) draw a report on the way in which the county house of pensions Olt assigned the treatment tickets for the pensioners; 4) picketing CEZ Oltenia branch to determine their use of a new way of billing the electrical power which to correct the current system. Over 32,000 signatures were raised.

Collaboration with other institutions and plans for the future

- They are collaborating very well with the County Council and with the Prefecture, but they are "at war" with Slatina town hall. The conflict with the town hall is argued by the "difficult person of the mayor".

Șerbănești town hall – vice-mayor

General data

- Șerbănești commune is located in the plain area and its soil is very good for agricultural activities.
- It has about 3,500 villagers in the three villages composing it.
- During the communist period in the commune there were two CAP and one IAS.
- Șerbănești commune didn't have and doesn't have developed industry; agriculture (cereal crops and animal production) is the main occupation of the villagers. However, there are three firms which employ about 120 people (SC Mega Impex - garments - 60 employees; Agricultural Association Șerbănești - 50 employees and Metal Trans SRL - 7 employees).
- The commune has one CEC office.
- In the commune there is no NGO, CAR, protected workshops, craftsmen or consumption cooperatives.

Perception on the human relations and on the social economy

- “The population is aged. Very many young people went away after 1990, many of them abroad (Spain and Italy).”
- The town hall has recently won European financing worth of 1.5 million euro (through the National Program for Rural Development - PNDR); the money will be used to expand the tap water supply to modernize roads and to introduce a sewage system.
- During the past years the town hall had several projects with pre-accession funds which were used to introduce tap water and cooking gas; these non-reimbursable funds are the only source of financing for the development projects of the commune because the revenue to the local budget from taxes and dues and from the County Council are not enough.

Attitudes

- The associations are thought to have a positive role in the development of the commune (for instance the local agricultural association which succeeded to run a prosperous business and to create jobs in the commune).

Agricultural Association Șerbănești, Olt County - XXXXXXXXXX administrator

General data

- Șerbănești commune is located 35 km from Slatina, in the south-eastern part of the county, in the Danube Plain.
- The association from Șerbănești commune is a second degree association established around the Agricultural Company „Longin” SRL.
- The association was established in 1995, it leased over 4,500 ha land and it runs a mill, a bakery, and it owns 6 combines and 25 tractors.
- The current activities are done by 52 employees with work contract, plus collaborators during the summer time.
- The commune was collectivised in the 1950s, like all the surrounding localities. The villagers have divided opinions on the communist period and on the CAP. “In the first years after we got our land back we were very glad, but gradually we understood that agriculture cannot be done on small plots... Most villagers joined our association with their land. The people with larger land areas (10-30 ha) and who have the necessary agricultural equipment didn't join us.”

- Structure of the crops: half wheat, 20% rape and the rest corn and sunflower.

Economic activity

- The profit of the association comes from the sale of bakery products, from using the mill and by selling the agricultural products which remained after all the association members received their share of products (this year the association distributed to its members 800 kg wheat per hectare of land). The association is afloat in terms of economic sustainability; however, it cannot make investments from own funds.
- The main source of income is selling cereal crops.
- Last year, the association applied for European financing through PNDR and it bought agricultural equipment (two combines and five tractors). It aims another project which to purchase further technological equipment and to modernize the storage and processing capacities. They don't know anything about the POS DRU financing line.

Decision-making and prospects

- The association is led by an administrator elected by the general assembly of the association. The administrator also is owner of the Agricultural Company „Longin” SRL, which owns the agricultural equipment, the storage facilities, the mill and the bakery.
- The current decisions within the associations are taken by the administrator, who also performs all the managerial functions of the association, using the staff of the Agricultural Company „Longin” SRL, to run the Association. Thus, the administrator, who holds this position since the association was established, actually controls the entire activity of the association.
- If the profit would increase, the investments in development would also be higher; they intend to set up an animal farm with meat processing facilities.
- The main differentiation between the associations and the CAP, beyond the property of the land, is given by the fact that the “capitalist economy pushes the associations towards competitiveness, because they are economic agents directly interested to make a profit.”
- Collaborations: very good collaboration with the town halls from the communes where the Association owns land, with the Agricultural Directorate Olt and with the county institutions. “The town hall from Șerbănești supported us in all our projects... We are collaborating excellently.”