

SOCIAL ECONOMY IN CĂLĂRAȘI COUNTY

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Abstract: The article shows the results of a survey of the social economy in Călărași County, focusing on the inclusion of the disfavoured groups, represented by Roma ethnics, young graduates, people with disabilities, on the labour market. The relevant indicator for the risk of poverty and social exclusion was considered the low level of the GDP per capita. The study shows that the implemented programs aimed to provide subsidies or facilities to the employers of the target group. Somehow surprising is the existence of old, pre-communist, types of organisation, which had survived the economic and social conditions of the transition period. The outcomes of the project have revealed a reticence to access European funds, the mentioned reasons being the perception of an excessive bureaucracy and of heavy procedures. The structural funds are highly useful within an economic-social environment with such needs, and the failure to absorb the funds would be significant as loss of the post-accession period.

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

General data about Călărași County

Location, population, and economy

Călărași County was established as administrative-territorial unit in 1981, when most of the actual territory detached from Ialomița County, plus a part from the former Ilfov County, which was significantly larger than presently. It is located in south-eastern Romania, on the left bank of the Danube. The total area of the county is 5,088 km². The relief is specific to the Danube Plain.

The 2002 Census recorded 324,617 inhabitants, and on July 1st, 315,157 persons, about 62% living in rural areas and almost 38% in urban areas, in the municipalities

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of Călărași and Oltenița, and in the towns of Budești, Fundulea and Lehliu-Gară. Ethnically, over 94% of the inhabitants declared to be Romanians, the most significant ethnic minority being the Roma (5.65%). The main town and the County capital is Călărași municipality, with a population of 78,823 in 2007.

In terms of economy, it is one of the poorest counties in Romania, ranking 39, of 42 counties in terms of the GDP per capita in 2000, 2003 and 2005.

According to the representatives of the local Chamber of Commerce and Industry, before 1989, Călărași was one of the most industrialised counties of Romania related to its area, workforce and local economy. In the 1990s, the local economy was severely affected during the transition period, the large employers, „Siderca” Călărași and „Navol” Oltenița, being privatized by liquidation. After 2000, the local economy resumed its growth, in line with the general trend of the national economy.

Within the context of the economic crisis, according to the president of the Chamber, the entities detached from the large industrial complexes are in trouble, same as the suppliers of services and the cellulose industrial complex. A better situation was reported by „Aldis” (meat products), „Martifer” (metallic works, Portuguese owner), garments and the biodiesel plant from Lehliu-Gară. The situation is poor at the SMEs chapter – the lack of orders, of the demand from the market feels bad. About 90% of the economic activity value comes from Călărași municipality.

The Chamber of Commerce has over 100 registered members, with a balance between industry, services and agriculture. The cooperative system has its own forms of organisation and association. The main services provided by the county Chamber of Commerce in support of the business environment include the business school, organisation of fairs and exhibitions (usually 4, currently 2, plus the one from Silistra) and electronic archive. The Commercial Registry returned to the Chamber of Commerce after it had been previously entrusted to the courts of law. The main foreign partner of the Chamber of Commerce is Bulgaria (Silistra). The other activities of the Chamber of Commerce include information regarding the structural funds, the Development Agency, the Bureau of Trans-border Funds.

Social problems. Situation of the vulnerable groups

The low level of the GDP per capita is a relevant indicator of the risk of poverty and social exclusion. However, according to the representatives of the Prefecture, the county doesn't have a social map, a functional unit which to substantiate the social policies. The institutional effort of establishing county anti-poverty commission for the promotion of social inclusion in 2002-2005 was not finalised. Therefore, the decentralised and deconcentrated institutions go separately on their lines of problems as defined by the law and within the limit of the available funds; there is no coordination of the social problems.

The institutions with the highest information and involvement in the situation of the vulnerable groups are the County Agency of the Workforce (AJOFM) and the General Directorate for Social Assistance and Child Protection (DGASPC).

Situation of the labour market

The unemployment rate at the county level was 7.7% at the end of October 2009 – 8,236 people, of which 3,277 women. Of the total number of unemployed people, 3,473 receive unemployment benefits, while 4,763 don't. Unemployment rate was 6.1% among the women. In terms of unemployment rate, Călărași is on position 23 among the counties of Romania. According to AJOFM representatives the unemployment rate increased dramatically starting with September 2009, when the effects of the crisis started to be felt.

The open jobs in the county are in garments, constructions, services (particularly Horeca), commerce. There are no requests of special jobs for the disfavoured people. The employers demand young people, the age being more important than the experience.

According to Law no. 276/2002 regarding the programs of professional formation, AJOFM runs such projects, which are open to any person; they don't target specific social categories of groups which are vulnerable on the labour market.

Specific programs for the employment of the groups which are vulnerable on the labour market

The programs aim to provide subsidies and facilities to the employers who hire the following category of people: (1) young people aged 16 to 25 (graduates of education systems, or coming from placement or reception centres for the children protection); (2) jobs for the development of the local rural communities; (3) disfavoured categories of people (unemployed aged 45+ or single family supporters, people with disabilities).

For the rural environment there also are, complementarily, specific programs of professional formation (agricultural worker, animal husbandry). There also is another special program with the commune town halls, for subsidies to constructions, which targets the unemployed.

The job offer for the people with disabilities is low. The demand from employers decreased because of the lack of subsidies from the state budget. According to the law, the Government of Romania, through AJOFM, subsidies such jobs, but no allocations from the budget were received from the first quarter, therefore there were no resources for this program. The lack of funds from the budget didn't allow the

allocation of facilities for the employers who hire young people aged 16 to 25 who are in difficulty, according to Law no. 116/2002.

The mediation services also run in support of the disfavoured categories. Last year, 4 persons with handicap were included in the process of mediation on the labour market (one person was hired), 1,372 Roma people (165 employed) and 3,581 women (923 employed). The Roman people included in the process of mediation are mainly from rural areas and have very little, if any, education. The figures above show very low successful rates of mediation for the Roma people, which is in agreement with the other counties, according to ANOFM reports.

The main AJOFM partners in running these programs are the town halls from the rural areas, for the subsidies for work reintegration through the constructions program, DGASPC for the insertion of the young aged 16-25 and who are in difficulty, Roma people organisations for the mediation on the labour market and employers who want to employ unemployed people.

According to AJOFM representatives, the main ways to improve the operation of the current programs pertain to the funds allocated from the budget (the amounts for subsidies upon employment were not approved entirely, then they were not even allocated) and continuation of the professional formation programs.

Services of social assistance

According to DGASPC Călărași officials, the activity focuses on child protection, judging by the level of the financial and human resources. The services of primary social assistance for the peoples with disabilities stand on the second position. The services of primary social assistance are few in number and provide a small range of basic services. Besides the current activity regarding the social aids (heating, emergency etc.) only the services of home care for the people with handicap are accredited. There is a total number of 14 units accredited to supply social services, 12 of which are town halls (Călărași, Oltenița and 10 communes), and two are non-governmental organisations (NGOs) for children assistance (see Table 1).

The thorniest problem regarding child protection is child delinquency. It is thought to entail the highest social risk for the future. A significant part of the disorganised families, with social risk, whose children are admitted to the system of protection, are Roma people. The main managerial problem is the relation between resources and the standards of the services. The law and the Social Inspection impose high standards, hence high costs with the wages. The Directorate has over 1,000 employees, in order to observe the standards regarding the number of children taken under the care of the authorities. DGASPC director gave the example of Hungary, where the standards are not as strict and high as in Romania, which allows the same

activity to run at lower costs. For a county with low economic power, such as Călărași, there is a permanent pressure from the local council to keep the expenditure under control. DGASPC director exemplifies this situation by the fact that for about the same number of employees and children covered by their services, the budget of DGASPC from district 1 is 34 times higher.

Table 1
Accredited suppliers of social services in Călărași County

	Name	Type of organisation
1	Association for the support of the Children with Physical Handicap – Romania – Călărași branch	NGO (association)
2	Foundation „Bethany House” Călărași	NGO (foundation)
3	Local Council - Public Service of Social Assistance Călărași	Public service
4	Local Council - Public Service of Social Assistance Oltenița	Public service
5	General Directorate for Social Assistance and Child Protection	Public service
6	Borcea town hall - Public Service of Social Assistance	Public service
7	Budești town hall - Public Service of Social Assistance	Public service
8	Dichiseni town hall - Public Service of Social Assistance	Public service
9	Dragoș Vodă town hall - Public Service of Social Assistance	Public service
10	Gălbinași town hall - Public Service of Social Assistance	Public service
11	Independența town hall - Public Service of Social Assistance	Public service
12	Modelu town hall - Public Service of Social Assistance	Public service
13	Roseti town hall - Public Service of Social Assistance	Public service
14	Vâlcele town hall - Public Service of Social Assistance	Public service

At the county level, the NGOs are very little represented, with just two accredited organisations, both operating services for the children. There is one active NGO for adult care, Association Agora, which under accreditation for a day care centre for the people with disabilities. The most representative is the „Bethany” Foundation which operates with USA support. This is an independent entity from the Bucharest foundation with the same name. Its efforts are laudable, but they can provide services just for a small number of children compared to the necessities of the county and with DGASPC coverage. Given the high costs of DGASPC with the workforce, the general director considers that “the future is contracting”, but for the time being there are no NGOs able to assume the service which the Directorate, is providing currently.

The current activities for the adult people are focused exclusively on the about 9,300 adult people with disabilities from the county most of them having categories I and II of handicap. A third of them are sightless. The main categories of people with handicap are as follows: people with no income – 5,060 people (4,142 adult people), pensioners (invalids, orphans, war widows) – 196 people, invalidity pensioners – 1,049 people, regular pensioners – 2,871 people, working people – 177 persons. There are no partnerships with the employees or with the two protected workshops which are registered. They are in the communes of the county which are close the Bucharest. The county statistics mention 177 handicapped persons who are working.

There were no other categories of persons with risk of social exclusion registered with DGASPC Călărași.

Currently, the main working project is to draw funds from ANPH to modernize the home from Plătărești, where people with severe mental handicap are cared for. There is a will to provide more services, but “we don’t have people”. In terms of active participation on the labour market, there have been jobs in the cooperative sector, but they have been cancelled.

The general attitude of the people with disabilities is characterized by DGASPC as follows: “they are asking for rights, money, not jobs”. Currently, there is a nation-wide action to verify the levels of handicap. The results of the medical diagnoses continue to vary inexplicably and, despite the authorities, still are ways to get the status of handicap more severely than the real condition of the particular person.

Forms of social economy in Călărași County

1. The cooperative system

The craftsmen cooperatives started from the “the inheritance of the craftsmanship from father to the son, all kinds of people, all crafts”, according to the president of Atcom Călărași, UCECOM member. This form of organisation dates back in 1949. In 1956-1959 the communist regime closed down some old cooperatives (as entities) but the membership remained. The saying is that in the cooperative system “no craftsman leads a poor life” and that “enters he who can”. There is a 2 years period until earning full membership, time during which that person works and deposit capital. “Cooperation is like a big family”, with a strong social dimension. The work relations are specific to the craftsmen cooperative system because “at us, the employee also is the employer”.

Currently, there are more than 200 cooperative members throughout the county, compared to 2,100 in 1990. In 1982/1983, 26 engineers and 180 graduates of arts and crafts schools entered the craftsmen cooperative system in Călărași County. At that time there were some forms supporting the professional insertion: dwelling from

the state for a modest rent, furniture at affordable prices and on credit (one room was furnished free of charge by the cooperative).

Currently there are five craftsmen cooperatives, two of level 2 and three of level 1. The level 1 cooperatives are members of the level 2 cooperatives. The territorial distribution is as follows: in Călărași – (1) „Atcom”, (2) „Borcea” Călărași, (3) „Dunărea” Călărași, (4) „Constructorul”, in Oltenița – (5) „Dunărea” Oltenița. Călărași, through Atcom, also took over the Cooperative from Lehliu. The 5 cooperatives are linked by some common cooperatives, the most important entity being Atcom, which is affiliated to UCECOM.

According to Atcom president, the craftsmen cooperatives lost members and economic importance during the transition period because of three factors: (1) technological; (2) fiscal system; (3) capitalization.

Technologically, the orientation towards the cooperative system weakened the transition to another pattern of activity, a more industrial one, such as *lohn*. The demand for custom products, with high level of processing according to the personal requirements of the client, decreased. The preference goes now towards mass production goods which are cheaper. An illustrative example is that of a cooperative specialised in the production of army coats, which employed 50 people with handicap. After the compulsory military service was discontinued, the army cancelled the orders, the army representative saying that “after we joined NATO, we no longer need clothes made by handicapped people”. Another example is the disappearance of watchmaker, the people preferring cheap electronic watches, which you throw away when it breaks.

The destabilization of the cooperative system took place in 1995-1996, when some craftsmen turned into traders (SRL) of PFA or retired because of the fiscal regulations. The compulsory use of cash registry and other fiscal regulations meant costs which the cooperatives could not bear at their current incomes.

Decapitalisation occurred, usually due to a deficient management. The sales of assets, the lack of investments or redistribution of the profit instead of reinvestment are just a few examples. An effect was the loss of the incentives to attract the young people into the cooperative system, such as no more state dwellings for the cooperatives.

During the difficult periods, the cooperative system could survive mostly by long-term accumulation (of capital). Depending on the managers, the cooperatives survived and even prospered. The factors favouring this positive outcome were the financing policy, owning built areas, involvement in business, avoiding decapitalization, reinvesting the profit. As a consequence, the cooperative system is acknowledged as competitor on the market.

Presently, the main economic activities of the craftsmen cooperatives are the production of garments (even export of garments through „Dunărea” Oltenița), hair dresser, hair stylist, auto service, metal works, constructions, renovation of houses, workmanship. The activities losing momentum and people during the recent years were work at home (workmanship, cardboard objects, and envelopes) and radio-TV repairing.

The cooperative bonds were thought by the law-maker as a means of financing through MIDBANK (ban of the craftsmen cooperatives), but never actually existed because they run higher risks than the bank loans (lack of transparency as to who owns them and of the possible access to the group of creditors).

Atcom tried to access European funds through POS-CCE; some cooperatives actually succeeded to take European funds. The foundation *Arts and crafts* of UCECOM accessed European funds. In Călărași, the idea is that the same investments can be done with less money.

The social activities are still possible if the cooperation goes well. They are considered to be needed more than ever. The social destinations of the economic activity of the cooperatives are managed by the Social Council as follows: schools of arts and crafts, allocations for the children of the cooperative members, activities for the retired cooperative members, organisation of special events and trips. At least three times a year they organise a dinner for the cooperative members.

At least 15% of the profit is redirected through the Social Council of the cooperative system towards funeral aid, disease aid, food donations for the kindergartens (Lehliu), the Days of the Pensioners (160-170 food packs for the retired cooperative members). The prospective social projects include the construction of social dwellings and houses for the children. Presently, the most important project is the economic and social centre: canteen (social meals), club. “We pass through life, and it is important what remains after us”.

The operation of the cooperative relies on a specific decision-making mechanism. When the human activity is to be administrated, generally “controlling economically, you control everything”, says Atcom president. The usual practice in the cooperative system is “one man, one vote” („Borcea” Cooperative Călărași) or the vote according to the social shares. The second formula is more adapted to the need for management, to the practice situations and to people’s availability for the social. Overall, the atmosphere is completely different than in a firm because there also are indivisible shares. The operation mechanism raised problems in the relation with the banks and with the business partners because of the large and unpredictable structure of the management in the case of “one man, one vote”. If there are some cooperative members who own a significant proportion of the social shares, which

joined can make up the control package, then the business partners know clearly who the interlocutors whom they can trust are.

Currently, Law no. 1/2005 clarified the system of member property, but the basic regulations of the cooperative systems are those from 1877. The most important aspect was the legal system of property. When the state enterprises were bought, the patrimony was sold for money. In the case of the cooperative system, only the right to utilization was granted. Therefore, they can be left without the built area they are operating from because the land belongs to the state. The Local Council can make a claim or there may be legal actions of old owners claiming the lands, which is discriminatory. The consumption cooperatives have been most affected and patrimonial litigations appeared. Compared to the consumption cooperatives, the craftsmen cooperatives had a lower number of cooperative members, but they were more cohesive. The patrimony of the craftsmen cooperatives was much smaller than that of the consumption cooperatives, hence less temptation for a deficient management and an advantage on the side of competencies, aptitudes.

Law no. 346/2004 allowed the cooperatives access to the state support like the SMEs. "Some cooperatives in the country used these opportunities, but here in Călărași there is no need", said Atcom president. The state aids were professional insertion of the young graduates, facilitate the relation with the bank and employment of the people aged 46+.

The main advantages of the quality of member of the National Union of the Craftsmen Cooperatives (UCECOM) are the inter-human relations, the existence of a space of business contacts, the exchange of information and knowing business opportunities.

For the next 15 years, the cooperative system is seen to expand and to consolidate in Călărași. The main projects are building a kindergarten, a social centre for the retired cooperative members and a district of social dwellings. "In cooperation, he who comes in and fits in and sees the good parts, he remains". It is important to grow, to educate in the spirit of helping your neighbour: "from your birth to your death you need cooperatives", considers Atcom president. One challenge that remains is the image of "communism", of obsolete economic structure, which the authorities, the fiscal bodies, particularly have about the cooperative system. The term being "communist", the cooperation turned undesirable, "with an image of improper, miserable and small areas, but the reality is the opposite".

After the transition, the *credit cooperatives* turned into *cooperative banks*. The only such entity in Călărași County is the *Cooperative bank „Record” Călărași*.

The history of the cooperative banking activity starts from the cooperative principle of the formation of patrimony with the support of the cooperative members, according to

the individual economic power. Irrespective of the value of the social shares equivalent to this contribution, the right to vote is just one: one man, one vote. The credit cooperatives were established to facilitate the payments to the consumption cooperatives, being coordinated by a county house, which was cooperating with the county house of the consumption cooperatives.

The consumption cooperatives were a force in terms of patrimony and territorial coverage. The system collapsed in 1990 when the assets of the consumption cooperatives (buildings, lands, storage facilities etc.) were merged with the credit part, with the liquidities of the county houses of the consumption cooperatives within the banking unit Bankcoop. This action was sanctioned by the common Law 109/1996 of the consumption and credit cooperatives. When Bankcoop went bankrupt, all the patrimony was lost and now there are legal actions in progress aiming to recover the losses and debits which were formed at that time.

At the end of the decade, the so-called people's banks appeared; although they claimed to be credit cooperatives, they had nothing in common with the cooperative system. These banks failed and their operation was severely regulated by BNR, but only after they failed. Only the credit cooperatives turned into cooperative banks. The "people's banks" have nothing in common with the cooperative system, but the negative image which they left behind is associated by some people to the cooperative banks.

The new legal framework was regulated by OUG no. 99/2000 concerning the organisation of the credit cooperatives and updated during the pre-accession period by Law no. 200/2002, which established a banking-type organisation.

The general assembly of the cooperative banks is the leading body; it consists of all the cooperative members, on the principle "one man, one vote", irrespective of how many social shares that person has. The general assembly chooses a board of administration consisting of an odd number of people, each member having an adequate professional training. The board of administration appoints the executive management led by a general director.

Each bank has legal personality, but in order to function it needs to join a network. The only authorised network is Creditcoop, although there have been several other attempts. This is the only banking entity with variable social capital (this reflects the cooperative specificity), being the 7th banking entity nationwide in terms of assets. The cooperative banks from each two-three counties are coordinated by a Creditcoop Agency.

In 2000, there were about 1,100 credit cooperatives; in early 2004 there were 734; in April 2004, 129 and just 51 presently. Due to the stricter regulations of BNR, the credit cooperatives joined by merging or absorption and produced larger entities. The

most recent such regulation is OUG no. 99/2006 regarding the operation of the credit institutions and capital adequacy, approved by the Parliament by Law no. 227/2007.

The cooperative bank „Record” Călărași has a membership of over 16,500 and it covers Călărași and Ialomița Counties. It has four agencies: Călărași, Oltenița, Jegălia and Căzănești (Ialomița). The current cooperative bank was established by absorption of the other banks by the cooperative bank „Record” Jegălia. The organisation is pyramidal, starting from the work points, which have at least a referent and a pay-desk operator. The top of the pyramid is the general assembly, which appoints a board of administration consisting of five members and an executive management with two directors (general director and deputy director).

The crediting activity focuses on short-term and medium-term credits for personal needs (repairs, vacations, studies) up to 20,000 lei. Practically, the bank covers a niche which the large banks with foreign capital are not interested in: provide services in the rural area for low value personal needs.

There are staffs of 90, with two departments at the headquarters (accounting and crediting, with credit analysis and administration-monitoring). Other departments are: internal audit, IT, database, legal office and administrative office. The activity is fully computerized, the communication with the headquarters and with the agencies being secured. The cooperative bank Record is ranked among the top 10 members of Creditcoop.

The cooperative specificity results from the following aspects:

- No fees for early reimbursement;
- There are payment facilities;
- Attractive interest rate for the deposits; there is no obligation to make a deposit in order to become cooperative member;
- Fair interest rate for the loans;
- No exposure to the special clients (employees, leadership of the bank).

The bank provides aids to the rural schools for special events, various goods, Christmas celebration (in partnership with the local business environment). The vision of the bank starts from the awareness of being responsible towards the people and leaving something behind.

The weakness of the cooperative banks is seen by the president of the bank as the lack of homogeneity at the national level. The flow of funds is not very high in Romania. Unlike this, in Austria and Hungary, the cooperative banking system has a good image and it is supported by the state, built on a strong tradition. The Austrian example with Raiffeisen and Volksbank is a success story.

The *County Union of the Consumption Cooperatives Călărași* is not a significant economic entity. Its archive is in Borcea commune. The patrimony of the cooperative has been seriously affected during the transition period, by the exposure to Bankcoop and by the deficient management. The patrimony assets have been sold or are left derelict. A small part remained, and the Union subsists from the rents it cashes.

2. The mutual organisations – the houses of mutual aid (CAR)

The *County Union of the Employees Mutual Aid Houses (CAR)* has been operating since since 1949. In 1990, right after the revolution, there were more than 100 employee CAR units (the highest value was 120 units). Presently, 33 still are active. The value of their assets exceeds 6 million lei at the county level. The organisation is affiliated to the National Union of the Employee Houses of Aid (CAR) Bucharest. The strongest Union nationwide is that from Hunedoara County. Generally, the strongest county unions are those from the urbanised areas, with many employees.

The strongest CAR unit of the member organisations are:

1. CAR education..... 1,190 members.... 1,004,473 lei (October 2009)
2. CAR Hospital708 members..... 732,000 lei
3. CAR Consid..... 470 members.

For comparison, the CAR unit of the employees from Călărași metal works complex had 4,000 members before 1989. According to the president of the CAR system was caused by the loss of jobs. Presently, the location of the offices is like “each one where he can”.

The credit conditions are favourable, with DAE 10-12%, maxim 14%. The monthly subscription ranges from 10 to 50 lei. 90% of the loans are on the short-term, or to solve current personal problems. The borrowed amounts usually are of 2-3000 lei.

UJCAR president considers that “if the politic and the banks don’t interfere, if they let us be, we are doing just fine”. The weak spot of the CAR is that “we cannot capitalise because of the low interest”. If there would be more jobs, the employee CAR would develop. The company owners also show reticence to the existence of some CAR units.

It is important that the CAR don’t receive the bank status, so they remain non-profit and don’t pay profit tax. A supportive measure would be to make deposits with money from the employee. If the company owners don’t want CAR, the3y should be obliged to have a CAR unit when the staff is 50+. The company owners complain that the staff fluctuation is too large and they don’t want to complicate further, they

don't realise the social impact. Some hearty owners understand the usefulness of the CAR.

The Pensioners House of Mutual Aid (CARP) Călărași has been established in 1952 with just 36 members. It currently has 6,562 members, 5 employees and 15 collaborators (cashiers). 90% of the members have monthly pensions below 500 lei. They only need the pension card to be accepted in the CAR. The location is owned by CARP, at the ground floor of an apartment block. They are building an appendix with the support of the Local Council. The organisation is affiliated to the National CARP Union and receives non-reimbursable assistance from the General Union of the Pensioners.

The leadership consists of the general assembly and of the board of directors appointed by the general assembly. The board includes the president, the vice-president and 3 counsellors (from the Red Cross and from the pensioner organisations). The incomes come from the monthly subscriptions and deposits to the fund. The monthly subscriptions amount to 1% of the monthly pension. The interest rate for the deposit is 8-10% and 10% for the credit. The profit is distributed to the members as non-reimbursable aid supplemented with a contribution from the Union of the Pensioners. The borrowed amounts vary between 300-700 lei with an average of about 1,600 lei. The total borrowed amount is 750,000 lei. The fund circulated by CARP amounts to 3.7 million lei, being the strongest CAR in Călărași County. There are no special problems with the recovery of the debts thanks to a contract with the County House of Pensions. CARP also has other economic activities such as hairdresser and hair stylist, some locations which can be rented at CARP Oltenița; they cash income from the services supplied to non-CARP members, to the Club of Pensioners and from renting a mortuary car.

The social activities include the financial aid in case of death and reimbursement of 20 lei from the treatment tickets. The members can use mortuary car for free. The cultural activities include quire, dancing, cultural exchanges with Silistra, CARP library, trips to monasteries.

The organisation collaborates with the local church administration, which offers the hall for general assemblies, exhibition areas, cultural actions (shows), with the local authorities who provide different areas (local council) and funds (county council). The retired lawyers provide legal counselling.

3. Non-profit organisations

„Bethany House” Romania, the main NGO accredited as supplier of social assistance services in Călărași County was established in 2000; it is a family-type house which harbours 12 children. The service is accredited and it is inspected regularly by the

Social Inspectorate. There is only one permanent employee (social worker), aided by 6 volunteers, up to the age of 36, mainly women, but men too. There was an intention to provide services for the elder too, but the first attempt failed. In Ciocănești commune there is a small farm where the young with disabilities work after the age of 18 when they leave the system and a shelter offered as donation. The farm has 600 poultry, calves and pigs and is aimed to support the social activity.

The organisation has no connection with the strong Bethany Foundation, which is active in Bucharest and Cluj. The coincidence of name comes from Bethania church from Chicago, where the husband of the founder, Daniela Pierce is parishioner. The organisation relies on the contributions sent from the USA by Bethania church parishioners.

The main partners of the foundation are DGASPC which informs on the cases of children who need shelter or of poor families in need of aid; CCAPC – Council of Support for the School Education, which provides support for the children of school age in the form of free services provided by a psycho-pedagogue, Association „Noi Orizonturi”, which is not accredited as supplier of social services, but which provides services of kindergarten with special program which also receives children with disabilities, kindergarten 3, „Amicii” Călărași, which provides gifts for the children when they attend artistic events, and „Agora”, organisation for the adult handicapped from Călărași.

According to the social worker, the work is very difficult because of the dependence on the foreign sponsorships and volunteers' goodwill. Given the economic situation from the USA, the sponsorships decreased significantly. A point of support is the farm from Ciocănești, which is confronted, however, with a lack of manpower. The greatest satisfactions come from the young aged 18 who go to higher education. A special situation, which DGAPSC too, mentioned is the juvenile delinquency of the children coming from marginalized families.

The representative organisations of the pensioners joined in the County Council of the Elder, in May 2004. There are two pensioner unions, two war veterans' organisations, CARP, an association of the retired military. They represent about 15,000 members. Each organisation has its own headquarters.

The Council is affiliated to the National Federation of the Pensioner Unions from Romania, to „Unirea” Federation of the Pensioners, to the National Union of the War Veterans, to the National Association of the Retired Military „Alexandru Ioan Cuza”.

The incomes come from monthly subscriptions (for the unions), money from the National Council of the Elder to pay the phone subscriptions and, before the crisis, 400-450 lei quarterly for the office supplies; it also receives sponsorships from political parties (organisation of election meetings with all the candidates) and from

the business environment; the sponsorships amounted to 20,000 lei over the last 5 years, as donations from the town hall.

The main activities include:

- Renovation of the homes for the elder; it was done at the initiative of the pensioners, with the support of the Local Council and of the Prefecture. The first home was put into use in 2008 in Oltenița, with 28 de places. Other homes which followed were in Unirea commune, in Vâlcele commune and in Călărași, with a total of 85 places. This project received funds from the Ministry of Labour too;
- Social centre (initiated project); the idea of the project was to use the former military camp from Călărași as home for the elder, a section of geriatrics, a medical-social unit, with support from the town hall and the Local Council, Prefecture, the County Council. The army agreed to donate the land and the buildings. Support is sought from the Foundation Civic Action Bucharest, to set up a micro farm too;
- Two medical-social units in Călărași and Oltenița, with 20 places each, to ease the hospitals in winter. They were built with funds from the County Council;
- The day care social centre; an investment of 23,000 euro through the Foundation Civic Action, on the location provided by the town hall, with the right of use through CARP, where cultural, sportive, dancing events are organised;
- The social events organised with the support of Călărași town hall: National Day of the Elder (October 1), the Golden Marriage. The main partners are from the public sector (Local Council, County Council, County Directorate for Labour and Social Protection) and from the private economy (SC of home medical services „Brotac Center”, SC „Prefab” Călărași – Marian Miluț) and „Atcom” – Craftsmen Cooperative Călărași.

4. Forms of social economy in the rural areas

Călărași County has over 60% of the population in the rural areas. The relief and climate conditions favoured the large agricultural exploitations and the formation of strong agricultural societies. Such an example is the *commune Independența*.

General data about the locality

Independența commune consists of three villages: Independența (former Coadele), Potcoava and Vișinii (former Fleva). Located in the south of Călărași County, the commune is at the contact area of Bărăgan Plane and the Danube Valley. The

commune is located some 16 km west-north-west from Călărași municipality, capital of the county, and at about 40 km from the railway station Lehliu-Gară. The villages of Independența and Potcoava are located on the communal road 23 (the former DN 3 Călărași-București, between Vlad Țepeș and east of Independența). By modernization, DN 3 București-Călărași crosses the territory of the commune, through Vișinii village, at about 3 km of the northern limit of Independența village.

Independența village is located at the eastern boundary of the second terrace of the Danube, which the population call *coast*, beyond which the Bărăgan Plane starts. Both the river lagoon Gălățui, and its northern part – Potcoava Lake – are located on the lower reaches of Valea Berza. The lake has at one end Potcoavele village, while it's other end – Coadele Lake and valley, 4 km long. The two villages are about 3 km apart, and towards north-east, 2 further km away, is the third village of the commune, Vișinii.

The commune was completely cooperativized. After 1989, two agricultural societies were established, one with cu 1,500 ha and the other with 6-700 ha. The first one started from the former CAP, and the second from the former SMA.

About the inhabitants of the commune

They can be characterized as being “circumstantially diligent”. In 1877-1893, the land of this area was given in the property of the people living around Bucharest, among whom the soldiers who participated in the Independence War and their inheritors. As human relations, the dominant forms were the aid based on reciprocity, kinship and even the disinterested aid. After 1990, the human relations deteriorated: the “land discord” appeared. The church has credibility, but no one knows whether it will still have it in a generation or so.

Forms of social economy

The commune had a consumption cooperative: hairdresser, carpenter, repairs, and show. Because of the bad management, the consumption cooperative almost disappeared. It is surviving from rents for the built space that can still be used. Only the agricultural form of cooperation thrived in the form of agricultural societies.

The local agricultural society

After the CAP was closed down, new agricultural societies emerged. This relied on the trust generated by the operation of the dairy farm in 1990. The cows from the dairy farm had a much higher production of milk than the cows of the people from

other villages. They have been fed and managed properly by the first and current mayor and director of the association, who was veterinary agent at that time.

The agricultural society was established with 5-600 founding associates and currently has 1,625 associates due to the inheritances. The patrimony consists of an administrative building (former CAP headquarters), bakery, storage facilities, sanitary-veterinary filter, storage platforms, and agricultural equipment. It uses 2,105 ha of land for agricultural crops and raises 284 cattle.

The society is managed by a board of administration consisting of seven people appointed by the general assembly. About 60% of the village population is included in the association. The general assembly decided that the profit is to be shared as follows: 22.6% dividends for the associates, 7% bonuses for the employees and 70% investments.

The economic situation of the association is evaluated as good, with investments from own funds amounting to 700,000 lei. Presently, the context is unfavourable, with low prices for the cereal crops and delayed payments by the state. They started with 1,500 ha and now they operate on 2,100 ha. A larger area would be difficult to monitor and cultivate, generating problems of profitability. The society accessed SAPARD funds, expecting that the FADR funds will work faster, simpler, due to the experience. Reality, however, is the opposite. There are a lot of changes in the regulations and heavy procedures.

The social activities include: organisation of popular celebrations, funeral aid, and support to the church, support for the associates when they need and machinery or tools for own activities. The prosperity of the association provides a framework for social activities, as full member of the society.

“In the beginning I thought it will not work out and that they will withdraw the land”, confessed the mayor of the commune, who also is administrator of the society. “The best for of agricultural exploitation is the agricultural society, if the management is performing”. “If the profit remains at the tenants, to the social shares, it remains with the people”. On the other hand, the operation of an association is difficult because it requires cooperation, trust.

In Călărași County there are seven agricultural cooperatives. The *Fisheries Cooperative Jirlău* has the largest membership. The other agricultural cooperatives have a maximum of 15 members. Usually, they were established in order to obtain financing from the public funds, domestic or foreign, for agriculture, but they are not particularly successful.

The *Fisheries Cooperative Jirlău* has been established on January 31, 2006, with 43 founding members, based on Law no. 501. The promoter of the association was Meleacă Constantin, 75, former head of section at Piscicola” Călărași. Each member

deposited a social share worth 200 lei. The leadership has a 2 years warranted, as single administrator.

The association exploits the Danube between km 345 and km 374.5. They are using 22 licensed boats. The catch is sold in Bucharest, but the delivery is difficult. The economic results are divided according to the production. The associate members pay a fee; the balance of payments is done according to the amount. As patrimony, the association only owns the dock, where the fish is sold.

According to the administrators, the crisis is felt there too, being the most difficult year in terms of sales. For the future they consider having their shop, but for the time being there are no funds. They didn't receive or try to get forms of support because of the financial requirements. The social forms of mutual help are limited to the financial aid in case of death or sickness.

5. Other forms of social economy

The minor forms of social economy in Călărași County are represented by (1) protected workshops and (2) support from the financial organisations for social activities.

There are two protected workshops: SC MDE CONVERTING SRL and SC 83 HAG SRL. Both employ up to 20 people with disabilities and don't have any institutional relations with DGASPC Călărași.

As examples of the business environment involvement in social activities, the president of Chamber of Commerce pointed to the social partnerships, but no more than 1,000 euro, irrespective of the beneficiary, merit scholarship for the high school children, aid for the county hospital, support for the young people using skateboards and environmental initiatives.

Perceptions regarding the term of social economy

Three types of reactions can be identified in relation with the term of social economy:

1. „never heard or heard something very vaguely; can't tell you what it is”;
2. Association with something else, imprecisely anchored in the social as aid to the fellow people;
3. Partial understanding of the term.

Most reaction fit within the first category. The representatives of the Chamber of Commerce, of the NGOs, of the CAR organisations, of the Fisheries cooperatives never heard of this term, or maybe vaguely, but anyhow can't tell what it is. A

common element may be the remoteness from an institutional source which plays a role of disseminating the term.

The reaction of association with something else was noticed in intellectual people from the top leadership of their organisations. The directors from AJOFM, DGASPC and of the Cooperative Bank vaguely located the term towards the social area. For some, the term of social economy evokes the post-war idea of the German type of social market economy; therefore, the welfare state model, with the right to a job which to allow a decent living. Another variant looks towards the good practices in the public sector and a proper financing of the social programs. "By definition, it would be the general state of our fellows, including public institutions, public services. The social problem, we create it ourselves. The deficient territorial organization of the public sector, the parallelisms, the bureaucracy, the lack of good practices, make more difficult the process by which we can help each other socially, by which we might have the financial power for it. In Romania, the politic is very important, due to the lack of predictability". Sometimes even confusions appeared, such as between the social economy and saving within a mutual system.

Finally, the reaction of, at least, partial understanding of the term, we met in the persons who were in contact with the institutions which were disseminating the term. The two situations are: the coordinator of the Commission of Social Dialogue of the Prefecture, who participated in a seminary on social and social economy problems, in Greece, attended by local experts; the second situation was when the president of Atcom attended UCECOM reunions. According to him, the term has been used by UCECOM, CCIR, and CES. The term would include the cooperatives of any kind, the CAR due to the elements of mutual aid, by the human relations. Only the social part of the cooperatives would belong to the social economy. In the social economy/cooperatives, he sees an "alternative to the capitalism" and it depends on the future whether we are going towards a social, Brazilian (subsistence) type of cooperation, or towards a German, west-European model of combining the social economy with the profit.

Also here I would also include the idea of the mayor from Independența, who I would name critique-lucid attitude: "It is hard to say how it is. Essentially, they are things from before 1989. You change the terms, you don't change the things". Within the context, it was about associative forms of economic activity which also had a supportive social role for their members.

Conclusions

- (1) The unsatisfactory level of social problems knowledge, of the size and territorial dispersion of the groups with risk of social exclusion. The public institutions from the sphere of the social policies are too little connected with the social groups

which they should care for, at least at each individual level, not at the global, county level, or at least partially. As the people from the Prefecture were saying, there is no social map of the county. This is despite the effort of institutional construction and post-accession, but it is significant for the small counties, with little economic power, mainly rural. The projects of institutional construction by which the external partners benefit of the financing are an undesirable possibility.

- (2) The existence of very few NGOs or protected workshops. This is not necessarily a negative thing, because there are no premises of sustainability without an economic activity of that particular organisation. In a poor county, the externalization and thereafter the effect of the unpredictable and precarious public financing are not true resources for social inclusion.
- (3) Somehow surprising is the existence of some older, pre-communist, forms of economic organisation, which survived the objective conditions and/or management problems during the transition. These entities – the craftsmen and banking cooperatives – have potential, but also a “communist” image of obsolete institutions. The first ensures professional insertion based on competencies and aptitudes; the second may be a source of micro-credits. Both have social and democratic vocation in decision-making, close to the ideal type of the social economy and they deserve a chance.
- (4) The success of the agricultural forms of association. A visible prosperity (at least as perception) is higher than in the case of tenants or, even more categorical, in the case of land restitution. This would be an opportunity for the rural population, but it has specific challenges.
- (5) Reticence regarding the European funds. The reasons pertain to the perception of bureaucracy, or heavy procedures, so that it is not worth the effort. Then structural funds are really necessary within an economic-social environment with such needs, and the failure of absorption in these cases would be a significant failure of the post-accession, from this point of view.